DECLARATION ON DELIVERING RESOURCES THROUGH THE INTERNATIONAL FINANCIAL INSTITUTIONS
LONDON SUMMIT, 2 APRIL 2009

We, the leaders of the Group of Twenty, are committed to ensuring that capital continues to flow to emerging market and developing countries to protect their economies and support world growth. To this end, we have agreed to increase very substantially the resources available through the international financial institutions and to ensure that the institutions have the facilities needed to address the crisis in a coordinated and comprehensive manner.

We have agreed to make available an additional $850 billion of resources through the IMF and the multilateral development banks to support growth in emerging market and developing countries by helping to finance counter-cyclical spending, bank recapitalisation, infrastructure, trade finance, balance of payments support, debt rollover, and social support.

For the IMF, we have agreed to support:

- as an immediate measure, bilateral financing from members of $250 billion;
- in the near term, incorporate the immediate financing from members into an expanded and more flexible New Arrangements to Borrow, which will include other G20 countries, and be increased by up to $500 billion. We aim to make substantial progress by the Spring meetings;
- consideration of market borrowing by the IMF to be used if necessary in conjunction with other sources of financing, to raise resources to the level needed to meet demands; and,
- a doubling of the IMF's concessional lending capacity for low income countries and a doubling of access limits, within the Debt Sustainability Framework (DSF). We have committed, consistent with the new income model, that additional resources from agreed sales of IMF gold will be used, together with surplus income, to provide $6 billion additional concessional and flexible finance for the poorest countries over the next two to three years. We call on the IMF to come forward with concrete proposals at the Spring Meetings.

In addition to these steps, we have also agreed to support a general allocation of SDRs equivalent to $250 billion to increase global liquidity, $100 billion of which will go directly to emerging market and developing countries. We agreed to ratify urgently the fourth amendment to the IMF's articles.

We agreed to accelerate the next quota review to be completed by January 2011 to ensure the IMF's finances are on a sustainable footing commensurate with the needs of the international monetary system.

For the Multilateral Development Banks (MDBs), we have agreed to support:

- a substantial increase in lending of $100 billion including to low income countries, to a total of around $300 billion over the next three years;

- full and exceptional use of MDB balance sheets, to create further capacity for lending to meet crisis needs;
- a 200 per cent general capital increase at the Asian Development Bank and reviews of the need for capital increases at the Inter-American Development Bank, the African Development Bank and the European Bank for Reconstruction and Development;
- actions by the MDBs to leverage private capital more effectively, including through the use of guarantees, bond insurance and bridging finance; and
- the new IFC Global Trade Liquidity Pool which should provide up to $50 billion of trade liquidity support over the next three years, with significant co-financing from the private sector (as part of the global effort to ensure the availability of at least $250 billion of trade finance over the next two years). In order to reach this objective, we agreed to provide $3-4 billion in voluntary bilateral contributions to the IFC Pool. We also welcomed the steps taken by other MDBs to increase support for trade finance, and medium and long-term project finance through our export credit and investment agencies.

We have also agreed to ensure that the international financial institutions have the facilities they need to address the current crisis and meet the needs of emerging markets and developing countries. To this end:

- we welcome the IMF’s new Flexible Credit Line (FCL), for eligible countries, as part of its reformed and more flexible lending and conditionality framework. This will help to address stigma concerns while safeguarding IMF resources. We look forward to rapid take-up of the FCL and support Mexico’s decision to seek an FCL arrangement;
- the IMF should take steps to ensure that its surveillance and lending facilities address effectively the underlying causes of countries’ balance of payments financing needs, particularly the withdrawal of external capital flows to the banking and corporate sectors;
- we will support, through voluntary bilateral contributions, the World Bank Vulnerability Framework, including the Infrastructure Crisis Facility and the Rapid Social Response Fund;
- individual country limits on World Bank lending should be increased, as appropriate, to enable large countries to access required levels of finance and so support stability and recovery in their regions;
- low income IDA countries with sustainable debt positions and sound policies should be given temporary access to non-concessional IBRD lending to compensate for the loss of access to capital markets, and IDA resources should be frontloaded, using the existing flexibility in the DSF.

We agreed that these resources and facilities should enhance the capacity of the international financial institutions to address the crisis. Cooperation and coordination between the IFIs should be strengthened to increase their effectiveness. Emerging and developing economies, including the poorest, should have greater voice and representation.