Table: Policy Commitments by G20 Members

GERMANY

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
ADVANCED SURPLUS ECONOMIES: GERMANY			
FISCAL POLICY			
• Consolidation of the public budget in accordance with a credible exit, supported by a constitutional budget rule. • By 2013 at the latest, the deficit ceiling will be below the threshold stipulated by the European Stability and Growth Pact. • Focus on “growth-friendly” fiscal consolidation by increasing the efficiency of labor, social, and administrative spending, while also investing in education, R&D, and improvements in employment incentives.	Against the background of the crisis-related deterioration of the fiscal position, and building, among others, on the agreement reached at the G20 Toronto Summit, consolidating the public budgets in accordance with a credible exit strategy is an important political task from 2011 onwards. Germany’s 2011 federal budget and its fiscal plan for the period up to 2014 are necessary steps on the path to credible and robust government finances that are a pre-requisite for private sector-led growth. The German government has been looking carefully at areas where expenditure cuts strengthen the economy’s growth potential. Improving the efficiency of labour, social as well as administrative spending is an important element of the consolidation package.	More than half of the consolidation stems from the expenditure side. Given demographic trends, increased investment in education and R&D, and improvements in employment incentives are important to make future growth more sustainable and to stabilize Germany’s social security system. The Federal Government alone is planning to increase spending in this area between 2010 and 2013 by a further €12bn.	Better utilisation of the labour force potential will contribute to a strengthening of domestic sources of growth with positive consequences for private demand which will contribute to balanced growth. Moreover, domestic demand in Germany will also be supported if citizens are confident that their government’s fiscal policy is sustainable and will ensure stable economic conditions in the future. Credible fiscal consolidation in Germany also sends a strong signal of confidence to financial markets, will anchor expectations, and helps the ECB to keep interest rates low.
FINANCIAL SECTOR POLICY			
Measures to improve financial stability include: • Implementation of the EU Regulation on Rating Agencies • Prohibition of naked short sales of German shares and of government debt issuances in the Euro zone	The objective of the German financial market reform agenda is to make market participants and the financial system as a	The reforms will contribute to sustainable growth by reducing the risk that problems in the financial sector will disrupt	The German efforts are based on international or European agreements, partially go beyond them, and therefore

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
• Prohibiting trade in Credit Default Swaps on government bonds in the Euro zone, except for hedging purposes • Implementation of the FSB remuneration standards for financial institutions developed on the basis of G20 resolutions.	whole more robust. The reforms will underpin the recovery and contribute to strong growth by ensuring that financial sector development is not distorted by weak regulation combined with expectations of government support in times of crisis.	activity in the wider economy in future.	contribute to a balanced growth path.
STRUCTURAL REFORM POLICY			
• Investments in education, skills development, and forward looking technologies • Reducing labour market inefficiencies • Increasing competition in the energy sector • Reducing bureaucracy and improving regulation • Supporting the Europe 2020 strategy	Reducing market inefficiencies, including cuts in subsidies and disincentives in the labor market, as well as increased investment in education and research and enhanced flexibility of our markets will increase the growth potential. An increase in productivity and participation as well as international openness and fair competition will bolster strong private sector growth and positive demand-side effects.	Research is the key to innovation, and innovation is the driver of sustainable growth and prosperity. The Federal Government's High-Tech Strategy encourages product development and innovation by pooling expertise (cooperation between science and industry), focusing on lead markets (climate protection, health, mobility, security, communication), improving framework conditions and evaluating strategies.	The overall growth strategy of the German government perfectly fits with the new Europe 2020 strategy. It aims to improve Europe's competitiveness, productivity, growth potential, social cohesion and economic convergence. The German structural reforms within this framework will support a balanced growth path by enhancing domestic sources of demand while preserving high international competitiveness.
DEVELOPMENT POLICY			
• €256 million increase in the budget of the Federal Ministry of Economic Cooperation and Development for 2010. • Reforms to improve the Federal Ministry for Economic Cooperation and Development. • Decision to merge the three technical cooperation agencies into one new organization.	The budget increase and the institutional reforms of the German development policy strategy will contribute to stronger global growth in Low Income Countries.	The German Government is committed to keeping development policy in line with the Paris Declaration and Accra Agenda for Action on Aid Effectiveness, thereby contributing to a more	Higher growth in developing countries supported by German financial and/or technical assistance will contribute to a more balanced growth of the world economy.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
		sustainable growth path in developing countries.	
MONETARY AND EXCHANGE RATE POLICY			
Please refer to the Euro area / EU common contribution			

Table: Policy Commitments by G20 Members

JAPAN

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
ADVANCED SURPLUS ECONOMIES: JAPAN			
FISCAL POLICY			
The Fiscal Management Strategy adopted by Cabinet in June sets out the following points : • The deficit-to-GDP ratio for both national and local governments will be cut in half from that of the FY2010 by FY2015 at the latest; a surplus by 2020 at the latest • From FY2021, the public debt-to-GDP ratio for both national and local governments will be reduced in a stable manner. • Introduce fiscal management rules, including pay-as-you-go. • Establish the Medium-term Fiscal Framework for FY2011-FY2013, including limits on government bonds issuance, as well as expenditure and revenue reforms.	The government has decided to use Contingency Reserve for Economic Crisis Response and Regional Revitalization for emergency action, and has formulated the Supplementary Budget. Moreover, the government is also preparing FY2011 Budget, focusing on expanding both domestic demand and employment, which will contribute to strong growth.	Assuring the basis of fiscal resources will establish sustainable fiscal and social security systems as well as a strong safety net. This will lead to increased job creation, mitigate people's uncertainty about the future, and as a consequence, lay a firm foundation for sustainable economic development.	The Supplementary Budget includes front-loading of some measures in *the New Growth Strategy*, which aims to stimulate domestic demand by enhancing investment to certain strategic areas such as the medical and nursing-care sector, etc.
FINANCIAL SECTOR POLICY			
• The Financial Instruments and Exchange Act, etc. amended in May mainly to: (1) improve the stability and transparency of the settlement of OTC derivatives transactions, and (2) strengthen group-wide regulation and supervision	Proposed measures in *the New Growth Strategy*, such as establishing an integrated exchange and developing a bond market for professional investors, are aimed at fostering the financial section as a growing industry, which will contribute to strong growth.	Measures in the amended Financial Instruments and Exchange Act, etc, combined with other policies for reforming financial sector, enhance financial stability and promote sustainable growth which is resilient to economic and financial shocks.	Through establishing a financial sector serving as a bridge between Japan and Asia, Japan, as an Asian financial center, will contribute to Asian economy, including various emerging economies, with reference to *the New Growth Strategy*.
STRUCTURAL REFORM POLICY			
The New Growth Strategy set out in June promotes demand and supply growth, deregulation and job creation. Focus on seven strategic areas including: 1. Green innovation– expanding the environment-related markets 2. Life innovation– commercializing new drugs and medical devices 3. The Asian economy – promotion of economic partnerships 4. Tourism and local revitalization – introducing comprehensive	Measures in strategic areas, such as the environment and energy sectors, the medical and nursing-care sectors and local revitalization, will stimulate private demand and contribute to closing current output and	*The New Growth Strategy* will be implemented together with *the* Fiscal *Management Strategy* in a consistent and integrated manner to ensure growth can be sustained. Increased investment in	As described in *the New Growth Strategy*, Japan aims to create stable demand, both domestically and externally. Implementing structural reforms set out in *the New Growth Strategy* will,

special zone 5. Science and technology and information and communications technology – implementing changes and deregulation to increase R&D investment 6. Employment and human resources – implementing a reform of child-care system and raise the retirement age 7. Financial Sectors– establishing an integrated exchange handling securities, financial instruments and commodities	employment gaps. Reforms and deregulation to promote R&D investment and increased labour market participation by youth, women and the elderly worker will contribute to increasing potential output growth.	energy-saving houses and electric vehicles, and low-carbon facilities will promote environmental sustainability.	combined with mitigating people's uncertainty through strengthening social security system, promote both internal and external rebalancing by stimulating private consumption and investment.
DEVELOPMENT POLICY			
• Continue to implement existing commitments, such as doubling its total ODA to Africa over five years by 2012. • Provide $15 billion until the end of 2012 for developing countries to reduce greenhouse gas emissions and adapt to the adverse effects of climate change. • Provide $3.5 billion in education and $5.0 billion in health over five years from 2011 to achieve the MDGs. • Expedite procedures for providing ODA loans with a view to effectively meeting development needs.	Various aid measures for developing countries will contribute to stronger global growth by supporting growth in developing countries.	Development assistance in such areas as health, education and climate change will promote sustainable growth consistent with social and environmental policy goals.	Japan's ODA will support the economic growth and heighten standards of living through substantial contributions to the MDGs in developing countries and consequently serve to realize a balanced growth.
MONETARY AND EXCHANGE RATE POLICY			
• The BOJ introduced "comprehensive monetary easing" to further enhance monetary easing. (1) Encouraging the uncollateralized overnight call rate to remain at around 0 to 0.1%. (2) Clarification of policy time horizon based on the "understanding of medium- to long-term price stability." (3) Establishment of an Asset Purchase Program. • The BOJ consistently strives to ensure financial market stability and to support efforts to strengthen the foundations for economic growth. • The government continues to monitor exchange markets closely and takes appropriate actions when necessary.	Pursuing powerful monetary easing and ensuring financial market stability by the BOJ would contribute to strong growth through demand stimulation. The BOJ's fund-provisioning measure to support strengthening the foundations for economic growth would contribute to a rise in the potential growth rate and productivity.	Current powerful monetary easing contributes to returning to a sustainable growth path with price stability, while risk factors including the accumulation of financial imbalances are also thoroughly examined. Stability in foreign exchange markets that reflects economic fundamentals, contributes to sustainable growth.	

Table: Policy Commitments by G20 Members

KOREA

<table>
<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td colspan="4">ADVANCED SURPLUS ECONOMIES: KOREA</td></tr>
<tr><td colspan="4">FISCAL POLICY</td></tr>
<tr><td>The Government has outlined growth-friendly fiscal consolidation policies that:
• reduce the consolidated budget deficit from 0.2% of GDP in 2010 to a surplus of 2.5% in 2014 and the debt-to-GDP ratio from 36.1% in 2010 to 31.8% in 2014;
• introduce a medium term fiscal rule that requires revenue growth rate to exceed expenditure growth rate by 2 to 3%p until fiscal balance is reached;
• restructure expenditure by; reducing discretionary spending by 10% in 2011; and increasing R&D investment by 8.7% every year until 2014;
• increase tax revenue by approximately 1.9 trillion won over the next five years (a plan of 2010 tax law revision); and
• improve fiscal efficiency by (i) implementing National Fiscal Management Plan for 2010-2014, (ii) introducing a tax expenditure budget, (iii) considering long-term fiscal burden, and (iv) establishing an early warning system for regional governments’ finances.</td><td>In the short term, the Government will gradually normalize its fiscal policy through a carefully calibrated exit without impeding economic recovery.

The 2010 tax law revision is planned to boost employment in the sluggish job market and support economic growth; specifically, it includes a new corporate income tax deduction of 10 million won per new employee (or 15 million won for employees aged under 30).</td><td>Maintaining sustainable public finances over the medium term is essential for sustainable growth.

The growth-friendly consolidation enables the government to retain room for counter-cyclical fiscal policies and accommodate the fiscal costs of population aging.</td><td></td></tr>
<tr><td colspan="4">FINANCIAL SECTOR POLICY</td></tr>
<tr><td>The Government is taking financial reform measures to enhance financial stability and create a sound and resilient financial system:
• Improving financial regulatory and supervisory system by:
- implementing the "Guideline for the Compensation Principles“;
- adopting the international financial reporting standards as of Jan 1, 2011;
- establishing Central Counterparties by 2012;
- aligning capital regulation measures with the BCBS decisions;
- preparing for SIFI regulation in line with international standards.
• Developing financial market and industry by:
- working on related legislations such as “Financial Institution</td><td>This action will help attain financial stability, which in turn will support a strong and sound growth in real sector.</td><td>The financial reform will help to make the economy more resilient to economic and financial shocks.</td><td></td></tr>
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<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td>Governance Act” and “Financial Consumer Protection Act”; and
- facilitating the long-term bond market by resuming the issuance of inflation-linked Treasury Bonds in 2010.</td><td></td><td></td><td></td></tr>
<tr><td colspan="4">STRUCTURAL REFORM POLICY</td></tr>
<tr><td>A wide range of structural reforms is currently being pursued:
• promoting industry deregulations and improving the investment environment, focusing on service sectors such as content media and social services related to job creation;
• reducing obstacles to investment in four-focused areas—company location, logistics, construction, and foreign investment;
• considering Market Innovation for Qualified Professionals to fulfil market demand and facilitate market competition; and
• strengthening livelihood support for people with low credit ratings, university students, and elderly farmers and fishermen.
• Labor market reforms:
- reforming practices that favor regular workers by expanding the pilot program of flexible work arrangement to all public enterprises and quasi-governmental institutions in 2011;
- implementing “time-off” in 2010 and unifying bargaining channels for multiple unions in 2011; and
- introducing “National Employment Strategy 2020” to build a fair and dynamic labor market.
• Promoting green growth:
- implementing the Green Certification System and the five-year structural transition plan for a green economy;
- establishing “New Growth Engine Fund” and a green industries investment company;
- establishing a framework for emission trading; and
- establishing National Strategy for Climate Change Adaptation for the years 2011 to 2015.
• Restructuring public sector:
- privatizing 24 institutions, resolving 131 government financed</td><td>Implementing these structural policies will help the economy converge to the growth rate of potential output over the medium term by efficiently utilizing available resources.

Labor market reforms will raise labor productivity; remove impediments to labor utilization, and boost labor market participation.</td><td>To promote environmental and economic sustainability, the Government will cultivate green industries such as renewable energy sector as future growth engine.</td><td>Restructuring public sector will support more balanced growth by boosting the role of the private sector and narrowing internal imbalances.

Deregulation and pro-competition, along with increased efforts to boost innovation in key service industries (education, health, and logistics) will help boost domestic demand and help address external imbalances.</td></tr>
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<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td>companies, and merging 41 agencies over the next few years.</td><td></td><td></td><td></td></tr>
<tr><td colspan="4">DEVELOPMENT POLICY</td></tr>
<tr><td>The Government has committed to:
• increase the ODA-to-GNI ratio from 0.1% in 2009 to 0.25% by 2015;
• expand Duty-Free-Quota-Free treatment up to 95% of tariff lines for the Least Developed Countries by 2012; and
• support outward FDI to developing countries through investment and taxation agreements.</td><td>Progress in these areas will help provide an impetus for growth in developing countries.</td><td>Supporting development in Low Income Countries will help make the growth of global economy more sustainable.</td><td>Contribute to a balanced growth in the global economy by encouraging economic growth in developing countries and narrowing a development gap.</td></tr>
<tr><td colspan="4">MONETARY AND EXCHANGE RATE POLICY</td></tr>
<tr><td>• Taking overall account of financial and economic conditions at home and abroad, monetary policy will be conducted in such a way as to help the Korean economy maintain price stability.
• Korea will continue to maintain a floating exchange rate regime.</td><td>Considering overall economic conditions at home and abroad, monetary policy will contribute to a sound and strong growth.</td><td>Price stability, which is the most important objective of monetary policy, along with financial stability, is essential to sustainable economic growth.</td><td>The market-determined exchange rate will help limit the size of external imbalances.</td></tr>
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<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td colspan="4">ADVANCED DEFICIT ECONOMIES: AUSTRALIA</td></tr>
<tr><td colspan="4">FISCAL POLICY</td></tr>
<tr><td>• Australia’s Charter of Budget Honesty provides a legislated basis for its fiscal policy framework, which is to achieve budget surpluses, on average, over the medium term.
• Australian Government budget is projected to return to surplus in 2012-2013.
• This is achieved by holding real spending growth to 2% a year until the budget returns to surplus and banking upward revisions to revenues associated with the stronger economy.
• The Government will retain a 2% cap on real growth in spending, on average, until surplus is at least 1% of GDP.
• Australian Government net debt projected to be 5.7% of GDP in 2010-11.</td><td>With the economic recovery taking hold in Australia, stimulus measures are being withdrawn and the Australian Government is consolidating its fiscal position. The Government is delivering a fiscal consolidation in the order of 4½% of GDP over the next three years.
This fiscal strategy will put downward pressure on inflation.</td><td>Australia’s sound fiscal position and reform agenda are supporting market confidence in the sustainability of its public finances and growth prospects. The improved fiscal outlook has been achieved while delivering major reforms in health, taxation, private savings and infrastructure that will boost Australia’s growth potential.</td><td>Returning the budget to surplus will ensure the Australian Government is not contributing to Australia’s current account deficit.
This will assist in continuing the sustainability of Australia’s external balance position, which largely reflects high levels of private sector investment in the non-housing sector.</td></tr>
<tr><td colspan="4">FINANCIAL SECTOR POLICY</td></tr>
<tr><td>• As financial market conditions have normalised, bank funding guarantee has been withdrawn and withdrawal of a sub-national government borrowing guarantee announced.
• FSB scheduled to undertake a peer review of Australia’s financial system in 2011.
• Commitment to adopt enhanced international capital and liquidity standards (Basel III).
• Strengthened the executive remuneration framework.
• Established independent regulatory arrangements for formerly self-supervised markets.
• Reforms announced to improve quality of financial advice.
• Announced tax reform to support further competition from foreign financial institutions in the domestic market.</td><td>Australia’s financial sector policies and regulatory frameworks have supported Australia’s sound financial system. This has ensured continued credit flows to the private sector during the global financial crisis and the recovery.</td><td>Implementation of enhanced international capital and liquidity standards will improve the longer-term stability and sustainability of the financial sector.
This will reduce the risk of adverse financial sector shocks on the real economy.</td><td></td></tr>
<tr><td colspan="4">STRUCTURAL REFORM POLICY</td></tr>
<tr><td>• 2010 tax reform package aims to rebalance corporate tax system to improve international competitiveness; including:</td><td>Australia’s tax reform package will make the tax system more</td><td>The new mining tax arrangements will improve the</td><td>Australia’s structural reform package will substantially boost</td></tr>
</table>

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
- new resource tax arrangements; - cut to company tax rate from 30 to 29%; and - instant tax write-off for small business assets up to A$5,000. • New measures to boost national savings and address the aging population include increasing the superannuation guarantee from 9% to 12% by 2019-20; allowing some workers over age 50 to make additional concessional contributions as well as by extending the superannuation guarantee age limit from 70 to 75. • Substantial investments in major infrastructure including; - a new A$6 billion Regional Infrastructure Fund; - doubling expenditure on transport infrastructure over next six years; and - a new A$43 billion National Broadband Network. • 2010 Skills for Sustainable Growth strategy to providing 70,000 new training places and support for 25,000 new apprentices. • Major health reform package to improve efficiency and quality of the health care system.	efficient and help build a stronger economy. In particular, the re-balancing of the corporate tax system will improve Australia's international competitiveness, leading to greater investment and higher productivity. The substantial public investments in infrastructure will reduce bottlenecks and boost Australia's future productive capacity. Additional investments in skills and health reforms will increase the productive capacity of the workforce.	sustainability of Australia's public finances and growth by ensuring Australians get a fairer share of the increased value in its most highly profitable non-renewable resources. More competitive tax arrangements and a big infrastructure investment pipeline will ensure Australia remains an attractive destination for investment. Measures to boost retirement savings and reforms to the health system will help to address longer-term issues related to ageing of Australia's population.	private savings over the medium to longer term. The increase in the Superannuation Guarantee rate is projected to increase retirement savings by A$500 billion by 2035.
DEVELOPMENT POLICY			
• 2010-11 Budget committed increasing ODA to GNI ratio to 0.5% by 2015-16, which is expected to double aid funding from A$4.3 billion to A$8.6 billion. All of Australia's aid is untied. • Committed to the completion of DOHA trade negotiations as well as seeking to strengthen its efforts on aid-for-trade, through multilateral, regional and bilateral arrangements.	Reducing trade barriers and avoiding protectionism, and supporting economic development through increased ODA, will strengthen world growth.	Ensuring aid is delivered in a predictable and coordinated way based on market mechanisms will help achieve sustainable growth.	Supporting market-based development in low-income and emerging economies will contribute to re-balancing sources of global growth over the longer-term.
MONETARY AND EXCHANGE RATE POLICY			
• There have been no changes to the monetary policy framework. In pursuing the goal of medium term price stability, the RBA sets monetary policy to keep CPI inflation between 2 and 3%, on average, over the cycle. As economic conditions improved, the RBA gradually lessened the degree of monetary stimulus, with interest rates to borrowers now back around their average levels	Monetary policy aims to achieve price stability over the medium term so as to encourage strong and sustainable growth in the economy.	Maintaining price stability is an important precondition for sustainable economic growth.	Australia has a floating exchange rate regime, which continues to play an important role in cushioning the Australian economy from external shocks.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
of the past decade.			

Table: Policy Commitments by G20 Members — CANADA

<table>
<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td colspan="4">ADVANCED DEFICIT ECONOMIES: CANADA</td></tr>
<tr><td colspan="4">FISCAL POLICY</td></tr>
<tr><td>• The 2010 federal budget has three broad features:
1. New economic stimulus.
2. Investment in a limited number of new and targeted initiatives aimed at supporting employment and output growth, strengthening innovation, and improving business investment conditions.
3. A plan to bring the budget back to balance over the medium term, including: ending temporary stimulus measures; implementing targeted measures to restrain program spending growth, and a comprehensive review of administrative functions and overhead costs.</td><td>The ongoing implementation of the stimulus plan supports the near term recovery.</td><td>Maintaining sound public finances and price stability will help encourage sustainable growth.</td><td></td></tr>
<tr><td colspan="4">FINANCIAL SECTOR POLICY</td></tr>
<tr><td>• Continued effective risk-based prudential regulation and supervision, including regular five-review reviews of the regulatory framework.
• Transition to a Canadian Securities Regulator with participating provinces and territories.
• Committed to implement agreed-upon G20 financial sector reforms by established deadlines.</td><td></td><td>Measures to promote a strong financial sector will help encourage sustainable growth.</td><td></td></tr>
<tr><td colspan="4">STRUCTURAL REFORM POLICY</td></tr>
<tr><td>• Implementing its long-term, five-point economic plan:
○ Tax Advantage — reducing taxes for Canadians and lower tax rates on new business investment.
○ Fiscal Advantage — strengthening fiscal position for current and future generations.
○ Entrepreneurial Advantage — reducing regulation and red tape, and creating the right conditions for business investment.
○ Knowledge Advantage — creating a highly-educated, skilled and flexible workforce</td><td></td><td>Longer-term reform measures will help improve productivity.</td><td>Budget 2010 measures will improve the investment environment, enhance competition and reduce barriers for business by making Canada a tariff-free zone for manufacturers, improving the ability of Canadian firms to attract venture capital and reviewing where to reduce</td></tr>
</table>

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
○ Infrastructure Advantage — building modern, world-class infrastructure.			compliance burdens. Canada also has several free-trade agreements that facilitate movement of goods and services.
DEVELOPMENT POLICY			
• Has fulfilled commitment to double aid by 2010-11. • Has met its G8 Gleneagles commitment to double aid to Africa and its G8 L'Aquila commitment to double food security assistance. • Committed to provide $2.85 billion over five years for the G8 Muskoka Initiative for Maternal, Newborn and Child Health. • Committed to innovative development financing approaches including $20M to promote access to private-sector financing for small- and medium-sized businesses in the developing world through the SME Finance Challenge.	Contributes to stronger global growth.		
MONETARY AND EXCHANGE RATE POLICY			
• Monetary policy framework includes explicit inflation target and flexible market-based exchange rate.		Measures continue to preserve price and external stability, thereby anchoring expectations and allowing relative prices to allocate resources efficiently.	The flexible exchange rate is designed to facilitate adjustment to changing domestic and international economic conditions.

Table: Policy Commitments by G20 Members

FRANCE

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
ADVANCED DEFICIT ECONOMIES: FRANCE			
FISCAL POLICY			
• Commits to adopt measures to achieve the public deficit targets of 6% GDP in 2011, 4.6% in 2012, 3% in 2013 and 2% in 2014. • A 2011-2014 multiyear programmatic law is under discussion, promoting a new fiscal framework.	The fiscal consolidation plan is a growth-friendly fiscal adjustment tailored for supporting the recovery and protecting long term growth. Long term growth-friendly policies are still being enforced such as the Research tax credit, the local business tax reform or the Expenditures for the Future Investment Program (see below).	A new fiscal framework will ensure fiscal sustainability and credibility in the long run. For instance, it will be impossible to create new tax and social contribution expenditures outside of Budget laws; the three-year State spending ceiling, multiannual spending ceilings for health-care and social expenditure are introduced; minimum yearly targets for the reduction of tax loopholes are set in the programmatic law. The pension reform (see below) is also a key to long run fiscal sustainability.	The reduction in government consumption will help reduce the current account deficit of the country.
FINANCIAL SECTOR POLICY			
• Adoption of G20 compensation principles, enhanced capital requirements, committed to a systemic levy to protect taxpayers from the costs of resolving distressed financial institutions. • New regulation to promote responsible consumer lending. • Renewed European regulatory and supervisory framework. • Creation of the French Prudential Authority and extension of the French Securities Market Authority's power and scope.	These actions build confidence in the financial system and create the conditions for financing of the economy through a well regulated and supervised financial and banking sector.	The French financial system has proved to be more resilient during the crisis. The policy objective is to strengthen further its resilience and stability within the European and world financial system.	
STRUCTURAL REFORM POLICY			
• Major pension reform to increase the legal retirement age and contribute to the sustainability of public finances.	Labour market reforms increase labour force participation	The pension reform ensures the sustainability of the pay-as-you-	Coordination of structural reforms across the EU within

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
• Measures to foster public and private investments in R&D, innovation and higher education: Expenditures for the Future Investment Program, Research Tax Credit, Law on University Freedoms and Responsibilities, competitive cluster policy. • Pursue the "flexicurity" and "make work pay" labour market policies to reduce inactivity traps (RSA) and make the "unemployment agency" more efficient at getting unemployed people back to work • The Economic Modernisation Law and local business tax reform will provide businesses with a more attractive environment for growth, competition and innovation purposes. • Increase competition in the service sector by implementing the "European Service Directive". • Support the EUROPE 2020 strategy at both European and national levels for smart, sustainable and inclusive growth.	(especially from young and senior workers) and reduce structural unemployment, which enhances domestic potential growth. Ensuring the highest level of fair competition in goods and services markets is crucial to stimulate productivity gains and increase the purchasing power of households.	go pension system in the long run. Policies targeted at boosting investment in R&D and education will promote sustainable growth by stimulating productivity improvements and the accumulation of physical and human capital in the long run.	the EUROPE 2020 strategy will reduce imbalances within the euro area.
DEVELOPMENT POLICY			
• Quantitative increase of French Official Development Assistance as a share of GNI in 2010. Commitment to maintain the level of funding dedicated to aid over the 2011-2013 period. • A national cooperation strategy has been defined, outlining 4 objectives (sustainable and shared growth, fight against poverty, global public goods and stability & rule of law), 5 priority sectors (health, education, food security, sustainable development incl. climate change, support to growth incl. private sector) and 4 geographical partnerships (Sub-Saharan Africa, Mediterranean, emerging countries and crisis-stricken countries).	These actions will contribute to a stronger growth in developing countries.	French ODA keeps a special focus on preserving global public goods in order to promote sustainable global growth. It notably promotes a definition of growth beyond GDP to encompass the other dimensions of development (including social and environmental).	French ODA focus on the most vulnerable countries (especially Sub-Saharan African countries) contributes to a rebalancing of global growth.
MONETARY AND EXCHANGE RATE POLICY			
For "Monetary and exchange rate policy", please refer to the Euro area/ EU common contribution			

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
ADVANCED DEFICIT ECONOMIES: ITALY			
FISCAL POLICY			
Effective action has already been undertaken by the Government in May and approved by the Parliament in July to bring forward fiscal consolidation: • measures amount to a cumulative 12 billion euro in 2011 and 25 billion in 2012 and 2013; • expenditure cuts provide the lion share, amounting on average to 75% of the net adjustment in the three year period; • growth friendly structural measures and a major reform of the pension system are a substantial part of the package (see below); • it is expected that: a) the primary balance will become positive in 2011 (1% of GDP), further increasing thereafter; b) the net borrowing will be reduced to below 3% of GDP in 2012, further declining thereafter; c) the debt to GDP ratio will start declining in 2012.	The approved consolidation supports growth since it: a) makes the economy more competitive; b) signals a reduction of future taxation; c) stimulates private sector demand by reducing crowding out.	The approved consolidation, together with improved economic governance of the EU and the euro area, supports a more sustainable growth, as it underpins market confidence, buttresses macro-financial stability, creates room for policy initiatives and responds to the challenge of the ageing population.	The fiscal consolidation is an essential part of internal rebalancing as it reduces public support and stimulates private investment demand.
FINANCIAL SECTOR POLICY			
Strong measures have been adopted to strengthen and support the financial sector, even though it has not been heavily affected by the crisis due to effective supervision: • at national level, specific rules have been issued by the Bank of Italy on remuneration practices to ensure their consistency with sound and prudent management and the Government has been recently delegated by the Parliament to ensure full transparency in this field by listed companies; • in addition, measures have been implemented to support households' home loans, the provision of financing and capital to businesses, in particular SMEs and for investment in research and innovation, and more effective consumer finance supervision; • within the EU, firm action has been taken to preserve stability and ensure market functioning, through the creation of the European Financial Stability and Mechanism and the approval of the	Financial sector policies ensures that economic activities receive the necessary capital, thereby allowing a key engine of growth to work effectively. In addition, the national measures target specific sector and activities that are crucial to improve the performance of the Italian economy.	Financial sector stability and proper market functioning promote sustainable growth by reducing the risk that financial sector and systemic or regional crises may disrupt the economy.	A sound and properly functioning financial sector and the national measures targeting specific activities are essential to support the shift from public support to private demand and so to ensure that the internal rebalancing takes place.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
supervisory package.			
STRUCTURAL REFORM POLICY			
A wide range of structural reforms, in line with the EU 2020 Strategy, to: • enact fiscal federalism and empower regions and local governments, thereby encouraging a more efficient management of public resources, rationalising local taxation, reducing transfers from the State budget, setting incentives to fight tax evasion at the local level; • further reform the pension system by providing for the automatic and periodic revision of the retirement age to link it to changes in life expectancy; • enhance the efficiency of the public sector, including the revision of the budgetary framework to strengthen expenditure controls; • create a more business-friendly environment, through the reduction of the administrative burden; • boost competitiveness also through decentralised, productivity-linked wage negotiations, and the possibility for southern regions to modify tax rates and bases; • increase labour market participation of less attached groups, women and youth; • improve the regulatory framework in the energy sector and local public services; • reform secondary and tertiary (and equivalent) education; • develop research and innovation.	The package of structural reforms promotes stronger growth by increasing productivity and labour force participation, improving the education system, removing bottlenecks and supporting innovation.	The programme of structural reforms makes growth more resilient and sustainable by creating the conditions for a permanent increase in productivity growth.	The structural reforms that are being implemented are an essential component of the internal rebalancing effort from public support to private demand.

Table: Policy Commitments by G20 Members — UNITED KINGDOM

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
ADVANCED DEFICIT ECONOMIES: UNITED KINGDOM			
FISCAL POLICY			
In line with the differentiated G20 approach to fiscal consolidation, the UK Government has outlined policies to: • reduce the fiscal deficit. Total consolidation reduces cyclically-adjusted public borrowing by 8.4% of GDP between 2009-10 and 2015-16; • create a new and independent Office for Budget Responsibility to introduce greater transparency and credibility to the fiscal framework; and • introduce a new forward-looking fiscal mandate to achieve cyclically-adjusted current balance by the end of the five-year forecast period. This will be supplemented by a target for public sector net debt as a percentage of GDP to be falling by 2015-16.	The UK is facing serious fiscal challenges. Fiscal action is therefore a pre-requisite for strong, private sector led growth in the UK. Interest rates will stay lower for longer, “crowding in” private activity and reducing unproductive spending on debt interest. In addition, the fiscal mandate has been designed to protect the most productive public investment expenditure and allow some fiscal flexibility at a time of economic uncertainty.	These plans remove the risk of financial markets losing confidence in the government’s economic management and as a result forcing up interest rates and jeopardising the rollover of public debt. Over the medium term they will also begin to restore economic policy space, enabling the government to deal more easily with future economic shocks.	Fiscal action will eliminate the government drain on national saving. Minimising the impact of deficit reduction measures on capital and labour (e.g. through an increase in VAT from 17.5% to 20%), when combined with reforms of the corporation tax regime, should also help re-orientate the economy from debt-financed consumption towards investment.
FINANCIAL SECTOR POLICY			
The government is taking firm action to reduce systemic risk in the UK financial sector: • The framework for financial regulation and supervision is being reformed through internationally-agreed measures on capital and liquidity and by providing the Bank of England with control of macro-prudential regulation and oversight of micro-prudential regulation. • A levy on banks’ balance sheets will be introduced from 1 January 2011 to encourage banks to adopt less risky funding profiles. The government is also establishing an independent Banking Commission to consider reforms to the structure of banking in the UK and the state of competition in the industry.		This will contribute to sustainable growth by reducing the risk that problems in the financial sector will disrupt activity in the wider economy in future.	This action will underpin balanced growth by ensuring that development of the financial sector is not distorted by weak regulation combined with expectations of government support in times of crisis.
STRUCTURAL REFORM POLICY			
A wide range of structural reforms are being implemented in the UK, including:	Structural reforms will contribute to strong growth by raising the		Structural reforms will support more balanced growth by

<table>
<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td>• increasing the threshold for employer National Insurance Contributions (NICs);
• introducing measures to help growing small and medium-sized businesses access the credit they need;
• a Universal Credit and single Work Programme to improve the efficiency and effectiveness of welfare to work programmes;
• reforming the higher education system, while increasing funding for schools and early years education and supporting those from poorer backgrounds;
• targeting investment in infrastructure projects with the greatest economic benefits, including transportation and science spending;
• establishing Green Investment Bank to support the transition to a low-carbon economy; and,
• establishing NIC concessions and a Regional Growth Fund to help regions most severely affected by reductions in public spending.</td><td>potential growth rate of the UK economy as a whole.
In particular, reforms to the banking, planning, schools and welfare systems will address underlying causes of relatively weak productivity growth in the UK and boost employment.
Reforms will also help markets work more effectively, encouraging innovation and an efficient allocation of resources.</td><td></td><td>boosting the role of the private sector, particularly in those regions that have hitherto relied disproportionately on public sector spending.</td></tr>
<tr><td colspan="4">DEVELOPMENT POLICY</td></tr>
<tr><td>The government remains committed to resisting trade protectionism and completing the Doha Development Agenda as soon as possible. The UK government has announced plans to reach the UN's Official Development Assistance (ODA) target of 0.7% of Gross National Income (GNI) from 2013.</td><td>Progress will contribute to global growth by underpinning expansion in global trade and supporting growth in Low Income Countries.</td><td></td><td></td></tr>
<tr><td colspan="4">MONETARY AND EXCHANGE RATE POLICY</td></tr>
<tr><td>Monetary policy will remain focused on maintaining price stability and achieving the 2% inflation target. The sterling exchange rate will reflect market forces.</td><td>Given the amount of spare capacity in the economy, current monetary policy is highly accommodative and supportive of the recovery, and will continue to take into account planned fiscal tightening.</td><td>The primary aim of monetary policy is to achieve price stability. Maintaining price stability is a pre-requisite for sustainable growth.</td><td>A market determined exchange rate will underpin balanced economic development.</td></tr>
</table>

Table: Policy Commitments by G20 Members

UNITED STATES

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
ADVANCED DEFICIT ECONOMIES: UNITED STATES			
FISCAL POLICY			
• The fiscal focus of the U.S. Administration has been to support, in the short-term, a strong economic recovery and, over the medium-term, put the federal budget on a fiscally sustainable path. • New healthcare reform legislation will reduce the deficit over the next decade by more than $100 billion. • New PAYGO rules require any new tax cuts or spending to be paid for. • The FY11 budget includes proposed reductions of $1.2 trillion over the next decade. • The deficit is projected to fall from 10% of GDP in FY2010 to 3.8% in FY2014. • The President's Fiscal Reform Commission will report in December on measures to balance the primary budget by 2015.	Fiscal support is essential in the short run to shore up the recovery, eliminate the large GDP gap, and support employment growth. Shrinking budget deficits in the medium and long term will reduce fiscal pressure on interest rates and free up private capital to invest in new capital and technologies. This will help to support strong long-term economic growth.	Fiscal discipline over the medium and long run will prevent inflationary overheating and will prevent unsustainable increases in the national debt as a fraction of GDP. Putting federal finances on a sustainable path is a high priority of the Obama Administration.	Fiscal discipline, combined with higher private sector saving rates, will help close the saving-investment gap and reduce U.S. borrowing from the rest of the world, promoting a more healthy balance in the U.S. current account.
FINANCIAL SECTOR POLICY			
The Wall Street Reform and Consumer Protection Act includes a broad range of provisions within four broad reform objectives: • Strengthening supervision to reduce systemic risk and by closing gaps and loopholes in the regulatory regime. • Enhancing regulation of critical markets, including regulation of securitization markets. • Improving protection for consumers and investors through the creation of a consumer financial protection agency. • Improving the resolution regime for systemically important financial firms.	The Act creates a financial system that is pro-innovation, pro-investment, and pro-growth while also providing the necessary protections against financial excess. Through the changes in the Act, U.S. financial markets will more efficiently channel investment capital to the real economy and promote strong economic growth.	The Act will make for a more sustainable U.S. economy through better regulation and stronger supervision. This will reduce the magnitude and likelihood of future financial crises. The Act also better aligns incentives and risks in the capital market, which will help promote more sustainable growth.	
STRUCTURAL REFORM POLICY			
• The Administration is working to improve the competitiveness of the U.S. economy through a variety of structural reform measures. • These include measures to increase infrastructure investment in	Increases in the stock of public, human and innovative capital will raise the productivity of the U.S.	Increasing the growth rate of potential GDP will help to improve standards of living and	Improvements in U.S. productivity will enhance competitiveness, improving

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
transportation, broadband internet, and the electric grid; expanding education and job training and college affordability; increasing funding for science and basic research; health care reform and coverage; and the promotion of energy efficiency and investment in clean energy.	economy in the medium and long run.	economic sustainability. Improving educational opportunities and attainment will promote a more equal income distribution.	exports and contributing to a more balanced U.S. economy and U.S. current account in which a larger share of U.S. demand is satisfied by domestic production.
DEVELOPMENT POLICY			
• The President's global development policy recognizes the strategic, economic, and moral imperative of development, focusing on broad-based growth, democratic governance and sustainable systems to meet basic human needs. • The U.S. is securing funding for MDB capital increases and is taking a lead role in replenishments of IDA and AfDF. • The U.S. has committed at least $3.5 billion to the L'Aquila Food Security Initiative, and pledged $475 million to the GAFS Program. • The U.S. has made commitments under the $63 billion Global Health Initiative, including a 3-year pledge to the Global Fund.	U.S. policy elevates broad-based economic growth as a priority. Providing direct assistance, support for multilateral development institutions, food security and health to strengthen the productive potential of less developed economies and contributes to stronger global growth.	U.S. development policy emphasizes building sustainable capacity in the public sector and at the national community level to provide basic services. It also underscores the importance of country ownership and responsibility, and thereby promotes sustainability.	Stronger growth in the lesser developed economies will help to close the development gap and contributed to a more balanced global economy.
MONETARY AND EXCHANGE RATE POLICY			
• Exchange Rate: The dollar's value in international currency markets is market-determined.		A freely floating exchange rate promotes sustainability by adjusting automatically to changing economic circumstances and fundamentals.	A freely floating exchange rate supports smooth functioning of the international adjustment process and contributes to balanced global growth.
• Monetary Policy: The Federal Reserve is committed to its statutory dual mandate to pursue policies that promote maximum employment and price stability. It has taken important steps to increase the clarity of its communications regarding its outlook and longer-run objectives. It has also developed additional policy tools that enhance its ability to adjust the monetary policy stance.	Consistent with the Federal Reserve's mandate, monetary policy remains highly accommodative to support the economic recovery in the context of price stability.	The Federal Reserve promotes sustainable growth through its commitment to its dual mandate.	

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
EMERGING SURPLUS ECONOMIES: ARGENTINA			
FISCAL POLICY			
• Measures will continue to be adopted to guarantee our country's solvency with the aim of normalizing Argentina's relations with its external creditors and maintaining the high average duration of our public debt. These include debt restructuring and measures to ensure that provincial liabilities are rolled-over. • Policies to consolidate the significant increase in revenues that has been achieved in recent years.	Significantly limits impediments to growth posed by a high level of sovereign indebtedness and contributes to financing public investment in infrastructure.	Dispels concern about sustainability of the public debt path and prevents the development of infrastructure bottlenecks.	
FINANCIAL SECTOR POLICY			
• Measures to increase financial sector soundness and update the regulation of risk management practices. • Measures to facilitate widespread access to the banking system, particularly for low-income households.	Fosters consumption in lower income households and contributes to their financial safety.	Prevents the emergence of unsustainable and destabilizing credit cycles.	Avoids a pattern of growth based on forced savings.
STRUCTURAL REFORM POLICY			
• Increasing the share of Investment in education in the budget. • Increasing the share of formal employment and facilitating job creation, particularly of young workers as well as for jobs at SMEs, especially through financial incentives. • Energy plan to increase national energy production, particularly from renewable energy sources, and improve distribution channels. • Development of transport infrastructure to lower transport costs and facilitate trade with neighbouring countries. • Measures to promote innovation and improve technological infrastructure. • Strengthening social safety nets through measures aimed at low-income households and pensioners.	Increasing workers' skills and augmenting the availability and quality of infrastructure contributes to expanding the economy's long-term growth rate.	Some of these measures are necessary conditions for growth to be sustainable.	A pattern of growth that is not skewed in favor of a few sectors prevents the emergence of bottlenecks and sets the basis for an improvement in the distribution of income.
DEVELOPMENT POLICY			

Table: Policy Commitments by G20 Members

ARGENTINA

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
• Increase participation in multilateral development institutions. • Support the international South-South cooperation by providing assistance to the least developed countries.			Contributes to a reduction of the development gap.
OTHER POLICIES			
• Reduction of import costs in the Mercosur, particularly through the gradual elimination of cross-border taxes within the area. • Trade, business and technological assistance to the agricultural sector with the aim of promoting high-value added activities and food security. • Subsidized credit programs to stimulate private sector investment.	Increases the investment rate as well as the economy's efficiency.	Increases the private investment rate and Argentina's export potential, thus augmenting the resilience to unfavorable shocks to the terms of trade.	

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
EMERGING SURPLUS ECONOMIES: CHINA			
FISCAL POLICY			
• China will keep the stability and continuity of its fiscal policy and continue to implement proactive fiscal policy. Meanwhile, China will improve policy relevancy and flexibility in line with new developments. • More focus on pushing forward restructuring to substantially improve the quality and efficiency of economic development. • More focus on expanding domestic demand especially consumer demand to ensure a stable and relatively fast growth. • More focus on deepening the reform of the fiscal and taxation systems to significantly enhance the inherent driving force and vigor of the economic development. • More focus on securing and improving people's livelihood to promote harmonious economic and social development.	To maintain stable and relatively fast growth remains one of China's top priorities. Domestic demand will continue to be boosted by promoting a steady increase of investment, structural tax cuts and establishing favourable mechanisms to foster the continuous increase of national income and consumption. While expanding the domestic demand, China will continue to promote the steady development of foreign trade, especially the expansion of imports, thus contributing to global economic recovery.	Priority has been given to accelerating economic restructuring, by focusing on encouraging technological innovation, advancing energy conservation and emission reduction, and strengthening environment protection. China will also continue to increase funding for agriculture, education, health, social security, and science and technology. Fiscal deficit and public debt management will be strengthened to maintain fiscal sustainability. Regulation of local investment and financing will be enhanced to mitigate the local government debt risk.	Fiscal measures will contribute to expansion of domestic demand, especially consumption, and promote the transformation of development pattern whereby growth will be driven by consumption, investment, and exports rather than by mainly investment and exports, led by the primary, secondary, and tertiary industries together, instead of being led by the secondary industry alone. Proactive fiscal and tax policies will promote internal balancing by reforming the income distribution system, improving the social security system and promoting balanced development between urban and rural areas, as well as among regions.
FINANCIAL SECTOR POLICY			
• China will improve instruments and means for macro-prudential policies, a regulatory regime for SIFIs, and the financial safety net. • Ongoing work to set up leverage ratio and liquidity requirements in banks; reform capital markets, including improving institutional infrastructure and investor structure; introduce risk-based capital requirement in the insurance sector; and strengthen convergence	Policies in this area will advance the development of the financial sector and build a more robust financial system. A healthier financial system will better support sound and rapid growth.	Financial reform measures will improve the resiliency of the financial system to shocks, and thereby reduce the risk that shocks in the financial system will disrupt economic activity.	A sounder financial system will increase financing efficiency, which will help reduce savings and boost investment.

<table>
<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td>with international accounting standards.</td><td></td><td></td><td></td></tr>
<tr><td colspan="4">STRUCTURAL REFORM POLICY</td></tr>
<tr><td>• Work is underway to ensure equal employment opportunities for both urban and rural residents; to improve vocational opportunities and help migrant workers participate in social insurance programs; and to enhance social security net and upgrade infrastructure in rural areas.
• New policies have been introduced to boost private investment, including measures to further expand the fields and scope for private investment.
• Greater support for education and R&D.
• Further support the development of the service sector.</td><td>These policies will improve internal imbalance, raising income level and boosting consumption and domestic demand.</td><td>Structural reforms will support sustainable growth by raising incomes, thereby enhancing consumption; enhancing labour productivity; and increasing R&D capacity. Boosting private investment will pave the way for the exit of stimulus policies and normalization of policy stance at the right time.</td><td>Structural reforms will promote industrial upgrading and optimize the structure of non-tradable sectors. They will bridge the development gap between urban and rural areas and across regions, helping expand domestic demand and reduce external imbalance.</td></tr>
<tr><td colspan="4">DEVELOPMENT POLICY</td></tr>
<tr><td>• China will keep reducing exports of high energy consumption, high pollution and high resources consumption products, stabilize goods exports and expand services exports, and promote the restructuring and upgrade of the processing trade.
• China has signed 7 FTAs with ASEAN, Pakistan, Chile, New Zealand, Singapore, Peru and Costa Rica. The Chinese Mainland has also signed 2 CEPAs with Hong Kong and Macau SARs, and an ECFA with Taiwan.
• China has reduced tariffs to zero for more than 4,700 tax items of commodities originally produced in 33 LDCs as part of efforts to support the UN MDGs.
• China will continue to enhance South-South cooperation.</td><td>Improvement in the export structure will help China’s economic restructuring program and growth pattern shift. More energy efficient growth will also improve the quality of growth. Further trade liberalization will release comparative advantage of China and its trading partners, boosting global trade and supporting stronger global growth.</td><td>This will help reduce damage to the environment and consumption of resources, which will enhance growth sustainability. Meanwhile, growth will be more sustainable as it becomes more balanced.</td><td>Trade policies will help increase imports from other developing countries. They will also help boost economic development of other developing countries and the LDCs, contributing to a more balanced global economy.</td></tr>
<tr><td colspan="4">MONETARY AND EXCHANGE RATE POLICY</td></tr>
<tr><td>• China will continue its moderately easy monetary policy.
• China will further reform the RMB exchange rate regime, increase exchange rate flexibility, and promote a balanced BOP account.</td><td>An appropriately accommodative monetary policy helps China sustain strong growth in the face of lingering external</td><td>A basically stable exchange rate with appropriate flexibility helps China deal with volatility and shocks in international financial</td><td>A combination of these monetary and exchange rate policies helps promote structural adjustment, thus</td></tr>
</table>

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
	uncertainties.	markets. It also helps orderly BOP adjustment and contributes to sustainable growth.	expanding domestic demand and reducing external imbalance.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
EMERGING SURPLUS ECONOMIES: INDONESIA			
FISCAL POLICY			
• The budget deficit is planned to fall from its 2010 level of 2.1% of GDP to 1.8% of GDP in 2011. • The Government aims to reduce the government debt to GDP level to around 26-28% of GDP at the end of 2011.	Fiscal support for growth has been provided since the onset of the global crisis. Targeted sectors were chosen based on their contribution to growth. Maintaining stimulus throughout 2010 will ensure a strong and solid base for recovery. Private sector growth has picked up permitting fiscal stimulus to be gradually withdrawn.	Indonesia's focus is on providing an enabling environment for higher private-sector led growth. This will be achieved by fostering a sound macroeconomic environment, including sustainable fiscal accounts and manageable public debt. Indonesia's stimulus measures were designed to be temporary in order to facilitate exit.	The economy is rebalancing to rely more on growing private sector demand, enabling a gradual withdrawal of the fiscal stimulus provided during the crisis. Growth is expected to continue to rely on domestic demand especially noting the slow global recovery. The narrowing external surplus reflects the pick-up in domestic demand, including investment.
FINANCIAL SECTOR POLICY			
• Participate in the Financial Sector Assessment Program and prepare action plans to strengthen adherence to international standards based on the FSAP results. • Complete implementation of Basel II with adjustments to this regulatory regime following the final BCBS proposal to strengthen global capital and liquidity standards (Basel III). • Supplement the regulatory policy on prudential requirement with the power of respective regulators to impose additional requirements on specific financial institutions. • Applying risk-based supervision method for all regulated entities with more frequent audit activities. • Seek to pass the Financial System Safety Net Law to strengthen financial regulation and supervision. • Establish stricter prudential regulations and stronger monitoring of important financial institutions.	Measures to promote a deepening of financial markets and promote intermediation will support growth.	Measures to enhance the strength and resilience of the financial sector will reduce risk of crises and the Financial System Safety net Law will bring clarity to resolution of problem financial institutions. Adherence to international standards is expected to promote more sustainable growth through enhanced financial stability. Strengthened regulatory and supervisory frameworks are expected to promote sustainable growth through	Enhanced accessibility to the financial sector will allow for support of domestic demand.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
		enhanced financial stability. Measures on crisis prevention and resolution support a more sustainable growth through enhanced financial stability.	
STRUCTURAL REFORM POLICY			
• Accelerate infrastructure development focusing on irrigation, transportation, housing, water resources, and communication • Issuing Presidential Regulation 13/2010 to strengthen government guarantees/ government finance for infrastructure • Targeting infrastructure development in 2011 to: (i) strengthen national food security; (ii) improve domestic connectivity for passengers and goods; (iii) strengthen virtual domestic interconnectivity (communication); (iv) address the backlog in housing supply; (v) strengthen national energy security; and (vi) strengthen water resource management and flood management • Creating PT Indonesia Infrastructure Finance	Focus is on strengthening infrastructure that will stimulate domestic demand in the short term as well as boost growth potential over time.	Medium growth potential is being boosted by increasing budgetary allocations for education and by removing impediments to public and private investment in infrastructure. Fiscal space for these and other social outlays will be created by reducing inefficient fossil fuel subsidies.	Creation of PT Indonesia Infrastructure Finance will improve the role of private sector in infrastructure development through the PPPs scheme.
DEVELOPMENT POLICY			
• Indonesia will intensify and expedite financial inclusion initiatives to support government "pro poor, pro job, and pro growth" economic policies. • Strengthen and expand the poverty reduction program. • Expand the family-based social assistance system to improve coverage of poor and vulnerable households; improve health security coverage for all families; and increase the number of scholarships for poor students at all education levels. • Scaling-up the PNPM Mandiri from Rp 10.3 trillion in 2009 to Rp 12.1 trillion in 2010. • Expand coverage of *Kredit Usaha Rakyat* (KUR), a program to increase access to credit for small and medium enterprises, and improve its distribution mechanism.	Successful financial inclusion enhances intermediation and thus plays a role in delivering strong growth. Poverty reduction and greater equality will improve social cohesion that, in turn, will be reflected in stronger growth and productivity. The measure to stimulate banking intermediation is aimed at encouraging bank lending in the recession and discouraging	By broadening the basis for growth in our economies, financial inclusion helps generate sustainable growth. Better HDI will improve growth potential in the longer term. The measure of stimulating banking intermediation is an integrated policy seeking to balance the objectives of monetary, micro-prudential and macro-prudential policies to support economic growth, and	By alleviating poverty and broadening reliance on private sector demand, financial inclusion helps bring about balanced growth.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
• Stimulating banking intermediation, among others by linking banks' intermediary roles with their statutory reserves. • Providing a wider range of banking services by further improvement in its Sharia banking system	bank lending in a boom period. This measure will boost credit growth so as to stimulate stronger domestic demand. Wider range of Sharia banking services will help accelerate growth of the industry.	to create a stable banking and financial systemfor supporting more sustainable growth. Sharia banking system in which all activities are based on real underlying assets will assure its sustainability.	
MONETARY AND EXCHANGE RATE POLICY			
• The monetary policy framework continues to be directed mainly to price stabilization, while paying close attention to financial system stability, and promoting economic growth, as well as integrating macro-prudential policies into the framework. • Support financial deepening through market instrument development. • Bank Indonesia issued a policy package In June 2010 to buttress monetary operations and refine prudential banking aspects, consisting of additional instruments and the completion of several requirements for the financial and the foreign exchange market.	Monetary policy has been accommodative. Policy interest rates were reduced during the global crisis and have since remained unchanged. The exchange rate has been flexible and the post crisis real appreciation is supportive of stronger domestic demand.	A flexible exchange rate regime has facilitated the economy's resilience to global shocks. International reserves are adequate to strengthen the resilience of the economy to shocks.	Infrastructure improvements and deepening of capital markets will reduce volatility.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
EMERGING DEFICIT ECONOMIES: BRAZIL			
FISCAL POLICY			
• The design of fiscal rules in Brazil is based on the Fiscal Responsibility Law (LRF). • Brazilian fiscal policy pursues a balanced use of public resources aiming at a gradual reduction of the net public debt-to-GDP ratio, as well as the improvement of the debt profile. • The Budgetary Guidelines Law establishes a consolidated public sector primary surplus target of 3.3% of GDP for the period 2011-2013, maintaining a downward trend for the net public debt – 36.7% of GDP in 2011 to 30.8% in 2013. • Crisis related stimulus to consumption was removed after Brazil achieved a high level of growth. • Maintenance and expansion of the social safety net. • Increase of public investments.	Countercyclical fiscal policy has played a key role in supporting economic growth. Flexibility and timely fiscal measures guarantees favorable levels of employment, income and production. Through Increase of public investments in infrastructure, multi-factor productivity in Brazil will be boosted, allowing higher competitiveness and stronger growth.	The primary surplus target set on the Budgetary Guidelines Law for the following 3 years is consistent with the sustainable path for public debt.	Maintenance and expansion of welfare programs contribute to enhancing domestic market and social mobility, by generating income and reducing social inequalities.
FINANCIAL SECTOR POLICY			
• All financial institutions are required to allocate capital according to standardized approaches for credit, market and operational risks as recommended by BCBS. Capital requirements for market risk were amended to include the use of stressed VaR parameters • The introduction of advanced approaches for capital requirement is under way and will be complete by 2013 • While already applying prudential parameters that are quite strict, Brazil intends to promptly adopt the revised Basel III standards. The same applies for FSB's compensation principles. • Initiatives to further deepen and make banking services more broadly available to society.	Conservative use of prudential tools allows for additional credit expansion without undue risk for financial stability. Financial inclusion initiatives, consistent to the G20 Principles for Innovative Financial Inclusion, broaden the credit basis, thus enhancing domestic demand and prospects for growth.	Financial sector risks are mitigated through generally conservative prudential regulation and effective supervision, such as: • Current capital requirement of 11% of risk-weighted assets. • Limits for large exposures and for foreign currency exposures. • OTC derivatives trades must	The policy of financial inclusion and sound credit expansion has positive externalities on a wide chain of production and service sectors, generating employment, income and reduction of inequality.

<table>
<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td></td><td></td><td>be registered in a clearing house.
• High reserve requirements used as liquidity buffers

Greater availability of credit to firms and households allows longer-term planning of their consumption and investment decisions and, at same time, makes the credit channel of monetary policy more powerful.</td><td></td></tr>
<tr><td colspan="4">STRUCTURAL REFORM POLICY</td></tr>
<tr><td>• Brazilian development strategy underway is based on the idea of integrating economic growth with reduction in social inequality.
• Emphasis is being given to measures regarding social inclusion, research and technology innovation, education, the housing sector and infrastructure.
- Maintenance and expansion of welfare programs, such as Bolsa Família and Lei Orgânica da Assistência Social e Renda Mensal Vitalícia.
- Enhancement of research and technological innovation initiatives.
- Strengthening programs for education.
- Enhancing the investment climate.
• Brazil has gathered the necessary infrastructure investments for pursuing a strong, sustainable and balanced economic growth. The Growth Acceleration Program (PAC 2) has been divided into six major areas for investment: (i) PAC My House, My Life – US$ 19.4 billion; (ii)PAC Better City; (iii) PAC Citizen Community; (iv) PAC Water and Electricity for All; (v) PAC Transportation; and (vi) PAC</td><td>The Brazilian development strategy is guided by the view that the incorporation of large segments of the population into mass consumption markets, the provision of quality education, public investment in infrastructure and the enhancement in the business environment will result in stronger, more sustainable and balanced growth

By focusing on infrastructure investment, Brazil seeks to unclog the production bottlenecks on logistics, reduce production costs, improve</td><td>Ensuring broad access to quality education aims at equalizing opportunities and preparing the labor force for the challenges of new production and service provision patterns.

Emphasis should be given to the contribution of PAC to sustainability. A significant part of investment made under PAC-1 and planned under PAC-2 is directed to improve the protection of environmental resources.

Moreover, long-term plans of investment in infrastructure</td><td>These initiatives, by generating income and reducing inequalities, result in the inclusion of lower income population into the consumption process and strengthening of domestic demand.</td></tr>
</table>

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
Energy. Government raised the amount of the program by 45.5% reaching US$ 545.71 billion for the period 2011-2014 and US$ 360.8 billion after 2014, totaling US$ 906.51 billion. • Investments of US$ 36.5 billion to prepare Brazil for the Football Confederations' Cup in 2013, for the FIFA World Cup in 2014 and for the Olympic games in 2016.	efficiency and hence the competitiveness of Brazilian industry.	mitigate the shortcomings of its depreciation and obsolescence.	
DEVELOPMENT POLICY			
• International development measures include, among others, the Brazilian South-South cooperation to provide technical assistance to developing countries, its contributions to international development institutions, and humanitarian assistance.			Technical assistance on agriculture, energy, healthcare, education, public security and public administration aims at enhancing growth potential of beneficiaries.
MONETARY AND EXCHANGE RATE POLICY			
• Brazilian monetary policy has been conducted within a framework that combines inflation targeting and a floating exchange rate. • The Brazilian Central Bank is strongly committed to ensure the stability of the currency's purchasing power and to preserve a solid and efficient financial system. These conditions reinforce a stronger and safer domestic financial system, favoring a sustainable and balanced economic growth path. • When needed, Brazil may avail itself of macro-prudential tools and controls to prevent excessive capital inflows.		The adjustment of the basic interest rate aims at bringing future inflation close to the announced target and keeping the economic growth path sustainable. The objective of adjusting the reserve requirements is to keep the real credit growth sustainable. Macro-prudential tools will prevent massive inflows of volatile capital and help prevent asset and credit bubbles.	Macro-prudential tools will contribute to prevent artificial appreciation of the currency that is not warranted by economic fundamentals.

Table: Policy Commitments by G20 Members INDIA

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
EMERGING DEFICIT ECONOMIES: INDIA			
FISCAL POLICY			
• The medium term fiscal objective is to revert to the path of fiscal consolidation at the earliest, with emphasis on structural fiscal reforms and prudent fiscal management, without risking the recovery. Recent indicators suggest that the process of fiscal consolidation is on track. • As a part of the fiscal consolidation process, the Government for the first time has targeted an explicit reduction in its public debt – GDP ratio.	The fiscal consolidation programme places emphasis on prudent fiscal management that provides a conducive environment for investment without undermining the recovery.	The calibrated adjustment path would stabilise the debt to GDP ratio of the Government in the medium term and help sustain growth.	The Government's deficit is financed largely through domestic public debt and to a smaller extent through external debt. This will assist in the sustainability of India's external balance position.
FINANCIAL SECTOR POLICY			
• Monetary policy responses have been calibrated with an objective of price stability while sustaining a growth recovery in the broader context of persistent global uncertainty. • A Financial Stability and Development Council (FSDC) will be created to improve inter-regulatory agency coordination, and promote financial stability. • India has announced the creation of a financial sector legislative commission that will rewrite and clean up financial sector laws. • India has requested a joint IMF/World Bank Financial Sector Assessment Programme. • The Reserve Bank of India has issued guidelines based on FSB compensation principles for the private sector and foreign banks. • India is making progress in a number of areas of the G-20's financial sector reform agenda, including the adoption of Basel capital adequacy norms, convergence with international financial reporting standards, development of a roadmap for adopting a cross-border supervision framework, finalization of guidelines on OTC foreign exchange derivatives, and the development of guidelines on the introduction of CDS for corporate bonds. • The interest rate regime has been largely deregulated in order to achieve better price discovery and efficient resource allocation.	Current monetary policy is focused on supporting strong growth with price stability. A well-structured regulatory framework for the financial sector promotes financial stability and maintains market efficiency, both of which are critical for strong growth.	Sound financial sector regulation supports investor and market confidence and helps channel investment for sustaining growth.	The financial sector policies are aimed at channelling savings into productive investment and thereby maintain a healthy balance for the economy.

Table: Policy Commitments by G20 Members

INDIA

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
STRUCTURAL REFORM POLICY			
• India will continue to prioritize infrastructure investment and increase the role of the private sector therein, particularly through PPPs. • Tax reforms including the implementation of the GST, harmonized tax compliance procedures, and the Direct Taxes Code will enhance the efficiency of tax collection, reduce compliance costs, and simplify existing tax legislation. • The pricing of petrol and diesel, both at the refinery gate and the retail level, will be market-determined keeping in view the impact of the movement in international prices. • Labour market policies are being pursued to generate both wage employment as well as self employment. • To increase agricultural productivity, India has moved towards Nutrient Based Subsidy(NBS) policy in fertiliser sector w.e.f from April 2010	The focus on investment in infrastructure should be an important driver of growth.	Investment in infrastructure would reduce supply side constraints and help sustain growth. The structural reforms encompass a wide range of sectors and should help in attracting investment on a sustained basis within a stable regulatory environment. In particular, proposed improvements in tax administration should help sustain growth through a reduction in compliance costs.	India's structural reform program aims at greater private participation consistent with rebalancing towards private sector led growth. Improving tax compliance is also important from the perspective of balanced growth.
DEVELOPMENT POLICY			
• India's development policy aims at inclusive growth with special emphasis on the Social sector and Infrastructure development. In particular it is implementing the Bharat Nirman schemes, a programme to build rural infrastructure that covers water supply, housing, telecommunication and IT, roads, electrification and irrigation. • India is taking steps to improve skills development toward its objective of creating additional skilled labour of 500 million by 2022. Investments in improving the quality and quantity of education are an important feature of India's efforts. • Special emphasis is also being placed on health and preventive healthcare including public-private participation in health facilities, as well as educational institutions under the National Health Insurance Scheme (RSBY) and the National rural Health Mission (NRHM).	Inclusive growth development agenda would bring a large chunk of the population above poverty line to enable them to participate in productive activity in the economy which will boost growth through improvement in skills, productivity leading to growth. The development programs go towards supporting demand particularly in rural areas and supports strong growth.	India's development programme will mainstream economically weaker sections in the society which will boost prospects for longer term growth. The development programs also create assets in rural areas that go towards sustaining growth.	India's development agenda focuses on physical and social infrastructure and human resources and on its regions, so that growth is balanced and inclusive. Various development programs, particularly the MGNREGA are aimed at bringing about balanced growth including balanced growth for rural areas.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
• India is also taking steps to enhance the livelihood security of people in rural areas. The implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is particularly important example of its efforts in this regard. • To provide Social security to workers in the unorganized sector, the Social Security Act 2008 has been enacted and a National Security Fund for unorganised sector workers has been set up.			
OTHER POLICIES			
• Increasing its engagement with the world (ASEAN FTA, Malaysia FTA, Korea CEPA, Japan CEPA and EU) through Regional, Preferential and free trade agreements. • FDI up-to 100% is allowed under automatic route in most sectors. • Duty free Tariff preference scheme for LDCs has been announced. Till now 25 countries have applied to avail benefits. • Continue to reiterate the importance of the Doha development agenda and special treatment for development countries.	The policy promotes openness and fair trade necessary for strong growth.	The policies are aimed at avoiding protectionism and providing access to India's large market for sustaining global growth.	India's external policy is consistent with promoting fair trade and avoiding protectionism thereby helps to foster balanced growth.

Table: Policy Commitments by G20 Members

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
EMERGING DEFICIT ECONOMIES: MEXICO			
FISCAL POLICY			
• Implemented a mixed budget strategy that would imply maintaining a moderate and temporary public deficit consistent with the shortfall in non-oil tax revenues due to the economic cycle, together with tax reform to increase permanent non-oil tax revenues in order to compensate for the permanent reduction in oil revenues. • This strategy implies that Mexico will have a deficit of 0.7% of GDP in 2010, of 0.5% of GDP in 2011, and a balanced budget in 2012.	The strategy implies maintaining a degree of fiscal stimulus while the economy remains below its potential.	The adjustment will support public spending at current levels and assure medium term fiscal sustainability. Public debt has stabilized and started a descending trajectory.	Changes in tax structure minimized distortions by increasing revenues from all non-oil sources. By gradually increasing public sector savings, the fiscal adjustment will limit increases in the current account deficit.
FINANCIAL SECTOR POLICY			
• Financial System Stability Board was created in July 2010. The board is designed as a coordination mechanism to oversee the stability of the Mexican financial system. • New Basel standards will be reached within the agreed timeframe. In particular, Mexico already complies with most of the capital adequacy requirements. • Plans to promote financial deepening through regulatory changes and measures to increase access to banking services. • Plans to expand regulatory perimeter to cover systemic non-bank entities. • Strengthen framework for bank bankruptcies. • Completed FSB peer review	Actions taken to strengthen the regulatory framework will support confidence in the economy and accelerate the recovery of credit.	An already robust financial system will be strengthened with the actions taken.	New mechanisms for early detection of potential imbalances have been designed and put in place.
STRUCTURAL REFORM POLICY			
• The Mexican government has recently presented a series of initiatives aimed at increasing the growth potential of the economy, emphasizing measures in labour and product markets, together with higher trade openness and a program to reduce the regulatory burden on the economy. Public investment in infrastructure has also been increased considerably.	Proposed reforms will spur investment and promote employment.	By increasing flexibility and dynamism of the economy, reforms increase potential growth.	Actions taken will increase the competitiveness and productivity of the economy.
DEVELOPMENT POLICY			

Table: Policy Commitments by G20 Members

MEXICO

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
• Continue strengthening anti-poverty programs: ○ Increased resources for conditional cash transfers program targeted to increase health and education early in the life of individuals. • Increased resources for extension of health services for the uncovered population.	Actions taken alleviate effects of economic cycle for low-income households in the near term. In the medium and long term, actions attack the causes of poverty.	Social development strategy improves income-generating capacity of households and has taken place in a context of sound public finances.	By fostering human and physical capital formation, actions taken increase overall productivity.
MONETARY AND EXCHANGE RATE POLICY			
• Since 2001, Banco de México has implemented its monetary policy under an inflation targeting regime. The central bank's goal is to attain an annual consumer price inflation of 3 %. • Mexico has a floating exchange rate regime in which the exchange rate is determined freely by the market.	The objective of price stability has contributed to an overall economic environment that gives certainty to economic agents in their investment decisions.	The inflation targeting regime anchors inflation expectations contributing to foster sustained growth.	The monetary policy regime allows an efficient allocation of resources. The flexible exchange rate regime is consistent with a multi-based growth strategy and impedes the build-up of imbalances.

Table: Policy Commitments by G20 Members

SOUTH AFRICA

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
EMERGING DEFICIT ECONOMIES: SOUTH AFRICA			
FISCAL POLICY			
• The fiscal deficit is projected to decline from 6.7% in 2009-10 to 3.2% by 2013-14 in line with the economic recovery. • Net debt is projected to peak at about 40% of GDP in 2015-16 before declining thereafter. • Real growth in non-interest expenditure of 2.7% p.a. over the next three years. • No tax increases factored in at this stage, but may need to be considered if revenue recovery falls short of expectations.	The countercyclical fiscal stance supports long-term growth by maintaining the real value of expenditure on essential services and investment.	Reducing the deficit as the economy recovers will help to contain the rise in debt and ensure sustainability.	Countercyclical policy important to maintain balanced growth over the business cycle.
FINANCIAL SECTOR POLICY			
• Key objectives include: strengthening financial stability, broadening financial services for the poor; increasing competitiveness and efficiency; and promoting investor and consumer protection, including regulating credit ratings agencies and increased oversight of hedge fund and private equity industries. • Crisis contingency framework has been reviewed.		A well capitalized, well regulated and systemically sound banking system supports sustainable growth. Legislation to prevent excessive lending by banks also supports sustainability.	Broadening financial access and protecting consumer rights supports balanced growth.
STRUCTURAL REFORM POLICY			
• Total public sector infrastructure investment worth R811.2 billion budgeted for three years to 2013-14 mainly in the electricity, transport, and telecommunications sectors. • Higher electricity prices to reflect true cost of production and regulatory reform to induce private sector investment in electricity generation. • Training programs for workers affected by the financial crisis and for employment in manufacturing. • Programmes to raise youth employment (expanding employment services, community works programme) and other interventions such as a youth jobs fund and wage subsidy under consideration. • National Skills Development Strategy to raise the level of appropriate skills for the economy.	Average real growth in public infrastructure investment of 7% p.a. over the next three years supports growth in domestic demand and crowds in private investment.	Public sector investment necessary to remove bottlenecks and raise potential growth. Education and training to address skills constraint and raise productivity. Focus on green economy and environment to support sustainability.	Raising potential growth. Raising savings. Reducing income inequality.

Table: Policy Commitments by G20 Members

SOUTH AFRICA

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
• Process in place to design a comprehensive social security system to raise national savings. • New system for National Health Insurance is under consideration. • New tax measures to deal with social and environmental concerns are being implemented. • Trade policy review completed in 2010 supports case-by-case approach to tariffs. Lower tariffs in some cases to reduce input costs and tariff increases in other areas in line with industrial policy objectives. • Industrialization framework that seeks to achieve among others - promotion of labour absorbing industrialization path.			
DEVELOPMENT POLICY			
• South Africa continues to contribute to development financing globally and in the region through contributions to multilateral initiatives including IDA, ADF, and other sector targeted funds, and through bilateral and trilateral cooperation focused on capacity building, peace and state building and infrastructure.			
MONETARY AND EXCHANGE RATE POLICY			
• Monetary policy to support competitiveness by targeting CPI inflation range of 3-6%. • Flexible exchange rate regime supplemented by FX purchases to reduce external vulnerability and limit extent of exchange rate overvaluation. FX swaps are being used to absorb large FDI-related inflows that cause volatility in the exchange rate. • Exchange controls on individuals and companies relaxed in October 2010 to support supports long term rise in foreign assets. • Prudential foreign asset limits on pension funds are also being reviewed including the overseas investment allowances of the government employee pension fund.	Current low inflation rate has allowed interest rates to fall to record lows, which will support a recovery in private demand and investment.	Inflation target supports competitiveness and lowers the cost of capital in a sustainable way. Flexible exchange rate cushions against commodity price shocks Reserve accumulation protects the economy against sharp reversal in capital flows.	Reserve accumulation to prevent extreme overvaluation of the rand and growing external imbalance. Long term rise in foreign assets will neutralise impact of income and dividend payments on the current account deficit.

Table: Policy Commitments by G20 Members

TURKEY

<table>
<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td colspan="4">EMERGING DEFICIT ECONOMIES: TURKEY</td></tr>
<tr><td colspan="4">FISCAL POLICY</td></tr>
<tr><td>The Medium Term Program for 2011-2013 was announced on October 10, 2010. Within this framework in the following 3 years:
• General government deficit to GDP ratio will decline to 1.1% by end 2013 from 3.7% in 2010. Gross government debt to GDP ratio is estimated to be 42.3% as of end 2010 and 36.8% as of end 2013.
• The expenditure programs will be reviewed and expenditures will be prioritized.
• Public sector investments will concentrate on economic and social infrastructure projects.
• Efforts to strengthen the audit and implementation capacity of tax administration will continue.
• Strategic Action Plan to Combat with Informal Economy will be updated.
• Arrangements will be made for the local governments to increase their own revenues and improve their financial management.
• Public finance statistics will be made fully compatible with international standards.</td><td>This program supports growth through: a) stimulating private sector demand; b) providing more available funds for the private sector by lowering public sector borrowing requirement; c) reducing unproductive public spending.</td><td>A sound fiscal position will enhance predictability of our policies and strengthen market confidence for the sustainability of growth prospects.
Also, public investment policy helps reducing inter-regional development disparities hence increasing the sustainability of growth.
Efficient use of public resources will increase fiscal space.</td><td>Public and private savings will increase during the program period. It will also help shift to more private sector led growth and provide internal rebalancing.</td></tr>
<tr><td colspan="4">FINANCIAL SECTOR POLICY</td></tr>
<tr><td>• Regulation and supervision of financial sector will be enhanced in line with international standards and EU acquis.
• Istanbul International Financial Centre Strategy and Action Plan will be implemented decisively.
• An FSAP update is scheduled for 2011.</td><td></td><td>Financial sector policies will help sustainable growth by strengthening financial stability.</td><td></td></tr>
<tr><td colspan="4">STRUCTURAL REFORM POLICY</td></tr>
<tr><td>• Diversity in export markets will be improved by implementing regional strategies. Export-oriented credit and guarantee support facilities will be improved by increasing Eximbank resources.
• Domestic production capacity for intermediate and investment goods will be improved by policies and incentives.
• Labour quality and flexibility of labour market will be improved</td><td>Increasing diversity in export markets, improving flexibility of the labour market and prioritizing investment expenditures will support the growth potential of the</td><td>Non-agricultural employment will increase by 1,5 million people during the program period.
The policy actions that prioritize</td><td>Export market diversification and reducing the reliance on imports in intermediate and investment goods will help decreasing current account</td></tr>
</table>

<table>
<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td>through several programs and incentives.
• Competitiveness, effectiveness and employment creation capacity of the Small and Medium-sized Enterprises will be enhanced.
• Infrastructure investments in education, health, technological research, transportation, drinking water and improvement of communication and information technologies will be given priority.
• IT infrastructure of the social security system will be strengthened to enhance the effectiveness and sustainability of the system.
• There are two recent initiatives to improve regional policy governance: a) National Strategy for Regional Development; b) Regional Development Committee.</td><td>economy.</td><td>technological research, education and regional policies will contribute sustainable growth in the long term.</td><td>deficit.

Structural reforms will stimulate a balanced growth by increasing competition, enhancing the role of private sector and promoting both internal and external rebalancing.</td></tr>
<tr><td colspan="4">DEVELOPMENT POLICY</td></tr>
<tr><td>• ODA amounted to approximately $ 710 million in 2009. This amount is expected to increase in the coming years.
• Turkey will host 4th UN Conference on LDCs in 2011.</td><td></td><td colspan="2">Supporting LDCs contributes to more sustainable and balanced global growth.</td></tr>
<tr><td colspan="4">MONETARY AND EXCHANGE RATE POLICY</td></tr>
<tr><td>• Monetary policy framework includes a full-fledged inflation targeting regime (since 2006) and a flexible market-based exchange rate regime (since 2001).
• The exit strategy from extraordinary actions was announced in April 2010.
• Policy rates are expected to be kept constant at current levels for some time followed by limited increases starting from 2011 Q4.
• Should the global economy face a longer-than-anticipated period of anaemic growth, the envisaged monetary tightening may be postponed.</td><td>The objective of price stability promotes growth by providing an environment in which economic decisions can be made and markets can operate without concern.</td><td>The inflation-targeting regime anchors inflation expectations, contributing to sustainable growth. Measures taken during the global crisis to preserve financial stability (consistent with price stability) and the associated exit strategy, anchor expectations and allow relative prices to allocate resources efficiently.</td><td>The flexible exchange rate allows adjustment to changing domestic and external economic conditions, thereby impeding the build-up of imbalances and contributing to balanced growth.</td></tr>
</table>

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
MAJOR OIL EXPORTERS: RUSSIA			
FISCAL POLICY			
• Budget policy in 2011-2013 will promote the restoration of macroeconomic balance based on a gradual decrease in the dependence of budgetary obligations on oil and gas resources and a gradual decrease in the federal budget deficit. • The Program of the Government of the Russian Federation for Increasing the Effectiveness of Budgetary Expenditures for the Period Until 2012 (the Program) may act as one of the key measures to eliminate the budget deficit. • Building on the agreement reached at the G20 Toronto Summit the Government of the Russian Federation has outlined policies to reduce the budget deficit in 2013 by half compared to the crisis year of 2009.	Fiscal policy of the Government of the Russian Federation is forming the basis of developing an innovation-type economy. Credible government finances are pre-requisite for real and financial sector of economy. Fiscal policy allows fiscal flexibility in the case of materialization of downside risks.	Fiscal actions are designed to ensure long-term economic and social stability. Implementation of the Program should increase accessibility and quality of state and municipal services.	Fiscal strategy in Russia will gradually contribute to strengthening of domestic demand. Diversifying domestic sources of growth is consistent with balancing of Russia's current account.
FINANCIAL SECTOR POLICY			
• Russia is improving regulation and supervision of the financial sector in line with international standards and G-20 and FSB initiatives, taking into account national circumstances. It plans to take the following broad steps to develop its financial market: • Increase capacity and transparency of the financial market • Ensure efficiency of the market infrastructure • Form a favourable tax climate for financial market participants • Improve legal regulation in the financial market • Measures to adopt the International Financial Reporting Standards and strengthen the remuneration framework in the state and private sectors. • Accreditation procedures for rating agencies • Within the framework of establishing the International Financial Centre in Russia, work will continue to ensure the appropriate regulation of organized trading and clearing operations and clearing activity.	Financial Sector Policy in Russia is designed to strengthen the financial system as a whole and contribute to strong growth in economy. Strengthening of financial regulatory framework will support confidence in the economy and accelerate credit flows to the real and private sector.	Implementation of enhanced international standards in different areas of financial regulation will improve the longer-term stability and sustainability of the financial sector.	

Table: Policy Commitments by G20 Members

RUSSIA

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
STRUCTURAL REFORM POLICY			
• Measures to develop an innovative-type economy and improve competitiveness. One of the most important projects is construction of a scientific and technological complex for development and commercialization of new technologies in the city of Skolkovo. • Measures in the area of tax policy aimed at creating incentives for innovative taxpayer activity as well as supporting innovations and modernization in Russia. • Reducing labour market inefficiencies. • Promote pensions and social reforms	The structural reforms will increase the competitiveness and productivity of the Russia's economy. Tax policy will help build a stronger and efficient innovative economy and diversify sources of growth. The labour market reform will increase the productive capacity of the workforce.	Reforms to the health system and productivity will contribute to sustainable economic growth in Russia.	Enhancing social safety net and boosting the role of the private capital. In particular, increasing the level of the minimum wage and pension support of all categories of pensioners and forming a modern and efficient system of compulsory social insurance of working citizens.
DEVELOPMENT POLICY			
• Russia works with major international organizations and the G8 process to provide funding for a range of international programs including humanitarian assistance, providing grants, trade preferences and other assistance.	The fulfillment of ODA commitments will strengthen the recovery of global economy.	Russia will raise the effectiveness of its development policy, consistent with the Paris Declaration and Accra Agenda for Action on Aid Effectiveness. Providing funding in a coordinated way will help achieve sustainable growth.	Supporting development in low-income and developing countries is crucial to address development imbalances and achieve more balanced global growth.
MONETARY AND EXCHANGE RATE POLICY			
• The main objective of monetary policy is to reduce inflation and maintain it at a level ensuring conditions conducive to long-term sustainable economic growth. • While keeping its focus on measures to smooth sharp fluctuations of the ruble against a basket of major world currencies, the Bank of Russia's foreign exchange policy must concentrate on limiting direct interference in exchange rate dynamics and increasing the flexibility of the ruble exchange rate.	The objective of price stability will contribute to stronger and more sustainable economic growth.	Over the next three years, the objective of the single state monetary policy will be, as before, to reduce inflation to 9-10% in 2010 and to 5-7% in 2012.	Measures to make the ruble exchange rate more flexible will help partially absorb external shocks, achieving the decrease in market interest rate volatility.

Table: Policy Commitments by G20 Members

SAUDI ARABIA

<table>
<tr><th rowspan="2">POLICY TYPE</th><th colspan="3">G20 FRAMEWORK OBJECTIVES</th></tr>
<tr><th>STRONG</th><th>SUSTAINABLE</th><th>BALANCED</th></tr>
<tr><td colspan="4">MAJOR OIL EXPORTERS: SAUDI ARABIA</td></tr>
<tr><td colspan="4">FISCAL POLICY</td></tr>
<tr><td>• Adopt a fiscal policy based on an expansion in public spending aimed at achieving sustained high economic growth.
• Achieving these objectives will require an increase in basic and social infrastructure spending.</td><td>Supporting spending on productive sectors such as: education, health, and infrastructure spending.</td><td>The expansion in public spending, in line with fiscal sustainability considerations, is aimed at achieving sustained high economic growth.</td><td>The fiscal policy will continue to support the Social Security System and promote capitalisation of specialized lending institutions commensurate with the growing demand for loans.</td></tr>
<tr><td colspan="4">FINANCIAL SECTOR POLICY</td></tr>
<tr><td>• Saudi Arabia’s FSAP update scheduled for 2011.
• Issued Rules on Compensation to implement FSB Principles and Standards.
• Regulatory reforms to further strengthen banking supervision are continuing. These include encouraging banks to adopt advanced approaches of Basel-II, strengthening of the stress testing process, conducting risk based on-site examinations, and updating prudential regulations.
• Strengthening of market infrastructure by undertaking new initiatives in payment and settlement systems.</td><td>The financial system continues to meet growing credit demand and support economic growth.</td><td>Reforms would ensure the continuation of a sound, profitable, and well-capitalized banking system.</td><td>A sound financial system is able to respond to changing domestic and global economic conditions, and to contribute towards global financial stability and balanced growth.</td></tr>
<tr><td colspan="4">STRUCTURAL REFORM POLICY</td></tr>
<tr><td>• Objectives for reforms to trade policies, labour markets, product markets, which enhance efficiency and improve competitiveness, are set out in the 9th development plan which covers the period from 2010-2014.</td><td>Structural reform policies aim at increasing productivity and improving the investment environment in order to improve the competitiveness of Saudi Arabia’s economy.</td><td>Plans to diversify the economic base will insure the resilience of Saudi Arabia’s economy to economic shocks, and reduce reliance on oil as the main source of revenue for the budget.</td><td>Domestic demand will be supported by:
• Structural reforms targeting the labor market and social insurance;
• Diversifying the economic base by increasing the contribution of private sector to GDP.</td></tr>
<tr><td colspan="4">DEVELOPMENT POLICY</td></tr>
</table>

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
• Development assistance, largely in the form of grants and soft loans, represents nearly 4% of its gross domestic product. • Development assistance would continue to be based on financing social and economic infrastructure, concessionality, and debt relief.		Development assistance focuses on promoting a sustainable level of growth in order to raise the standard of living and to reduce poverty.	
MONETARY AND EXCHANGE RATE POLICY			
• Saudi Arabia's monetary policy aims to stabilize prices, the exchange rate, and financial system. The monetary policy framework is firmly committed to its fixed exchange rate policy. The rationale for pegging the Riyal to the U.S. Dollar is the pattern of Saudi Arabia's external receipts and payments, which are predominantly in US Dollars. • In light of domestic conditions and the global financial crisis, the Saudi Arabian Monetary Agency is pursuing accommodative monetary policy	The accommodative monetary policy aims at ensuring adequate liquidity in the banking system to meet domestic demand for credit and help promote robust economic growth.	Saudi Arabia is targeting the exchange rate for maintaining price and financial stability, sustaining public confidence in the policy framework, and encouraging capital inflows for domestic investment.	The accommodative monetary policy will strengthen domestic growth.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
EU			
FISCAL POLICY			
The EU is undertaking a progressive, growth friendly and differentiated fiscal consolidation: • The pace of fiscal consolidation will differ across euro area and EU Member States, taking both fiscal and macro-financial risks into account. In the short term, plans for fiscal consolidation will be accelerated where warranted and should start in 2011 at the latest. • Expenditure-based consolidation, and specifically public consumption and transfers (but not education and research and development), will be prioritised as it is likely to be more permanent and have less negative repercussions on growth. Depending on country specific circumstances, other forms of consolidation are not excluded. • The European Commission has put forward proposals to strengthen fiscal surveillance under the Stability and Growth Pact, including more attention to debt developments and stronger incentives.	The EU fiscal policy continues to support the recovery in 2010. Consolidation measures will be growth friendly. Consolidation will be accompanied by growth-enhancing structural reforms.	Consolidation will contribute to: macro-financial stability; providing flexibility to respond to shocks; ensuring the capacity to meet the challenges of aging populations; and, more generally, underpinning confidence. Strengthened fiscal governance will play a crucial role in achieving fiscal consolidation and sustainable public finances.	Differentiated fiscal consolidation in EU countries will contribute to a balanced growth path
FINANCIAL SECTOR POLICY			
Financial sector initiatives include: • The creation of the European Financial Stabilization Mechanism (EFSM) and the European Financial Stability Facility (EFSF) to address tensions in the sovereign debt markets in the euro area. • Stress tests to increase transparency and accelerate financial repair. • A supervisory package to establish a European systemic regulator and three European supervisory authorities to monitor financial markets, safeguard stability, and improve supervision of cross border entities. • A comprehensive regulatory reform programme including micro-prudential issues to improve efficiency of financial markets and		These initiatives will bring stability to the financial sector and create a favourable environment for financial market functioning.	The European Systemic Risk Board (ESRB) will identify and help address macro financial risks which go hand in hand with unbalanced growth

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
safeguard stability.			
STRUCTURAL REFORM POLICY			
• Growth enhancing reforms under the Europe 2020 strategy which has specific targets related to employment rates; labour participation, R&D spending; energy and climate change; education; and social inclusion. • In the short term, the EU will accelerate reforms that enhance growth, support fiscal consolidation and improve market confidence, such as pension reforms, measures to improve competitiveness, labour utilization and productivity (for example strengthening the Single Market, improving public sector efficiency and reducing labour market segmentation, and improving incentives to work). • Strengthening surveillance and the economic governance of the EU through: more ex-ante coordination of national economic policies; the prevention and correction of macroeconomic and competitiveness imbalances; and the use of appropriate incentives.	Preliminary estimates suggest that the structural reforms under the Europe 2020 strategy, combined with budgetary consolidation, could increase the GDP level in the EU by around 3½% and increase employment by 2½% by 2020. Frontloading structural reforms will give a positive signal to markets, consumers and businesses.	The strengthened and broadened macroeconomic surveillance will help to address economic imbalances, including intra EU and euro area divergences in competitiveness.	Structural reforms promoted under Europe 2020 combined with strengthened and broadened surveillance will contribute to a continued euro area/EU balanced growth path.
DEVELOPMENT POLICY			
• Reaffirms its commitment to increasing its aid spending to reach 0.7% of GNI by 2015 and has already doubled its ODA since 2000. The EU has met its commitment to increase trade related assistance to EUR 2 billion annually.	Contributes to stronger global growth by supporting growth in developing countries.		
MONETARY AND EXCHANGE RATE POLICY			
• Monetary policy in the euro area focuses on maintaining price stability in the medium term for the euro area as a whole. • The currently highly accommodative stance will be normalised at a pace commensurate to the evolution of risks to price stability in the euro area. • The euro is a floating currency.	Maintaining price stability in the medium term is the necessary and central contribution that monetary policy makes to fostering strong and sustainable economic growth, job creation and financial stability.		

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
SPAIN			
FISCAL POLICY			
• On May 20th a package of public expenditure adjustment measures for 2010 and 2011 was approved by the Cabinet in addition to the consolidation path described in the Stability Program. The objective was to speed up the process of fiscal consolidation that will bring the deficit to 3% of GDP in 2013 (9.3% in 2010, 6% in 2011 and 4.4% in 2012). Around 25% of the structural fiscal adjustment will came from higher revenues, 75% from lower expenses. • Fiscal frameworks at the different administrative levels have been strengthened. From now on, the authorisation from the Central Government for new issuance of debt by Regions is going to be conditioned: i) to the opinion of the Council on their specific rebalancing program; ii) to a semi-annual review of achievement of deficit targets. Local Governments also approved the deficit targets. • The 2011 Central Government Budget is now being discussed at the Parliament. It includes a reduction in non-financial expenditure of 7.9%. Fiscal measures are also adopted to help small enterprises growing and to eliminate the fiscal bias in favour of housing ownership.	The fiscal consolidation process is a crucial element to increase both internal and external confidence of economic agents, thus favouring the implementation of private investment and consumption plans.	This adjustment will imply a reduction of the public debt to GDP ratio at the end of the projection horizon, after peaking at moderate levels compared to other developed economies. At the same time, fiscal frameworks at the different administrative levels have been strengthened.	It will facilitate the reallocation of resources from non-tradable to tradable sectors. At the same time, it will increase competitiveness, resulting in a further reduction of the external deficit.
FINANCIAL SECTOR POLICY			
• A new regulation for the saving banks was passed in July. The reform gives them greater flexibility in access to capital resources. Besides, it makes corporate governance more professional and improves the representation of the stakeholders (in particular, elected positions and high level officials cannot be members of governing bodies). • The implementation of the Second reform of the Capital Requirements Directive (CRD II) will improve prudential requirements on securitizations and large exposures, raise the	These reforms will contribute to allocate financial resources to the most productive activities and to increase confidence of economic agents.	They will also encourage the development of the Single Market, and hence spur competition and productivity. They will increase the resilience of the economy to disturbances.	The improvement in the allocation process of the financial resources will also result in a more balanced growth path.

POLICY TYPE	G20 FRAMEWORK OBJECTIVES		
	STRONG	SUSTAINABLE	BALANCED
quality of hybrid capital instruments and reinforce the European dimension of supervisors. • The introduction of harmonized rules on UCITS will maximize efficiency in the UCITS market, guarantee a high level of investor protection and reduce administrative burdens.			
STRUCTURAL REFORM POLICY			
• In January 2010 the Transposition of the Services Directive was fully in force, implying a substantial reduction of entrance barriers and administrative burdens. • Currently at the Parliament, the Sustainable Economy Law is designed to facilitate the reallocation of resources to the most productive activities and to favour human capital improvements and R&D investment through tax incentives. • The Professional Services Law, under elaboration, will reduce the restrictions hampering the provision of professional services. • The labour market reform passed by the Parliament in September has four main objectives: increasing internal flexibility at the firm level; a reduction in segmentation; improving the matching in the labour market; measures to enhance human capital. • The Government will send to the Parliament a reform of the public pension system, the initial proposal included the increase in the statutory retirement age.	These reforms will contribute to enhance productivity and competition, while providing more stability to employment.	The increase in productivity and competition will improve the competitiveness of the economy. From a social perspective, the labour market reform will facilitate the re-absorption of unemployment. From a fiscal perspective, the pension reform is very important for long-term sustainability of public accounts. The Sustainable Economy Law will imply a less CO2 intensive productive process.	These reforms will favour the reallocation of resources from non-tradable to tradable sectors, avoiding excessive concentration of activity in specific branches.
DEVELOPMENT POLICY			
• The Spanish Development Policy is currently guided by the 2009-2012 Master Plan. Spain will dedicate 0.5 % of GNI to ODA in 2010 and aim to reach 0.7% in 2015. The priorities are: supporting economic growth for poverty reduction, environmental sustainability and the fight against climate change.		Supporting the fight against climate change will make growth more sustainable.	Poverty reduction is a precondition for balanced growth at a global level.