

# MAKING THE GLOBAL FINANCIAL SYSTEM WORK FOR ALL



## OVERVIEW

Report of the  
G20 Eminent Persons Group  
on Global Financial Governance



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*October 2018*





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## FOREWORD

### WHY THE NEED FOR REFORM?

We were asked by the G20 Finance Ministers and Central Bank Governors in April 2017 to recommend reforms to the global financial architecture and governance of the system of International Financial Institutions (IFIs),<sup>1</sup> so as to promote economic stability and sustainable growth in a new global era; and to consider how the G20 could better provide continued leadership and support for these goals.<sup>2</sup>

At the heart of our review is the future of the open and competitive world order that has brought a large part of humanity out of poverty, raised living standards across nations, and provided the foundation for unprecedented global peace over the last 70 years. That open order remains critical to every nation's future. But the system of international governance and cooperation that underpins it is fraying. Left on its own, there is a real risk of drift into a fragmented world, with policies in different parts of the world working at odds with rather than reinforcing each other, and with all nations ending up losing.

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***Our central challenge is to create a cooperative international order for a world that has changed irreversibly: one that is more multipolar and decentralized in decisions, yet more interconnected.***  
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in decisions, yet more interconnected, and with challenges ahead that are much larger and more pressing than we have seen in decades.

We cannot return to the past. Our central challenge is to create a cooperative international order for a world that has changed irreversibly: one that is more multipolar and decentralized

Getting national policies right is at the core of achieving inclusive societies and mutual prosperity. But international and national initiatives should reinforce each other in a way that creates a stronger future for all. An open, competitive and well-coordinated international order will enable win-win outcomes for nations. Its weakening will lead to lose-lose outcomes, as global growth and opportunities for new jobs are eroded over time, and as financial stability and the global commons become more fragile. Equally, cooperative internationalism will survive only if it helps the broad base of nations achieve inclusive growth.

The reforms that we propose in our report strengthen and add resilience to global financial governance for this new, cooperative international order. The present system lacks the coherence, joint capacity and effectiveness to support its most fundamental goals in global development and financial stability. It must be brought up to date with the realities of a new era.

We can achieve this by implementing decisive reforms to make the system work as a system. These reforms are within our reach.

They do not require new international bodies. They instead require that we take bold and defined steps to ensure that today's institutions – global, regional and bilateral – work together as a system. They require that we build trust and transparency among these different institutions, and leverage their combined strengths, so that the system as a whole delivers greater and more lasting development impact and reduces the frequency and damage of crises.

Our proposals build on various reforms that had been underway among the IFIs, and seek to take them further. But they also require a much greater sense of urgency and recognition among

- 1 The IFIs refer to the IMF and the Multilateral Development Banks, comprising AfDB, ADB, AIIB, EBRD, EIB, IDB, IsDB, NDB and the World Bank Group.
- 2 Information about the G20 Eminent Persons Group on Global Financial Governance and its terms of reference can be found at the end of this report.
- 3 Over the last 15 months, the Group had eight plenaries and extensive interactions in between.

their shareholders of the need for consistency and joined-up efforts among the IFIs and all other stakeholders so we raise our whole game.

We need a step change in the pace and scale of reforms to enable the growth, job opportunities and sustainability that are critically needed in the next decade. The consequences of failure will not be simply economic. We also need further reforms to avert major, systemic crises; and to make it possible for developing countries to finance sustainable current account deficits, where they are fundamentally needed at their stage of development, without the recurring bouts of instability that set back growth.

As an Eminent Persons Group, our task was to provide an independent assessment of the changes needed. We focused especially on system-wide reforms, rather than those in individual institutions. Our mandate also excluded issues to do with the capital and shareholding structures of the IFIs, which we believe are of central importance but are covered by other ongoing reviews in the G20 and the IFIs.

Importantly, we were guided by the request that our proposals could be acted upon by the G20 and the IFIs in coordination with the other bodies integral to the international monetary and financial

system. In this regard, besides drawing on our Group's collective experience in policy-making, our discussions benefited greatly from consultations with a broad range of national authorities, the IFIs, many other thought leaders from civil society, think tanks, academia and philanthropies, and private sector experts. These diverse interactions helped us arrive at proposals which we believe can be implemented within a reasonable time-frame, but which taken together should have a transformational impact.

The ambition is in the doing. Some of the reforms should be early wins in international coordination. Most are achievable within a few years, with focused effort. Some others go beyond current thinking. We urge that they be considered with an open mind, and developed further or adapted if necessary to enable their implementation.

We have deliberated intensively as a Group,<sup>3</sup> supported by our very able Secretariat under the leadership of Siddharth Tiwari. We thank the G20 for the opportunity to review these important issues. We present our report with sober awareness of the challenges facing the international community, but also with hope for the collective resolve needed to take us into this new era of cooperative internationalism, with benefits for all.







## ACKNOWLEDGEMENTS

The Eminent Persons Group received valuable feedback from national authorities from a broad range of developing and advanced countries, and benefited from extensive consultations with the international financial institutions (IFIs). We also benefited from the contributions and perspectives of individuals with deep experience in national and international policy-making; thought leaders from civil society, academia, think tanks and philanthropic organizations; and private sector leaders and experts in infrastructure investment, financial technology and other areas.

The Group would like to thank all these organizations and individuals for their candid and constructive views, in discussions and written submissions. A list of contributions is in the Annex and on the website: [www.globalfinancialgovernance.org](http://www.globalfinancialgovernance.org)

The Group wishes to acknowledge the generous support from the Bank of England, Banque de France, Deutsche Bundesbank, the Federal Reserve Bank of New York, and the Hoover Institution, Stanford University for hosting some of its meetings.

# KEY THRUSTS

The next decade is critical.

We need substantially greater impact in helping countries achieve sustainable development and inclusive growth, and in managing the growing pressures in the global commons. The current pace of change will not get us there.

We need bolder reforms to harness complementarities and synergies in the development system:

- Refocus IFIs' efforts to help countries strengthen governance capacity and human capital, as the foundation for an attractive investment climate, job creation, and social stability.
- Exploit the largely untapped potential for collaboration among the IFIs as well as with other development partners to maximize their contributions as a group, including by convergence around core standards.
- Embark on system-wide insurance and diversification of risk, to create a large-scale asset class and mobilize significantly greater private sector participation.
- Strengthen joint capacity to tackle the challenges of the commons.

We must also leverage more actively on the work of the non-official sector, including NGOs and philanthropies.

## I. ACHIEVING GREATER DEVELOPMENT IMPACT: COLLABORATING ACROSS THE SYSTEM

## II. SECURING THE BENEFITS OF INTERCONNECTED FINANCIAL MARKETS: REFORMS FOR GLOBAL FINANCIAL RESILIENCE

A decade after the global financial crisis, further reforms are needed to reduce the bouts of instability that set back growth, to keep countries on the path toward openness and to avert another major crisis.

First, to get the full benefits of cross-border capital flows by strengthening support for countries in building deeper domestic financial markets; and developing and evolving a framework of policy guidance that:

- Enables countries to utilize international capital flows without risks arising from excessive market volatility.
- Enables domestic objectives to be achieved in sending countries while avoiding major spillovers.

Second, to create a more robust, integrated system of risk surveillance of a complex, interconnected global financial system, and systematically incorporate contrarian views.

Third, to create a strong and more reliable global financial safety net by stitching together its fragmented layers.

The role of the G20 in the global financial architecture should be reset. It should focus on developing political consensus on key strategic issues and crisis response. This requires freeing up space from its current crowded agenda and devolving work to the IFIs.

We need governance to ensure that the system works as a system:

- Implementing the system-wide reorientation in development finance. A G20-led group, including key non-G20 stakeholders, should steer these shifts over the next three years, before handing the coordinating role to the IFI Heads. This should include achieving complementarity among multiple institutions (multilateral, regional and bilateral), and establishing a clear system of metrics to track impact and value for money.
- Addressing development challenges early. A biennial strategic dialogue, building on existing IFI fora, should bring together the IFIs and other key stakeholders to identify future development risks before they create lasting damage, and assess the adequacy of collective responses.
- The governance reforms to foster global financial resilience require the IMF to play a key role, in interactions with other institutions integral to the international monetary and financial system, and with regular updates to the IMFC.

Governance reforms within the IFIs themselves should cut back on today's significant overlap between Board and Management responsibilities. They should enable Boards to focus more on strategic priorities, and empower and hold Management accountable for outcomes.

### III. THE G20 AND THE IFIs: MAKING THE SYSTEM WORK AS A SYSTEM





## OVERVIEW<sup>4</sup>

### A. Building a Cooperative International Order for a New Era

We are at a critical juncture. Our fundamental challenge is to build **a cooperative international order suited to the 21<sup>st</sup> century: one that delivers win-win outcomes for nations in a multipolar world**. It is within our reach to do so. We otherwise face the prospect of fragmentation, and the steady weakening of our capacity to respond to the much larger national and collective challenges of the future.

Our realities today are very different from those of a few decades ago, and vastly reordered compared to when the Bretton Woods institutions were formed.

- **Domestic economic, social and political divides have widened in most advanced nations, undermining longstanding social compacts.** There have always been winners and losers in technological progress and international trade. But slower growth has accentuated these divides, and they have been left unaddressed for too long in too many countries. Trust in government and many other national institutions has declined. **These developments risk undermining support for international cooperation and an open world order.**
- A second, fundamental change has been the **steady and irreversible shift to a multipolar world**. This is the inevitable outcome of success through use of markets and greater openness, which both lifted global growth and led to convergence among nations in productivity and living standards – including a remarkable pace of catch-up among several emerging nations in the last three decades. We hence have new poles of global growth, more equal players and greater decentralization in international economic decision-making.
- Third, we however face a **challenge of unprecedented scale, urgency and complexity in the next decade** – especially in securing jobs and environmental and financial sustainability. The young populations that will enter the workforce – many in states with features of fragility – will be much larger than anything seen in past decades. So too the grave and multiple threats of environmental degradation, compounded by the growing risk of pandemics and other problems in the global commons.<sup>5</sup> Further, today more than ever before, we face a challenge of financial sustainability in a broad range of advanced and developing countries, due to the significant increases in public and private debts.

<sup>4</sup> This Overview provides the larger context and reasoning behind the Proposals developed in the full Report. It also provides a summary of the Proposals.

<sup>5</sup> The Sustainable Development Goals (SDGs) and the 2030 Agenda that the global community has coalesced around aim to address these multiple challenges in growth and development.

- Fourth, we live in a world much more **deeply connected by capital flows and ideas** today. Together with trade, they are powerful engines of growth everywhere. But the complexity and interconnectivity of financial markets pose challenges to stability that cannot be tackled by nations on their own.

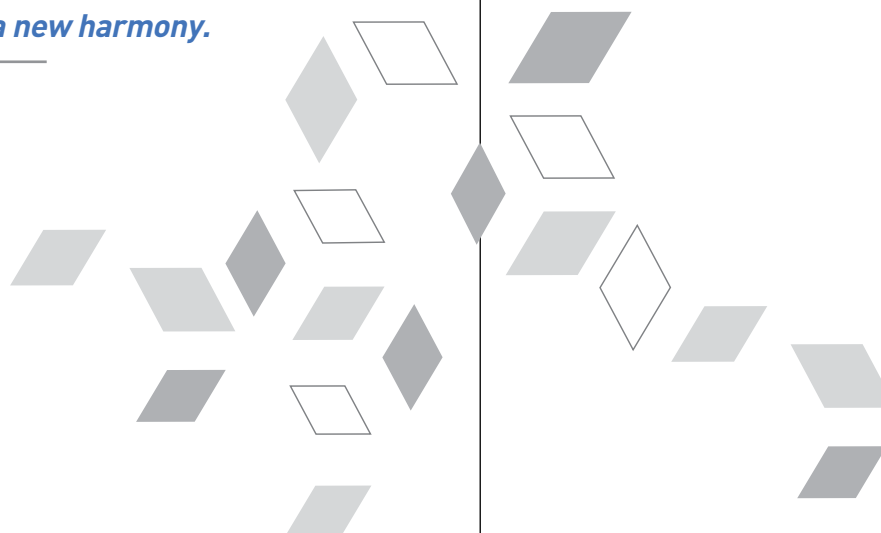
We need a credible and well-coordinated global financial architecture to meet the needs of a world that is **more decentralized in decisions, yet more interconnected, and more challenged in its future.**

**There is no going back to the old multilateralism.** There is no single conductor. There are already many more orchestras in play. The world needs a new harmony.

**The new multilateralism must make this decentralized system more resilient and much stronger than the sum of its parts.** We must leverage systematically on the strengths of the multilateral anchors, regional and bilateral institutions, and other key stakeholders that make up the system, and build trust and transparency amongst these different players. This new, cooperative international order must also help nations achieve more inclusive and sustainable growth, while enabling us to tackle collective challenges effectively.

**Getting national policies right is at the heart of achieving inclusive societies and mutual prosperity.** Most fundamentally, as the digital economy widens and advances in machine learning and big data gather pace, governments must help citizens equip themselves for the jobs of the future through both education and life-long learning. We must invest most urgently in skilling the large, youthful populations in developing nations, to avoid the prospect of new technologies derailing job creation and growth.

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However, the interplay of international and national initiatives is essential to a stronger future for all. There are several core roles for cooperation in the international monetary and financial system (IMFS), and for the international financial institutions (IFIs)<sup>6</sup>:

- To **promote mutually reinforcing policies between countries and minimize negative spillovers**. Policies aimed at growth and financial stability are most effective nationally when they are undertaken widely or coordinated internationally.<sup>7</sup> However, it is also in the nature of today's highly interconnected markets that policies in some economies may have negative spillovers on others or reduce their policy space. A framework is needed to mitigate such spillovers and their effects as much as possible. There is also a role for international commitments to avoid 'beggar-thy-neighbor' policies, which benefit one country at the expense of another.
- To **take full advantage of the unique roles of the IFIs as multipliers of development** – especially by institution-building and spreading policy knowhow, by helping governments improve the investment environment, and by mitigating risks to unlock private investment.
- To build joint capacity and coordinate actions to **avoid systemic financial crises, and tackle the growing challenges of the global commons**.

**There is hence no either-or choice between cooperative internationalism and national strategies to secure growth and financial stability.** An open, competitive and well-coordinated international order will enable win-win outcomes for nations. Its weakening will lead to lose-lose outcomes, as global growth and opportunities for new jobs are eroded over time, and as financial stability and the global commons become more fragile. Equally, cooperative internationalism will survive only if it helps the broad base of nations achieve inclusive growth.

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<sup>6</sup> The IFIs refer to the IMF and the Multilateral Development Banks, comprising the African Development Bank (AfDB), Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IDB), Islamic Development Bank (IsDB), New Development Bank (NDB) and the World Bank Group.

<sup>7</sup> For example, closer international cooperation on macro-economic policies during the Global Financial Crisis in 2008 was mutually reinforcing. Historically too, innovations and advances in productivity within nations have tended to feed into each other, and been a positive rather than zero-sum game.



The reforms that we propose in our report strengthen and add resilience to **global financial governance** for the cooperative international order that we believe is needed for a more decentralized and more challenged world. The reforms seek to **achieve significantly higher impact for sustainable and inclusive development**; to enable countries to preserve financial stability and **secure the benefits of interconnected financial markets**; and to focus governance on **making the system work as a system** rather than a set of individual agencies. We also propose **resetting the role of the G20 in the IMFS**, to free up space on its agenda for Ministers to focus on developing political consensus around the key strategic issues of the times and crisis responses.

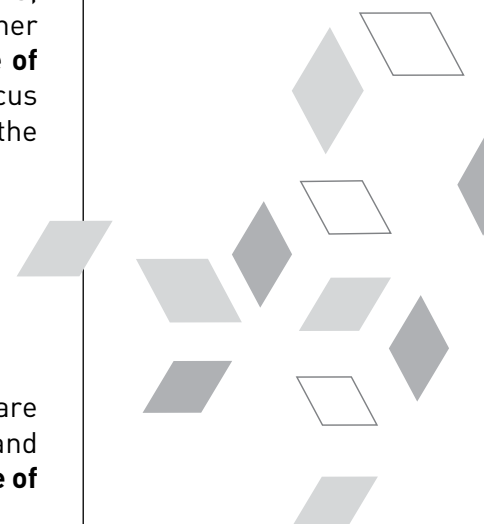
## B. Achieving Greater Development Impact: Collaborating Across the System

Bold and urgent reforms in development policies and financing are required to achieve the major step-up in growth, job opportunities and sustainability that the world needs in the next decade. **The current pace of reforms will not get us there.**

**The challenges are complex, because they are interlocking.** Conflict and insecurity, weak investment in human capital and infrastructure, and limited growth of jobs and incomes feed into each other. Environmental vulnerabilities and infectious disease threats, if not addressed, will also push large numbers into extreme poverty and forced migration. The required doubling of the world's infrastructure in the next 15 years to achieve the needed growth and jobs, highlights the risk of locking in unsustainable infrastructure for the much longer term. The interconnectedness of the system also means that success or failure in achieving sustainability in one part of the world will have profound effects on development prospects elsewhere.

There are at the same time major positives on the horizon. **A wave of entrepreneurship and innovation is sweeping across the developing world**, spreading into low-income countries too. Mobile technologies, cloud computing and e-commerce are opening up markets for small producers everywhere, improving productivity, and making finance more inclusive. Global health R&D, if sustained, also has the potential to deal with malaria and other major diseases, with important economic and social dividends. Technologies for urban management are enabling transport, utilities and other services to be provided in a more citizen-centered way.

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*To bend the arc of history, we must  
 succeed in Africa.*  
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**Reforms to tackle these challenges and maximize the potential of technologies and markets are needed in every continent. But to bend the arc of history, we must succeed in Africa,** where the poverty, demographic and environmental challenges are the largest – and so too the opportunities to contribute to world growth and the global commons. **The consequences of failure will not be simply economic.**

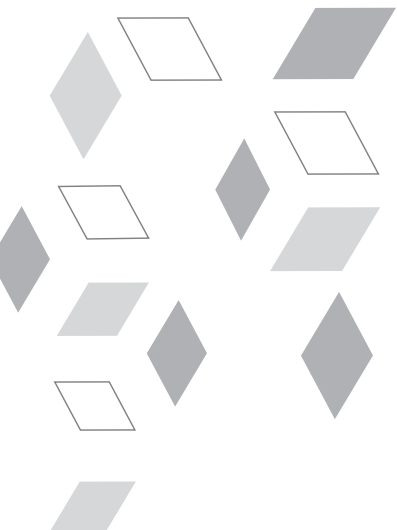
The magnitude of the development challenge will require **greater resources than before, from every source** – domestic savings and public revenues, and external financing from private, official and philanthropic sources. Even by conservative projections, the gap in infrastructure financing alone is well over US\$1 trillion annually. **This gap in financing must be closed,** to ensure the quality and scale of investments in economic and social infrastructure that will be critical in the next decade.

However, strategies to scale up development finance must also reckon with the **reality that public sector debts (including contingent liabilities) are reaching unsustainable levels in several developing countries.** The aspirations of the 2030 Development Agenda can be achieved only if financial stability is sustained. Primary reliance cannot be placed on sovereign loans to achieve development goals.

**Two key strategies therefore need much greater priority. First, to strengthen public finances and domestic resource mobilization.** There is significant potential to strengthen tax collection and reduce leakages through corruption and waste, at the levels of both central and local governments. These public resources underpin efforts to develop human capital and strengthen the investment climate. Together with efforts to build up local currency markets and stimulate domestic savings, they also provide the domestic financial resilience on which long-term investment depends. The international community must also support these national efforts by **closing opportunities for tax evasion and money laundering.**

**Second, it is equally clear that we must stimulate a much larger scale of private investment than has been achieved historically.** Given the significant increase in debt ratios in many countries, **much greater emphasis will have to be given to equity financing.** However, private investment in developing country infrastructure has so far been only a small fraction of its potential. On current initiatives, private funding is unlikely to scale up significantly, despite ample supply globally. **Investment risks, actual and perceived, remain too high** for all but the most specialized players, and the required returns are hence also too high for countries to bear. The market for infrastructure investments is too fragmented, and the tools to diversify project and country risks are limited.

**We must therefore organize the world's multilateral development capabilities and resources in a new way to tackle these challenges and achieve greater and more lasting development impact. There is much potential to be unlocked by governing the system as a system rather than as individual institutions.**



We have to **put risk at the center** of strategies to boost development finance, given the need for much larger volumes of private investment, and in particular equity financing. We must **maximize the IFIs' unique ability to help reduce and manage risk**:

- By helping countries to **de-risk their whole investment environment** (besides de-risking projects). The IFIs must collaborate to help countries take advantage of best practices in governance and regulation, and persist in reforms.
- By **pioneering investments in low-income countries and states with features of fragility**, in critical areas such as energy infrastructure, to reduce perceived risks and pave the way for private investments.
- By **mitigating risk** through instruments such as first-loss guarantees, and co-investments to catalyze private investment. Importantly, they must use their risk-mitigation tools to harness the **full potential of private investment in low-income countries** – not just in the middle-income countries where blended finance has so far been heavily concentrated.
- By **leveraging on the largely untapped potential to pool and diversify risks across the development finance system**, so as to create new asset classes for private investors.

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The scale and urgency of needs require decisive, **system-wide shifts**. We believe significantly greater development impact can be achieved by:

- **Refocusing on governance capacity and human capital.** Supporting countries' efforts in these areas will provide the critical foundations for an attractive investment climate, job creation and economic dynamism, and social stability, as decades of experience show.
  - Governance reform lasts only when it comes from within. But the IFIs, as trusted partners in the adoption of best practices and institutional innovations, have to work more closely together, and with countries' other development partners, to support enduring reforms.
  - The IFIs must also support governments in ensuring the broadest base in human capital development: providing equality of opportunity for all, regardless of gender, ethnicity and social backgrounds.

◀ **Proposal 1:**  
*Re-focus on governance capacity and human capital, as foundations for a stronger investment climate.*



► **Proposal 2:** Build effective country platforms to mobilize all development partners to unlock investments, and maximize their contributions as a group, including by convergence around core standards.

- **Joining up IFIs' operations**, as well as with those of other development partners, to enhance development impact:
  - Country platforms can be transformational in their impact. **Effective country platforms will maximize the contributions of development partners as a group and scale up private investments, including by convergence around core standards.**<sup>8</sup>
    - > A country platform must be owned by its government, encourage competition, and retain the government's flexibility to engage with the most suitable partners. However, transparency within the platform is essential to avoid zero-sum competition, such as through subsidies or lower standards.
    - > Coherent and complementary operations between development partners will help scale up private sector investment. The adoption of core standards can also lower the private sector's costs in working with a range of partners.
    - > Priority has to be given to linking up security, humanitarian and development efforts in states with features of fragility, working with UN agencies and other partners.
    - > Cooperation within the country platforms would enable rapid response in times of crisis.
    - > Cooperation at the country level should be supported by global platforms for IFIs to cooperate on key thematic issues such as sustainable infrastructure.

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**Country platforms can be transformational. They maximize the contributions of development partners as a group and scale up private investments.**  
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► **Proposal 3:** Implement regional platforms to facilitate transformational cross-border investments and connectivity.

- **Implement regional platforms to facilitate transformative cross-border infrastructure projects** that enable regional connectivity and open up new supply chains and markets.

8 This would be a set of five/six core development standards with appropriate sequencing for states with features of fragility. They could include debt sustainability, ESG standards, coherent pricing policies, local capacity building, procurement, and transparency and anti-corruption. As a pragmatic first step, the IFIs should agree to use each other's standards within a platform, which would enable early implementation and help provide a path towards consensus. Convergence towards core standards must be done in close collaboration with shareholders.

- **Multiplying private capital** by adopting **system-wide** approaches to risk insurance and securitization. Institutional investor participation in developing country infrastructure has so far been miniscule. The development of a standardized, large-scale asset class, that diversifies risk across the development finance system, will help mobilize this huge untapped pool of investments.

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 — ” —

- **Reassessing regulatory capital and other prudential norms for the Multilateral Development Banks (MDBs)**, as well as institutional investors in infrastructure<sup>9</sup>, based on the evidence of their default experience.

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*We must strengthen joint capacity to tackle challenges of the global commons.*  
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- **Strengthening joint capacity to tackle challenges of the global commons, through global platforms that bring together the players in each field** – coordinated by the designated UN guardian agency and the World Bank, which has the broadest reach amongst the MDBs. For specific commons, there will be Regional Development Banks (RDBs) and other stakeholders with significant capabilities that should play key roles.

◀ **Proposal 4:** Reduce and diversify risk on a system-wide basis to mobilize significantly greater private investment, including portfolio-based infrastructure financing.

**Proposal 4a:** Shift the basic business model of the MDBs from direct lending towards risk mitigation aimed at mobilizing private capital.

**Proposal 4b:** Develop system-wide political risk insurance and expand use of private reinsurance markets.

**Proposal 4c:** Build a developing country infrastructure asset class with the scale and diversification needed to draw in institutional investors.

◀ **Proposal 5:** ‘Right-size’ capital requirements for MDBs and other investors in infrastructure, given their default experience.

**Proposal 5a:** Establish tailor-made capital and liquidity frameworks for the MDBs.

**Proposal 5b:** Review the regulatory treatment of infrastructure investment by institutional investors.

◀ **Proposal 6:** Strengthen joint capacity to tackle the challenges of the global commons.

**Proposal 6a:** Integrate activities in support of the global commons into the IFIs’ core programs, and coordinate them within country platforms.

**Proposal 6b:** Create global platforms with the UN guardian agency and the World Bank coordinating and leveraging on the key players in each of the commons.

9 Institutional investors currently face some regulatory disincentives in investing in infrastructure.



► **Proposal 7:** *Integrate trust fund activities into MDBs' core operations to avoid fragmentation.*

► **Proposal 8:** *Plug shortfalls in data and research that hamper effective policymaking, especially in developing countries.*

► **Proposal 9:** *Leverage more systematically on the ideas and operating networks of business alliances, NGOs and philanthropies.*

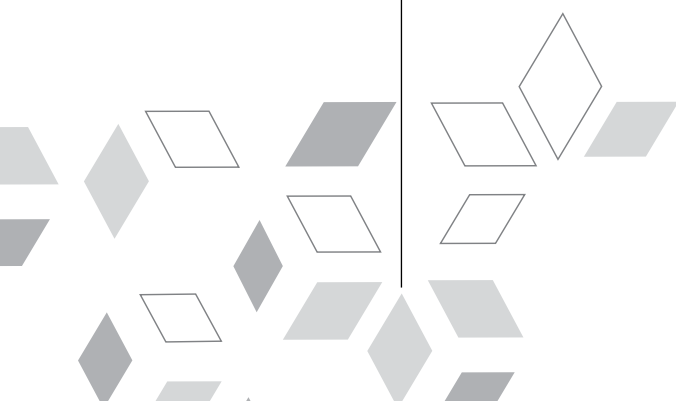
- **Mainstreaming activities in support of the global commons into IFIs' core country-based operations.** We must likewise **integrate trust fund activities with the MDBs' strategies and operations**, to avoid parallel structures that pose significant costs to efficiency and impact.
- **Investing in data and research** to support sound, evidence-based policies. Basic data still falls short in many developing countries. These are public goods in their own right. The International Monetary Fund (IMF) and World Bank should work with UN agencies and RDBs to strengthen efforts in these areas.
- **Achieving stronger synergies with business alliances, NGOs and philanthropies** so as to benefit from their on-the-ground perspectives, innovations and delivery capacity. The IFIs must work with governments to collaborate with and leverage on these actors more systematically, identifying key needs and providing space and co-funding where required so they can play their full roles.

These system-wide shifts will enable the international community to meet the vastly larger development needs of the future. **They will help mobilize private capital, which is a potential game-changer in development finance. However, private capital is unlikely to engage on the scale required without the involvement of the IFIs** – in project origination, risk participation, and staying engaged with governments on reforms.

While the G20 Eminent Persons Group's (EPG) mandate does not include making specific proposals to enhance the IFIs' capital bases, we underline the need for their official shareholders to review periodically the need for capital replenishments to ensure that they achieve their full potential in a world of growing challenges in development, growth and stability. The capital reviews must be supported by the reforms to the IFIs to ensure they can most effectively perform their roles as catalysts for private investment and multipliers of development. It is equally necessary for the effectiveness of the IFIs that their shareholding structures are updated regularly to reflect an evolving world economy.

## C. Securing the Benefits of Interconnected Financial Markets: Reforms for Global Financial Resilience

Governance of the IMFS should be focused on its most fundamental goals: **enabling countries to reach their full growth and development potential; and averting the damage caused by financial crises.**





The IMFS has been strengthened in important respects since the crisis, especially through more robust prudential regulations and standards. But the system still has features that lead to crises occurring too often – in individual countries or in groups of similar countries through contagion, or globally. Reforms are needed to **make it possible for developing countries to finance sustainable current account deficits, where they are fundamentally needed at their stage of development**, without the recurring bouts of instability that set back growth. Such reforms should support countries' own efforts to strengthen the environment for long-term, reliable flows of capital.

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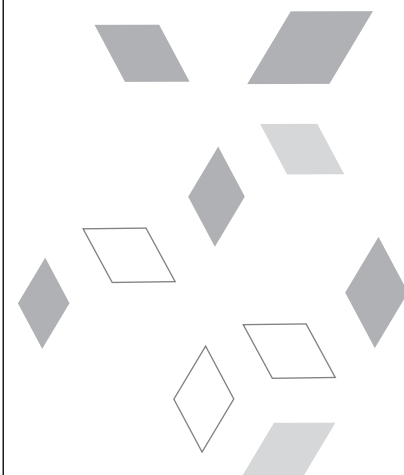
To achieve the fundamental goals of the IMFS, we must repair and strengthen three interdependent pillars of the system.

### **1. Getting the Benefits of International Capital Flows Without Risks Arising from Excessive Market Volatility**

Both domestic financial markets and cross-border investments have brought major benefits globally. There is considerable potential yet for the developing world to utilize them to finance investments and growth.

Countries with sound macroeconomic policies, reliable rule of law and deep domestic financial markets have been best able to benefit from openness to international capital. However, **even well-run economies are exposed to spillovers from policies in advanced countries and shifts in global risk sentiment in today's highly interconnected global financial markets**. Excessive volatility reduces the room for maneuver in policy-making, and can lead to responses that hurt growth, both nationally and regionally. Experience has also shown that countries will only remain on a path towards openness if they can manage episodes of excessive volatility in capital flows and exchange rates, and protect domestic financial stability.

This remains a vexing issue in the IMFS. However, **policy thinking on the issue has often been shaped by whether one sits in sending or receiving countries. We have to move beyond this.** A rules-based international framework, drawing on a comprehensive and evolving evidence base, is needed to provide policy advice through which countries seek to avoid policies with large spillovers, develop resilient markets, and benefit from capital flows while managing risks to financial stability.



► **Proposal 10:** *The IFI community should strengthen and accelerate efforts to help countries develop deep, resilient and inclusive domestic financial markets.*

► **Proposal 11:** *The IMF's framework of policy guidance should enable countries to move toward the long-run goal of openness to capital flows and to better manage the risks to financial stability.*

**Proposal 11a:**  
*Develop evidence-based policy options to enable countries to benefit from capital flows while maintaining financial stability, and to provide assurance to the markets that measures taken are appropriate.*

**Proposal 11b:**  
*Develop an understanding of policy options that enable sending countries to meet domestic objectives while avoiding large adverse international spillovers.*

Our proposals aim at **enabling countries to move towards openness as a long-term goal**, at a pace and sequence that enables them to preserve financial stability:

- The IMF, World Bank and RDBs should strengthen and coordinate their technical assistance and partnership with the national authorities to **deepen domestic financial markets**. Efforts should focus on policy frameworks, including the legal and regulatory infrastructure, for development of sound banking, capital markets and the domestic institutional investor base, macro-financial stability, and financial inclusivity.
- **The IMF should evolve and extend its Institutional View to enable countries to benefit from capital flows while managing risks to financial stability.** It should involve a reliable assessment of a receiving country's capital flows at risk and macro-financial stability, and of 'push factors' and possible reversal of flows from sending countries. It should build on experience on the effectiveness of various instruments, including macro-prudential policies in particular. It should also aim at providing assurance to the markets when countries are pursuing a policy mix consistent with the framework.
- **The IMF should also develop a policy framework for sending countries** that enables them to meet their domestic objectives while avoiding large international spillovers. While ambitious, the importance of such a framework for sustaining support for an open international system, and for receiving countries to continue to liberalize, cannot be overemphasized.<sup>10</sup> The development of this framework – with inputs from national authorities and the Bank for International Settlements (BIS) – should be built upon an extension of IMF's spillover work and integrated into the Article IV consultations of key systemic countries.
- The global financial architecture also needs **a standing IMF facility for temporary liquidity support**, as part of the package that enables countries to benefit from openness to capital flows. The facility should support good policy-making, and be accessed only in the event of global liquidity shocks or those arising from contagion.<sup>11</sup>

<sup>10</sup> The global adoption and evolution of prudential standards is a successful example of an internationally accepted policy framework agreed under the umbrella of the FSB, where the Basel, IAIS and the IOSCO standards – while not mandatory – provide a benchmark to assess the adequacy of financial institutions' buffers in different countries.

<sup>11</sup> See Proposal 15.

## 2. Strengthening Risk Surveillance to Avoid the Next Major Crisis

Every financial crisis has lasting costs. They disrupt investments in the future, tend to hurt poorer citizens most, and have consequences that can last a generation or longer.

We will not know where the next crisis will start. But **it will become a full-blown crisis, with broader global consequences, when we are not prepared for it.** It is therefore critical that we strengthen our ability to detect risks early, and anticipate how they can be transmitted through a complex and highly interconnected global financial system, so that we can contain them before they escalate.

The official community did not see the Global Financial Crisis coming. **Ten years on, risk surveillance has advanced, but is still too diffused. Much remains to be done to avert the next crisis.** We need a more integrated system of risk surveillance. It should bring the distinct surveillance lenses of the IMF, Financial Stability Board (FSB) and BIS together, to construct and continually update a global risk map of financial linkages and vulnerabilities.<sup>12</sup> **An integrated risk assessment must nevertheless preserve the independence of perspective of each of the three institutions, and avoid converging on a diluted consensus.** It must also solicit regular inputs from central banks and regulators, and **look out for contrarian views**, including those from the non-official sector.

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 — ” —

This global risk map should also be used to facilitate regular discussion of **policy actions to pre-empt crises.** The IMF-FSB Early Warning Exercise (EWE) should be extended to enable this follow-through.

## 3. Stitching Together the Fragmented Global Financial Safety Net

**We also need an effective global financial safety net (GFSN), to sustain open markets and support global growth.** A decentralized, multi-layered structure of global, regional and bilateral arrangements has evolved over the last decade. But it is highly uneven in scale and coverage across regions, has major components that are untested in crisis, and lacks coordination. As a result, it lacks the predictability essential to an effective financial safety net. **The incentive hence remains for countries to ‘self-insure’ by accumulating more reserves, or for developing countries in particular to avoid or reduce current account deficits even where they are fundamentally needed to achieve their full growth potential.**



◀ **Proposal 12:**  
*Integrate the surveillance efforts of the IMF, FSB and BIS in a coherent global risk map, while preserving the independence of each of the three institutions’ perspectives.*

**Proposal 12a:**  
*Incorporate non-official and contrarian views systematically for more robust risk surveillance.*

◀ **Proposal 13:** *Build on the IMF-FSB Early Warning Exercise (EWE) to ensure policy follow-up from the global risk map.*

◀ **Proposal 14:** *Stitch together the various layers of the GFSN to achieve scale and predictability.*

<sup>12</sup> An integrated system of surveillance should retain the comparative advantages of the three institutions – the IMF focused especially on economic and macro-financial risks and sovereign vulnerabilities, FSB on financial system vulnerabilities, and BIS on global flows and market infrastructure risks.

- **Proposal 15:** Establish a standing IMF liquidity facility to give countries timely access to temporary support during global liquidity shocks.

**Proposal 15a:** Use a country's qualification for the IMF's liquidity facility in considering the activation of RFA support.

- **Proposal 16:** Enable the IMF to rapidly mobilize additional resources in large and severe global crises.



**It is critical to put in place a reliable GFSN before the next crisis.** First, we must ensure an adequately-resourced global layer in the IMF through timely conclusion of quota reviews.<sup>13</sup> Second, the IMF must work with Regional Financial Arrangements (RFAs) to enable consistent actions during a crisis so as to achieve the necessary scale and global impact. A properly designed and predictable GFSN can avoid moral hazard, minimize contagion between countries, and promote openness and growth.

Third, it is important to **put in place a standing global liquidity facility**,<sup>14</sup> drawing on IMF permanent resources, to strengthen countries' ability to withstand global liquidity shocks and avoid deeper crises. A reliable liquidity facility will also help them avoid building up excessive reserves as the price for being open to capital flows, and hence avoid hampering growth. The facility should be designed for countries with sound policies, and to minimize 'IMF stigma' when they draw on it.

We must also address the global safety net requirements in the event of a large and severe future crisis. Such needs are not catered for in the permanent resources of the IMF. There is no assurance that the solutions effected in the midst of the last crisis, especially the large liquidity swaps between selected central banks, will be available in future.<sup>15</sup> We have to explore temporary mechanisms to mobilize resources on the scale required to ensure global stability in such systemic 'tail risk' events. However, the available solutions face governance and policy challenges, on which there are differing views. These must first be resolved through a process of consensus building. The EPG is hence not proposing a solution for endorsement at this stage.

13 The International Monetary and Financial Committee (IMFC) has called on the IMF Executive Board to work expeditiously towards the completion of the 15th General Review of Quotas by the Spring Meetings of 2019 and no later than the Annual Meetings of 2019.

14 The support provided should be in line with the IMF's normal access policies, and for short durations.

15 During the last global financial crisis, around US\$500 billion were deployed through the US Federal Reserve's liquidity swaps with selected central banks. These interventions were critical in ensuring the integrity of the global US\$ payment system and in calming global markets – although the majority of emerging market economies did not directly benefit from them. Importantly, such actions cannot be taken as assured in the future. Furthermore, in response to a joint call by the IMFC and G20, a significant group of countries pledged US\$450 billion to temporarily augment IMF resources during the crisis. Participation was not universal. This option of bilateral borrowings for future major crises will require swift mobilization.



## D. The G20 and the IFIs: Making the System Work as a System

The G20 has been a powerful impetus for change. Its members have equal standing within its consensus-based setting, which gives the G20 added credibility in a multipolar world. The G20 has used these advantages to promote several initiatives following the global crisis, for example in strengthening financial regulation through the work of the FSB and achieving tax transparency via the OECD.

However, the G20 does not have universal membership and unlike the treaty-based organizations, is not legally constituted to deliver on decisions. It has to work in coordination with the IFIs and other international organizations to advance many of its aims. The governance relationship between the G20 and the IFIs is hence key to effective global financial governance.

It is widely felt that the accumulation of initiatives and multiplicity of meetings within the G20 risks crowding out issues that require its strategic guidance and political consensus-building. The growth of the G20 agenda and activities has also meant an overlap with the governance and roles of the IFIs and other international organizations.

Our proposals fall in three areas and benefited from discussions with a range of stakeholders. First, for effectiveness in **the G20's role** in developing forward-looking thinking on global financial governance and crisis responses. Second, on the **governance of the IFIs as a system**, so that they collectively deliver much more than the sum of their individual contributions. Finally, to streamline the roles of **Executive Boards and Management within IFIs** to ensure greater effectiveness and outcome-driven oversight.

**The G20 should refocus on building consensus on strategic global goals, prune its agenda significantly, and leverage more on the IFIs and other international organizations.** G20 Ministerial meetings on the finance track should be convened once or twice a year in normal times, and focus on strategic issues and emerging threats that require international coordination, or on overcoming governance hurdles within the system. In a similar vein, two Deputies meetings a year as a norm would be adequate to support and ensure follow through of the Ministerial agenda. This two-tier system within the G20 should be sufficient for most purposes, and enable much of the work currently done in working groups to be devolved to the IFIs and other competent bodies. If the G20 needs to constitute a working group to drive major new system-wide initiatives, the group should ideally operate for a period of no more than three years.



◀ **Proposal 17:** *The G20 should refocus on a multi-year, strategic agenda, rationalize workstreams, and devolve more work to the IFIs.*

► **Proposal 18:** A

*G20-led group, with representation from key non-G20 constituencies and the IFIs, should steer the reorientation of development finance over the next three years before handing the coordinating role to the IFI Heads. This should include building complementarity among all development partners, and a clear system of metrics to track impact and value for money.*

► **Proposal 19:** A

*biennial strategic forum convened by the IMFC and DC should identify development risks before they manifest, and the required collective responses.*

Governance of the system of IFIs itself requires **two significant step-changes** to deliver a much greater scale of development impact: to ensure synergy and complementarity in a more diverse, decentralized world; and to achieve an important shift in business models within the system as a whole so as to effectively catalyze private investments.

An effective forum is required to ensure this major reorientation of the system of development finance. However, there is currently no effective forum with universal membership that has the necessary system-wide remit – to steer the shifts required to ensure coherence and complementarity among the IFIs as well as with other major development partners. **It will require dedicated steering over three years to move to this new landscape, building on current initiatives in the IFIs. A clear system of metrics to track impact and value for money should be established, which will also ensure continuity of the reforms beyond that period.** A G20-led Group of Deputies, with representation from key non-G20 constituencies and the IFIs<sup>16</sup>, reporting periodically to Ministers, will be the most effective way to fill this gap over the next three years before handing the coordinating role to the heads of the IFIs.<sup>17</sup>

We must also strengthen system-wide collaboration to respond to major challenges and anticipate risks in development before they create lasting damage or spiral across countries. There are repeated instances where we have failed to do so in the recent decades.

— “ —  
***We must respond to major challenges and  
 anticipate risks in development before they create  
 lasting damage or spiral across countries.***  
 — ” —

**It is critical that Finance Ministers be engaged** in addressing these risks. A biennial dialogue on a **Global Development Risk Map** should be convened, comprising members of IMFC and Development Committee<sup>18</sup> (who together represent 25 constituencies), as well as representatives from IFIs, the UN Development System, key civil society and philanthropic players, and the private sector. The risk map should enable stakeholders to assess the adequacy of responses and the future collective effort required.<sup>19</sup>

16 Apart from the IMF and the World Bank, this should include representation from the RDBs. Consideration should also be given to include the Chair of the International Development Finance Club, which comprises the major DFIs.

17 The principal focus of the G20-led Group would be to endorse objectives, milestones and associated system-wide metrics to evaluate progress made on achieving coherence and complementarity among the IFIs and with other development partners, and the crowding in of the private sector. The Group should also aid in removing the governance hurdles that impede progress, while operating in a manner that does not undermine the governance structure of individual institutions.

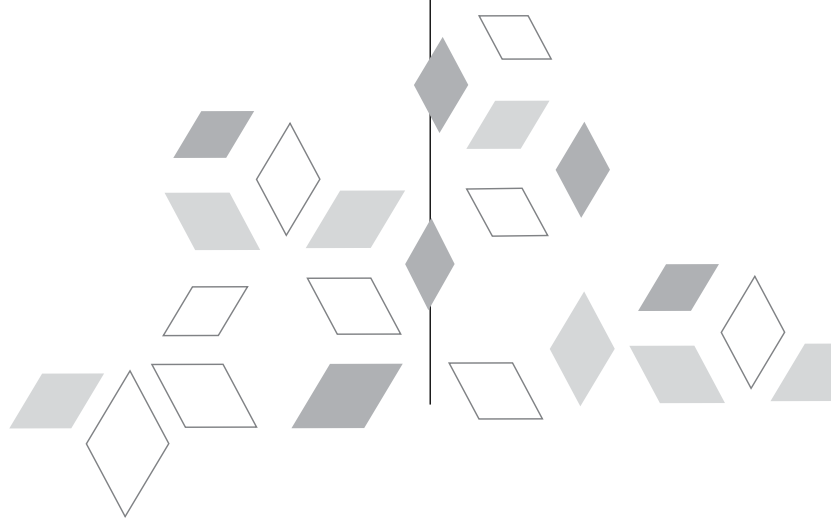
18 The IMFC is the key ministerial forum for providing strategic direction to the work and policies of the IMF. The Development Committee (DC) is a ministerial forum of the World Bank Group and the IMF for intergovernmental consensus-building on development issues.

19 The World Bank and IMF could provide the secretariat for the development of the Global Development Risk Map.

Reforms are also needed to the governance of the IMFS to foster **global financial resilience**. Responsibility for pursuing these reforms in three interdependent areas identified in Section C above, and discussed more fully in the Main Report, are summarized below for ease of reference:

- **On capital flows.** First, **the IMF, World Bank and RDBs** should accelerate efforts to help countries develop **deep, resilient and inclusive domestic financial markets**. Second, the IMF's framework of policy guidance should enable countries to move toward openness as a long-term goal, at a pace and sequence that enables them to preserve financial stability, and to manage episodes of excessive volatility. This involves (i) **evolving and extending the IMF's Institutional View** as a basis for developing policy options for receiving countries; and (ii) the IMF complementing this by developing a policy framework that **enables sending countries to meet their domestic objectives while avoiding large adverse spillovers**. This is best undertaken with inputs from national authorities and the BIS. Third, we must achieve consensus to put in place a standing IMF liquidity facility.
- **On risk surveillance.** The **IMF, FSB and BIS** should integrate their surveillance efforts in a coherent global risk map, while preserving the integrity of the three institutions' perspectives. A joint team from the three institutions should take inputs from various official sources including the money-center central banks, as well as from non-official sources. **The IMF-FSB Early Warning Exercise should provide the home for policy discussions and resulting follow-up.**
- **On the global financial safety net.** Timely conclusion of IMF quota reviews is necessary to ensure an adequately-resourced global layer of the GFSN. Further, **the IMF and the RFAs** should intensify their work to establish a **clear assignment of responsibilities and protocols for joint actions**, so as to create a stronger and more reliable GFSN. This includes discussions on coherence of ex-post conditionality in adjustment cases, the determination of liquidity needs, and the possible signaling role of an IMF liquidity facility. Further, the IMF should also explore **temporary mechanisms** to swiftly mobilize resources on the scale required to ensure global stability **in future crises of a large, systemic nature**.

Given the significance of these three sets of reforms and the key roles of the IMF in effecting them, the **IMFC should be regularly updated** on the status of their implementation and challenges faced.



► **Proposal 20:** *The Executive Board of each IFI should focus on strategic priorities for the institution and advancing system-wide goals.*

► **Proposal 21:** *Adopt a practical, risk-based approach to delegate greater responsibility to IFI Management, and hold them accountable for outcomes.*

► **Proposal 22:** *Ensure diversity and better match the skills available to IFI Boards and Management to the shift in the business models and increased complexity of challenges.*

The governance of IFIs themselves has to be brought up to date, reflecting the complexity of the strategic challenges and the needed shifts in MDBs' business models for a new era. Individually, the IFIs should develop a framework to **streamline the roles of the Executive Board and Management** to avoid overlaps and ensure clarity of responsibilities and accountability. Boards should focus on strategic issues and directions and move away from a disproportionate tilt towards operational decision making and transactional functions. **Management should be empowered and held accountable** for ensuring that the strategic priorities of the IFI and the system as a whole are effectively translated into policies, operations and incentives.

In keeping with this objective, consideration should be given to IMF, World Bank and other MDBs amending their Articles of Agreement where necessary, to allow for delegation of appropriate decision-making responsibilities to the Managements of the respective institutions. A practical and risk-based approach should form the basis for such delegation of responsibilities.

For Boards to optimally perform their roles, they need access to the **right skills, diversity and expertise**. The Boards should define skills sets relevant for constituencies' own selection of Executive Directors; as well as to guide processes for selection of Management. The Boards should also invite external experts to contribute in Board committees requiring specialized knowledge (for example, in audit and risk assessments and strategies to catalyze private investment).

With a new clarity of roles and responsibilities, shareholders should also consider the different models of Executive Boards across IFIs, with a view to evaluating their effectiveness, cost structure and frequency of meetings.

An open, transparent and merit-based process for the selection of IFI Heads is also essential to the sustained legitimacy and effectiveness of the IFIs.

## E. Conclusion

Taken as a whole, the reforms serve a common agenda: to enable nations to create the jobs of the future and achieve more sustainable and inclusive growth, to eliminate extreme poverty and enable youthful populations to achieve their aspirations, to avert financial crises and the lasting damage they inflict on societies, and to tackle the pressing challenges in the global commons that affect us all.

— “ —

*The international monetary and financial system must be brought up to date with the realities of a new era. We can achieve this by implementing reforms to make the system work as a system. These reforms are within our reach.*

— ” —



**The present international monetary and financial system lacks the coherence, joint capacity and effectiveness to support these goals.** It must be brought up to date with the realities of a new era. We can achieve this by implementing decisive reforms to **make the system work as a system.** These reforms are within our reach.

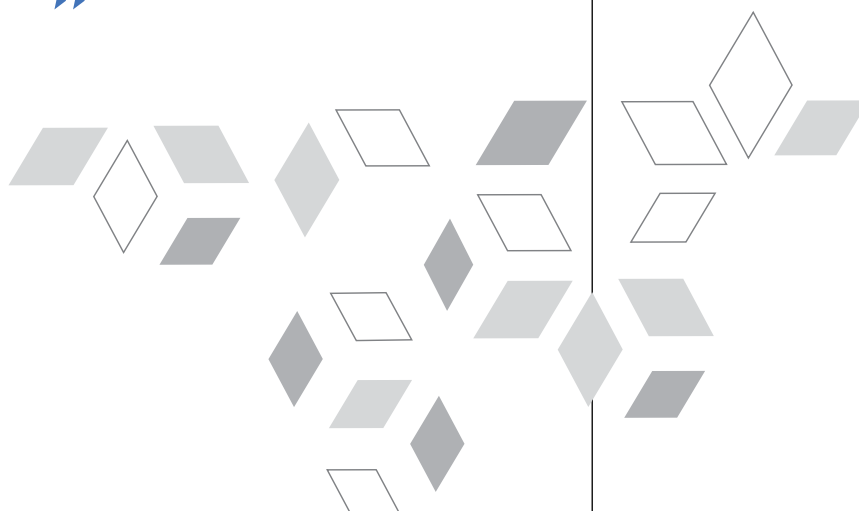
They do not require new international bodies. They require that we take bold and defined steps to ensure that today's institutions – global, regional and bilateral – work together as a system. They require that we build trust and transparency among these different institutions and leverage on their combined strengths. These changes will be critical to meeting the development challenges of the decade ahead, and helping countries experience fewer crises that set back reforms and growth.

The proposals in this report build on reforms that had been underway among the IFIs, and take them further. But they also **call for a much greater sense of urgency and recognition among their shareholders of the need for consistency and joined-up efforts among the IFIs and all other stakeholders, so that we raise our whole game.**

**The ambition is in the doing.** Some of the reforms are low-hanging fruit. Most are achievable within a few years, with focused effort. Some others go beyond current thinking. We urge that they be considered with an open mind, and developed further or adapted if necessary to enable their implementation.

Achieving these reforms will also contribute to **a larger goal that every nation has a vested interest in.** They enable us to build **a cooperative international order for a new, multipolar era** – one that enables nations everywhere to fulfil the aspirations of their citizens, and serves the global good.

— “ —  
*The ambition is in the doing.*  
 — ” —



# ABOUT THE G20 EMINENT PERSONS GROUP ON GLOBAL FINANCIAL GOVERNANCE

The Group was formally established by the G20 Finance Ministers and Central Bank Governors in April 2017. Its mandate was to recommend reforms to the global financial architecture and governance of the system of international financial institutions so as to promote economic stability and sustainable growth in a new global era; and to discuss how the G20 could better provide continued leadership and support for these goals. (See terms of reference.)

## MEMBERS

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**Tharman Shanmugaratnam (Chair)** - Deputy Prime Minister, Singapore; Chairman, Monetary Authority of Singapore; Chairman of the Group of Thirty; former Chairman of the International Monetary and Financial Committee; former Minister for Finance, Singapore

**Sufian Ahmed** - Advisor to the Prime Minister of Ethiopia; former Minister for Finance and Economic Development, Ethiopia; former Vice-Chair of the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development

**Ali Babacan** - Former Deputy Prime Minister for Economic and Financial Affairs; former Foreign Affairs Minister and former Treasury Minister, Turkey

**Marek Belka** - Former Chairman of the Development Committee; former Prime Minister, Poland; former President of the National Bank of Poland

**Jacob A. Frenkel** - Chairman of JP Morgan Chase International; Chairman of the Board of Trustees of the Group of Thirty; former Governor of the Bank of Israel; former Chairman of the IDB; former Economic Counsellor and Director of Research of the IMF

**Otmar Issing** - President of the Center for Financial Studies, Goethe University; former member of the Executive Board and Chief Economist of the European Central Bank

**Takatoshi Ito** - Professor of International and Public Affairs at Columbia University; former Deputy Vice-Minister of Finance for International Affairs, Japan

**Nora Lustig** - Samuel Z. Stone Professor of Latin American Economics and Director of the Commitment to Equity Institute at Tulane University; President Emeritus of the Latin American and Caribbean Economic Association; former Senior Advisor on Poverty of the IDB

**Ngozi Okonjo-Iweala** - Chairperson of the Board of Gavi; former Coordinating Minister for the Economy and Minister for Finance, Nigeria; former Managing Director of the World Bank

**Raghuram G. Rajan** - Katherine Dusak Miller Distinguished Service Professor of Finance at Booth School of Business, University of Chicago; former Governor of the Reserve Bank of India; former Economic Counsellor and Director of Research of the IMF

**Fabrizio Saccomanni** - Chairman of the Board of Directors of UniCredit; former Minister for Economy and Finance, Italy; former Director General of the Bank of Italy

**Lord Nicholas Stern** - IG Patel Professor of Economics and Government at the London School of Economics and Political Science; former Chief Economist and Senior Vice-President of the World Bank; former Chief Economist of the EBRD

**John B. Taylor** - Mary and Robert Raymond Professor of Economics at Stanford University and George P. Shultz Senior Fellow at Stanford University's Hoover Institution; former Under Secretary of the Treasury, US

**Jean-Claude Trichet** - Chairman of the European Group of the Trilateral Commission; Chairman of the Board of the Bruegel Institute; former President of the European Central Bank

**Andrés Velasco** - Dean of the School of Public Policy at the London School of Economics and Political Science; former Sumitomo Professor of International Finance, Harvard Kennedy School; former Minister for Finance, Chile

**Zhu Min** - President of the National Institute of Financial Research at Tsinghua University; former Deputy Managing Director of the IMF

## SECRETARIAT ---

**Siddharth Tiwari (Executive Secretary)** - Distinguished Visiting Fellow at Lee Kuan Yew School of Public Policy; former Director of the Strategy, Policy and Review Department of the IMF

**Erik Berglöff** - Director of the Institute of Global Affairs at the London School of Economics and Political Science; former Chief Economist of the EBRD

**David Marston** - Former Chief Risk Officer of the IMF

**R. Kyle Peters** - Former Senior Vice-President of Operations of the World Bank

The Secretariat was ably assisted by Christina Kolerus, and received organizational support from the Monetary Authority of Singapore and the Lee Kuan Yew School of Public Policy.

## TERMS OF REFERENCE

### G20 EMINENT PERSONS GROUP ON GLOBAL FINANCIAL GOVERNANCE

- The G20 Eminent Persons Group on Global Financial Governance (the Group) was formally established by G20 Finance Ministers and Central Bank Governors on 21 April 2017.
- The Group comprises eminent persons with deep knowledge and experience in the area of the global financial architecture and governance.
- The Group will be chaired by Tharman Shanmugaratnam, Deputy Prime Minister of Singapore. Its members will contribute in their personal capacities. Collectively, their experiences reflect a broad diversity, geographically and of different stages of economic development.
- The work of the group will be centered around the following tasks:
  - to review current and possible future challenges and opportunities facing the international financial and monetary systems, and the current state of the global financial architecture and governance;
  - to consider, having regard to relevant past reviews, the optimal role of the international financial institutions (IFIs) comprising the IMF, the WBG, and other multilateral development banks, including how these IFIs interact and coordinate with one another, with the G20, and with their respective memberships; their capacity to catalyze private capital flows and domestic resources; and corporate governance and accountability structures, to ensure efficiency, effectiveness and transparency in addressing the challenges identified;
  - to recommend practical reforms to improve the functioning of the global financial architecture and governance so as to promote economic stability and sustainable growth; and to discuss how the G20 could better provide continued leadership and support for these goals.
- The Group's work will not duplicate existing efforts in the G20 and the IFIs related to Shareholding Reviews and the IMF General Review of Quotas.
- The Group will provide its findings and recommendations to G20 Finance Ministers and Central Bank Governors for their deliberation. Decisions on any proposals concerning the IFIs would have to be made by their respective governing bodies.
- The Group will provide an outline of its work to G20 Finance Ministers and Central Bank Governors at the IMF/WBG Annual Meetings 2017. A progress update will be provided by the IMF/WBG Spring Meetings 2018. The mandate of the Group will be fulfilled with the delivery of final recommendations by the time of the IMF/WBG Annual Meetings 2018.



# LIST OF CONTRIBUTIONS

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The Group received valuable feedback from national authorities from a broad range of developing and advanced countries.

The Group also benefited from consultations with the following institutions:

- African Development Bank
- Asian Development Bank
- Asian Infrastructure Investment Bank
- Bank for International Settlements
- European Bank for Reconstruction and Development
- European Investment Bank
- European Stability Mechanism
- Inter-American Development Bank
- International Development Finance Club
- International Monetary Fund
- Islamic Development Bank
- New Development Bank
- Organisation for Economic Cooperation and Development
- United Nations Development System
- World Bank Group

We are grateful for the views and written contributions from the following individuals with extensive experience as national and international policy-makers, thought leaders, and private sector and civil society leaders:

- Timothy Adams (Institute of International Finance)
- Montek Singh Ahluwalia
- Masood Ahmed (Center for Global Development)
- Marc Andreessen (Andreessen Horowitz)
- Susan Athey (Ripple)
- Abhijit Banerjee (Massachusetts Institute of Technology)
- Tim Besley (London School of Economics and Political Science)
- Amar Bhattacharya (Brookings Institution)
- Nancy Birdsall (Center for Global Development)
- Gordon Brown (UN Special Envoy for Global Education)
- Sharan Burrow (International Trade Union Confederation)
- Mike Callaghan (Australian Aged Care Financing Authority)
- Nikhil da Victoria Lobo (Swiss Re)
- Jacques de Larosière
- Thierry Déau (Meridiam Infrastructure)
- Rafael del Pino (Ferrovial)
- Victor Dzau (US National Academy of Medicine)
- Mohammed El-Erian (Allianz)
- Jeremy Farrar (Wellcome Trust)
- Daniel Gros (Centre for European Policy Studies)
- Jerome Haegeli (Swiss Re)
- Chris Heathcote (Global Infrastructure Hub)
- Yiping Huang (Beijing University)
- Bimal Jalan
- Harold James (Princeton University)
- Donald Kaberuka (Special Envoy of the African Union for Sustainable Financing)
- Ravi Kanbur (Cornell University)
- Devesh Kapoor
- Takatoshi Kato
- Masahiro Kawai (University of Tokyo)
- Vijay Kelkar
- Homi Kharas (Brookings Institution)
- Caio Koch-Weser (European Climate Foundation)
- Horst Köhler
- Aleksei Kudrin (Saint Petersburg State University)
- Jean-Pierre Landau (Sciences Po)

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  - Jean Lemierre (BNP Paribas)
  - Fei-Fei Li (Google)
  - John Lipsky (Johns Hopkins University)
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  - Jean Pisani-Ferry (Sciences Po)
  - Mark Plant (Center for Global Development)
  - Annalisa Prizzon (Overseas Development Institute)
  - Hélène Rey (London Business School)
  - Mark Suzman (Gates Foundation)
  - Adam Posen (Peterson Institute of International Economics)
  - Bob Prince (Bridgewater Associates)
  - Alex Rampell (Andreessen Horowitz)
  - Michael Sabia (Caisse de Depot et Placement du Quebec)
  - Stephen Schwarzman (Blackstone)
  - Anish Shah (Mahindra Group)
  - Lucy Shapiro (Stanford University School of Medicine)
  - Naoyuki Shinohara (University of Tokyo)
  - George Shultz (Hoover Institution)
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  - Arvind Virmani
  - David Wehner (Facebook)
  - Mark Wiseman (BlackRock)

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- Aron Betru (Milken Institute)
- Lindsay Coates (InterAction)
- Sara Harcourt (ONE)
- Andres Knobel (C20 International Financial Architecture)
- Paul O'Brien (Oxfam)
- Stephanie Segal (Centre for Strategic and International Studies)
- Elizabeth Summers (Bank Information Centre)
- Marc Uzan (Reinventing Bretton Woods Committee)
- Luiz Vieira (Bretton Woods Project)



