

The Pittsburgh Summit: Key Accomplishments

The Pittsburgh G-20 Summit marks a critical transition from crisis to recovery. When the G-20 last met in April, the world was facing the greatest challenge to the world economy in generations. The G-20 responded forcefully by committing to a coordinated set of policy actions that were unprecedented in scale and effect. Those actions pulled the world economy back from the brink of a depression.

Six months later, the first signs of global recovery are in sight and financial markets have come back to life. In Pittsburgh, President Obama forged an agreement with G-20 Leaders to continue implementing aggressive policies to restore economic growth and create jobs, enact a new *Framework for Strong, Sustainable and Balanced Growth* and to reform financial regulation and supervision to avoid a return to the risky practices that led to crisis – policies that will be supported and implemented by a redesigned global economic architecture.

Strengthen Recovery

Since the G-20 London Summit, stresses in financial markets have eased markedly, the decline in output has been arrested, and G-20 recovery actions will have saved or created at least 7 – 11 million jobs by the end of this year. In Pittsburgh, the G-20 agreed to continue their stimulus until recovery is secured and to start identifying the best ways for the G-20 to coordinate efforts to wind down the enormous fiscal, monetary, and financial support efforts taken in response to the crisis once recovery is secured.

Launch Framework for Strong, Sustainable and Balanced Growth

The G-20 adopted President Obama's proposed *Framework for Strong, Sustainable and Balanced Growth*, which outlines a process for economic cooperation and coordination to help ensure that post-crisis policies avoid a return to dangerous imbalances that undermine long-term economic growth. This is the first time such a large number of countries – the G-20 accounts for 85 percent of world output -- have agreed to work together to assess each others' economic plans, reach consensus on best practices for needed reforms, and adopt policies to support the necessary rebalancing of global demand to ensure strong growth for all.

Advance Tough New Financial Market Regulations

Following aggressive U.S. efforts to strengthen capital standards and compensation rules for companies receiving government support, the G-20 agreed to strong international standards

for bank capital – calling on banks to hold more and higher quality capital -- and also agreed to strong international standards for compensation aimed at ending practices that lead to excessive risk-taking. Capital allows banks to withstand losses and is thus crucial to our efforts to help regulators hold banks accountable for the risks they take. These vital reforms were joined with steps to make the opaque over-the-counter (OTC) derivatives markets far more transparent; and procedures for managing the failure of large global financial firms. In each of these areas, the G-20 countries set out strict and precise timetables for reaching international agreement and then for implementing new standards nationally, promoting a regulatory race to the top. These rules will result in a financial system that looks far different from the one that led to this financial crisis, with more capacity to absorb losses and new incentives to avoid a return to past excesses. A return to reckless behavior and a lack of responsibility that led to the crisis will not be tolerated.

Phase Out Inefficient Fossil Fuel Subsidies and Increase Energy Market Transparency

Inefficient fossil fuel subsidies encourage wasteful consumption, reduce our energy security, impede investment in clean energy sources and undermine efforts to deal with the threat of climate change. The G-20 leaders – including representatives from major energy producers and other nations with large subsidies – today committed to phase out fossil fuel subsidies over the medium-term while providing targeted support to help the poorest. They make this commitment concrete by calling on their Energy and Finance Ministers to report on their implementation strategies and timelines at the next meeting of the G-20. This groundbreaking effort will encourage the conservation of energy, improve our energy security, and provide a down-payment on our commitment to reduce greenhouse gas emissions. The G-20 also took steps to better oversee and regulate oil commodity futures markets and improve oil market transparency by increasing reporting of oil production, consumption and stock data.

Modernize the Infrastructure of Global Economic Cooperation

The G-20 Leaders committed to update the architecture for global economic cooperation. They reached a historic agreement to put the G-20 at the center of their efforts to work together to build a durable recovery and reform the international financial system. As part of this modernization, they agreed to a shift of at least 5% in IMF quota share from over-represented countries to underrepresented countries, giving dynamic emerging market and

developing economies a say in the IMF more in line with their weight in today's global economy. They agreed to an increase of at least 3% in the voting power of developing and transition countries at the World Bank and called on a reformed World Bank to play a leading role in responding challenges that require globally coordinated action.

Support the World's Most Vulnerable Citizens

The G-20 made specific commitments to increase access to food, fuel and finance among the world's poorest, with a new World Bank Trust Fund to finance investments in food security, a commitment to fund programs that expand access to renewable energy and a call to identify new ideas to strengthen the poor's access to financial system. They agreed to explore new ways of increasing the capability of the international system to mobilize quickly the resources needed to help the most vulnerable countries deal with future crises.

Delivering on Previous Commitments

The G-20 took stock of their efforts to implement their commitments from previous summits, proving that when the G-20 speaks, it acts. Their London commitment to act forcefully to halt the decline in the global economy resulted in the largest and most coordinated fiscal and monetary stimulus ever undertaken. The actions of the G-20 are projected to save or create at least 7 - 11 million jobs across their economies by the end of this year, including over 1 million jobs saved or created as a result of the American Recovery and Reinvestment Act (ARRA). The G-20 delivered on its commitment to provide over a trillion dollars to the international financial systems to enable them to fight the spread of the crisis including over \$500 billion for the IMF's renewed New Arrangement to Borrow (NAB). Important first steps have been taken to raise regulatory standards for banks and financial institutions the world over, strengthening the global financial system.