

## **Chair's Summary: G7 Finance Ministers and Central Bank Governors Virtual Meeting**

*April 14, 2020*

Consistent with direction from G7 Leaders, Finance Ministers and Central Bank Governors met virtually on April 14 to reaffirm our close coordination to fight the pandemic and mitigate its impacts, including by enacting wide-ranging health, economic, and financial stability measures in our respective countries. Ministers and Governors reiterated their pledge to do whatever is necessary to restore economic growth and protect jobs, businesses, and the resilience of the financial system. They continue to work closely together in other fora—such as the G20, the International Monetary and Financial Committee, the Development Committee, and the Financial Stability Board (FSB)—to advance the international response to COVID-19.

The scale of this health crisis is generating unprecedented challenges for the global economy. Ministers and Governors recognize that an extraordinary and well-coordinated international response is critical to reducing the depth of the crisis. Further, there is a large-scale need for resources and technical assistance as countries around the world strive to enhance their health systems and mitigate the economic fallout. Ministers and Governors remain committed to use all available policy tools to achieve strong, sustainable, balanced, and inclusive growth.

Ministers and Governors discussed the challenges that the pandemic will create for many emerging markets and developing countries. They are working together closely to address the global economic shocks caused by this crisis and provide support for affected countries. The International Monetary Fund (IMF) stands ready to deploy its \$1 trillion lending capacity to help its members overcome the crisis. Ministers and Governors support the measures taken by the IMF, World Bank Group, and regional development banks to enhance their toolkits to provide flexible and rapid financing in response to the crisis, including the IMF's temporary expansion of access to rapid-disbursing emergency financing instruments and proposed introduction of a short-term liquidity line. Ministers and Governors call for more and urgent contributions to the IMF's Catastrophe Containment and Relief Trust and the Poverty Reduction and Growth Trust to address critical funding needs.

Ministers and Governors noted that a number of the most vulnerable and poorest countries will face acute health and economic challenges related to the fallout of COVID-19. Ministers and Governors support multilateral efforts to assist these countries and stand ready to provide a time-bound suspension on debt service payments due on official bilateral claims for all countries eligible for World Bank concessional financing, if joined by all bilateral official creditors in the G20 and as agreed with the Paris Club. This initiative would provide liquidity support to help these countries deal with the health and economic impacts of the crisis. Ministers and Governors also support the G20's work with the Institute of International Finance to call on private creditors to provide comparable treatment, on a voluntary basis. To improve the effectiveness of this initiative, beneficiary and creditor countries should

work with the World Bank and IMF to enhance debt transparency and implement appropriate monitoring and reporting on the use of the freed resources.

Ministers and Governors exchanged views on the efforts of the FSB and its member jurisdictions to mitigate the financial stability risks posed by the pandemic, including swift actions to support market functioning globally, along with regulatory and supervisory measures to enable the financial system to continue to support the economy. Ministers and Governors reiterated their commitment to international regulatory standards. They expressed support for the FSB's work to regularly share information, undertake forward-looking assessments of global financial vulnerabilities, and coordinate policy responses among its members and the standard-setting bodies. Ministers and Governors also expressed support for FSB's work to encourage the use of flexibility within existing international regulatory standards and encourage the continuity of critical functions in financial services.

Consistent with the direction of Leaders, Ministers and Governors will continue to consider further near-term actions to stabilize the global economy. Once the immediate impacts of the crisis abate, Ministers and Governors will return to other priority agenda items, such as further promoting debt transparency and sustainability, addressing tax challenges resulting from the digitalization of the economy, addressing illicit financial flows, and setting proper frameworks for digital assets and cybersecurity of the financial sector.