

News from Democracies: India: G20 FMs Meeting

March 1, 2023

1. February 28, 2023: **Bengaluru: G20 Finance Ministers and Chairmen of Central Banks meeting:** “The G20 meeting called upon the Organisation on Economic Co-operation and Development (OECD) to conclude the work on the implementation packages concerning the Crypto-Asset Reporting Framework”, reports Yash Sadhak Shrivastava in Financial Express, dated 28th February 2023. This was a bid to regularize the coin transactions, so that these do not add to black economies in different countries.

“Let us focus our discussions on the most vulnerable citizens of the world and create an inclusive agenda...The theme of our G20 Presidency promotes this inclusive vision - One Earth, One Family, One Future,” said Prime Minister Narendra Modi in his video address to the meeting on its first day.



Reference: <https://www.g20.org/en/media-resources/gallery/february-2023/fmcbg/>

Noting that the meeting is taking place in Bengaluru, the technology capital of India, the Prime Minister said that participants can get first-hand

experience of how Indian consumers have embraced digital payments. He also informed the G20 guests can use India's path-breaking digital payments platform, UPI. “Examples like UPI can be templates for many other countries too”, the Prime Minister concluded. (Reference: <https://www.g20.org/en/media-resources/press-releases/february-23/fmcbg1/>).

At the end of the meeting, a common statement could not be issued since China and Russia did not agree to the formulation by the west about Ukraine war. Hence a Chairman’s Statement, describing the discussions that took place during the meeting of the Finance Ministers and Central Bank Governors of G20 countries, was issued.

Extracts from the Chairman’s Statement: Under the Indian Presidency’s theme of “One Earth, One Family, One Future”, we commit to enhancing international policy cooperation and steering the global economy towards securing strong, sustainable, balanced and inclusive growth.

The member countries expressed their deepest sympathy for the people of Turkiye and Syria and Turkiye, who were affected by the catastrophic earthquakes. They extended their condolences to the bereaved families. They appreciated the humanitarian assistance being provided and called upon members and multilateral institutions to continue providing all possible assistance for recovery and reconstruction.

Note: Please read a DiGiNews360.co Report on the “Earthquake in Turkey and Syria” at <https://diginews360.com/turkey-syria-earthquake-relief/> of 12th February 2023.

Other important points from the Chairman’s Statement are as follows:

- a) Central banks remain strongly committed to achieving **price stability**, in line with their respective mandates.
- b) The Finance Ministers asked the Framework Working Group under the G20 Indian Presidency to work on macroeconomic scenarios, consequences and impacts of **food and energy insecurity** and their implications for the global economy.
- c) STRENGTHENING MULTILATERAL DEVELOPMENT BANKS (MDBs): The issue will be discussed further in the 3rd meeting in 2023 for preparing G20

Roadmap for MDBs, after the Report from the International Financial Architecture Working Group jointly with the MDBs is received.

- d) IMF: The Finance Ministers called for further pledges from all willing countries to meet the total global ambition of USD 100 billion of voluntary contributions for countries most in need. The Finance Ministers also called for further subsidy and loan pledges to the Poverty Reduction and Growth Trust (PRGT) to ensure that they can meet vulnerable countries' elevated borrowing needs.
 - i- CBDCs: Introduction and widespread adoption of **Central Bank Digital Currencies (CBDCs)**: The Finance Ministers said that they would continue to monitor the effects of CBDCs on cross-border payments, as well as on the international monetary and financial system.
- e) DEBT TREATMENT for Chad, Zambia, Ethiopia, Ghana and Sri Lanka: The Finance Ministers welcomed the conclusion of debt treatment for Chad and called for a swift conclusion of the work on debt treatment for Zambia and Ethiopia. They also looked forward to the rapid formation of the official creditor committee for Ghana to work on the requested debt treatment. Further, we look forward to a swift resolution to Sri Lanka's debt situation.
 - i- DATA REPOSITORY: The Finance Ministers welcomed the efforts of private sector lenders who have already contributed data to the joint **Institute of International Finance (IIF)/OECD Data Repository Portal** and continue to encourage others to also contribute on a voluntary basis.
- f) FINANCING the CITIES of TOMORROW and CAPACITY BUILDING of URBAN ADMINISTRATORS: The Finance Ministers tasked the Infrastructure Working Group to outline the enablers of inclusive cities and develop a Framework on Capacity Building of Urban Administration.
 - i- QII INDICATORS: It was agreed to continue working on the ongoing agenda of **Quality Infrastructure Investment (QII) Indicators** developed for the G20, which are voluntary and non-binding.
 - ii- **Global Infrastructure Hub (GI Hub)**: The Finance Ministers welcomed the progress made towards developing a possible new governance model for the GI Hub. The Finance Ministers look forward to the planned **2023 Infrastructure Investors' Dialogue** to integrate the private sector perspective in designing policies for financing the cities of tomorrow.
- f) The FMs reaffirmed their steadfast commitment to strengthen the full and effective implementation of the United Nations Framework Convention on Climate Change and the Paris Agreement. They reaffirmed the commitment

made by developed countries to the goal of mobilizing USD 100 billion climate finance per year by 2020 and annually through 2025 to address the needs of developing countries, in the context of meaningful mitigation actions and transparency in implementation and stress the importance of meeting that goal fully as soon as possible.

- g) The FMs reiterated that Sustainable finance is critical in achieving sustainable, resilient, inclusive and equitable economic growth which meets the needs of the present without compromising the ability of future generations to meet their own needs. They looked forward to the early finalization of standards by the **International Sustainability Standards Board (ISSB)** for climate-related financial disclosures, and its work beyond climate.
- h) The FMs remain committed to strengthening the global health architecture for **pandemic prevention, preparedness and response (PPR)** through continued collaboration and enhanced dialogue between Finance and Health Ministries under the **Joint Finance and Health Task Force (JFHTF)**.
- i) The FMs will continue our cooperation for a globally fair, sustainable and modern international tax system fit for purpose for the 21st century. They remain committed to the swift implementation of the **OECD/G20 two-pillar international tax package** and the **Automatic Exchange of Information (AEOI)** framework under the **Common Reporting Standard (CRS)**.
 - i. The FMs called upon the OECD to conclude the work on the implementation packages concerning the Crypto-Asset Reporting Framework and amendments to the CRS.
- j) The FMs welcomed ongoing work by the FSB and international standard setters to ensure that the crypto-assets ecosystem, including so-called **stablecoins**, is closely monitored and subject to robust regulation, supervision, and oversight to mitigate potential risks to financial stability.
- k) The FMs are committed to advancing financial inclusion and ensuring that no one is left behind. They welcomed the productive discussions on **Digital Public Infrastructure (DPI)**, especially in promoting financial inclusion at the G20 High-Level Symposium on DPIs for Innovative, Resilient, Inclusive Growth and Efficient Governance held in February 2023. By the third meeting in 2023, the FMs look forward to the formulation of policy recommendations for rapidly advancing financial inclusion and productivity gains through a well-designed digital financial ecosystem by leveraging DPI. The FMs supported the successful completion of the **2020 G20 Financial Inclusion Action Plan (FIAP)**. They look forward to progressing the efforts towards **an action-oriented 2023 G20 FIAP by our third meeting in 2023** for advancing financial inclusion in the G20 and beyond.

- l) The FMs recognised the pressing need for the international community to step up its efforts to effectively **combat money laundering, terrorism financing, and proliferation financing** to enhance the integrity and resilience of the international financial system. They reaffirmed the commitment to deliver on the strategic priorities of the **Financial Action Task Force (FATF)** and its **FATF Style Regional Bodies (FSRBs)** in leading global action to tackle these threats. They supported the FATF's efforts to speed up the implementation internationally of its standards for this sector and recommit to timely implementation of these rules, including the **"travel rule"**. The FMs look forward to the completion of FATF's project on **ransomware financing** and welcome FATF's ongoing initiatives to **analyse crowdfunding of terrorism and money laundering and terrorist financing related to cyber-enabled fraud and galvanise effective global actions to deprive criminals of their ill-gotten gains, through efforts to strengthen asset recovery standards.**

Reference:

https://www.g20.org/content/dam/gtwenty/gtwenty_new/document/1st%20FMCBG%20Chair%20Summary.pdf

India is drafting a proposal for G20 countries to help debtor nations by asking lenders, including China, the world's largest sovereign creditor, to take a large haircut, or accept losses, on loans.

Note: Please read Background information about India's G20 Presidency at <https://diqinews360.com/background-info-indias-g20-presidency/>.
