



## **BRICS Finance Ministers and Central Bank Governors’ Joint Statement**

*We, the Finance Ministers and Central Bank Governors of BRICS countries, met virtually on June 6, 2022, under the theme of “Foster High-quality BRICS Partnership, Usher in a New Era for Global Development” under the Chinese Presidency and issue the following joint statement, for consideration by the forthcoming 14<sup>th</sup> BRICS Summit:*

### **I. Global Economic Outlook and Policy Cooperation**

1. The COVID-19 pandemic has caused serious shock and hardship to humanity. Unbalanced recovery is aggravating inequality across the world. The global growth momentum has weakened, and the economic prospects have declined. New COVID-19 variants, continued global supply chain disruptions, supply-demand mismatch, tight commodity supply including food and energy, transition spillovers, high inflationary pressures, tightening monetary policy conditions, and increased volatility in financial markets worsened by geopolitical tensions, have negative impacts on the global economic outlook. We are concerned that global development is suffering from severe disruption, including the widening North-South development gap, divergent recovery trajectories, pre-existing developmental fault-lines and a technological divide. This is posing huge challenges to the implementation of the 2030 Agenda for Sustainable Development as economic and health scarring, particularly for emerging markets and developing countries (EMDCs), is projected to persist beyond the current pandemic.
2. We stress that global economic governance is of critical importance for countries to ensure sustainable development and support the broadening and strengthening of participation of EMDCs in the international economic decision-making and norm setting processes. We call upon the international community to foster partnerships while underlining that it is imperative to strengthen macro-policy coordination in driving the world economy out of the crisis and shaping a strong, sustainable, balanced and inclusive post-pandemic economic recovery. We urge major developed countries to adopt responsible economic policies, while managing policy spillovers, to avoid severe impacts on developing countries. We are concerned



about risks of economic disruption and financial fragmentation. The global financial system should be used for the benefit of all countries. We encourage multilateral financial institutions and international organizations to play a constructive role in building global consensus on economic policies and preventing systemic risks. We welcome the actions to accelerate the progress towards achieving the 2030 Agenda for Sustainable Development to achieve stronger, greener and more balanced global development. We express our support for an open, transparent, inclusive, non-discriminatory, and rules-based multilateral trading system with the World Trade Organization (WTO) at its core, avoiding unilateral and protectionist measures that run counter to the rules of WTO and keeping industrial and supply chains open, safe, stable, and resilient.

3. We affirm that BRICS countries should act in solidarity in tackling the pandemic, contribute to the world economy recovery, ensure financial stability, and achieve sustainable development. We attach great importance to well calibrated fiscal, monetary and social policies, which take into account national circumstances and maintain the balance between short-term needs and long-term structural reforms. We also realize the necessity of seeking new drivers of economic growth, including from science and technology, in the context of the ongoing pandemic response and mitigation. We support cooperation on energy and food security. We will reinforce our cooperation, and will contribute with more BRICS's strength and wisdom to the global economic governance.
4. We uphold the principle of equity, common but differentiated responsibilities and respective capabilities (CBDR-RC), in light of different national circumstances. We urge developed countries to honor their emissions reduction responsibilities, and deliver on their commitment of financial, technological and capacity building support, and provide the necessary means and conditions for developing countries to address climate change in a manner best suited to their national circumstances making a clear reference to a just transition, and in the context of the world economic recovery, achieving all sustainable development goals, including strengthening efforts to eradicate poverty. We regard the digital economy as an important frontier of scientific and technological innovation, call on major economies to help EMDCs eliminate the digital divide, and actively foster an open, fair and non-discriminatory environment for digital development. Recognizing infrastructure development's important role in propelling economic growth, we will work with all parties to effectively bridge the infrastructure investment gap,



including by encouraging private sector participation and finance provided by multilateral development banks (MDBs) in addition to public investment.

## **II. Cooperation on Finance**

5. **Cooperation on infrastructure investment and Public Private Partnerships (PPPs).** We recognize the key role that infrastructure investment can play in facilitating sustainable development. We reaffirm our understanding that PPPs are an effective approach to leveraging the private sector to address infrastructure gaps, and scaling up infrastructure assets. We endorse the Technical Report on Public Private Partnerships for Sustainable Development. We welcome the exchange and sharing of good practices and experiences, and encourage further cooperation on infrastructure investment and PPPs. We look forward to resuming technical engagements with the New Development Bank and the BRICS Task Force on PPP and Infrastructure on the Integrated Digital Platform on infrastructure investment projects and call for intensification of work in this area.
6. **Cooperation on the New Development Bank (the NDB).** We applaud the important role of the NDB in responding to the impact of the pandemic and assisting economic recovery of members and urge it to appropriately address external challenges and maintain its sound members-oriented operations while seeking to reconcile the Bank's commitments with clients. We encourage the NDB, as a leading provider of solutions for infrastructure and sustainable development for the EMDCs, to accelerate the implementation of the 2<sup>nd</sup> General Strategy (2022-2026), expand local currency operation, improve its credit ratings, and focus on areas including clean energy and energy efficiency, water and sanitation, transport infrastructure, digital infrastructure, social infrastructure, as well as environment protection and pollution control. We look forward to a continuously more efficient and effective NDB, and urge it to constantly improve internal governance and strengthen its partnership with peer MDBs and Development Finance Institutions (DFIs), including undertaking more co-financing ventures. We welcome the admission of four new members to the NDB and look forward to further membership expansion in a gradual and balanced manner in terms of geographic representation and comprising of both developed and developing countries, to enhance the NDB's international influence as well as the representation and voice of the EMDCs in global governance.
7. **Cooperation on the BRICS Think Tank Network for Finance.** We decided to



establish the BRICS Think Tank Network for Finance and approved its Concept Paper, to strengthen research cooperation on finance among BRICS countries. We expect it to work independently and provide intellectual support, as and when tasked, for knowledge sharing, exchange of experiences and practices and cooperation on finance issues amongst BRICS countries, aiming at addressing global challenges and serving the interests of the EMDCs.

8. **Contingent Reserve Arrangement (CRA).** We acknowledge the importance of strengthening the CRA mechanism, which contributes to strengthening the global financial safety net and complements existing international monetary and financial arrangements. We support the amendments to the CRA Treaty, and welcome the progress in amending other relevant CRA documents. We look forward to the finalization of the amendments which would enhance the flexibility and responsiveness of the CRA mechanism. We look forward to the successful completion of the fifth CRA test run later in 2022. We support the work to improve the framework for coordination between the CRA and the IMF. We welcome the progress in developing the BRICS Economic Bulletin 2022 as part of our streamlined CRA research program.
9. We welcome the experience sharing and cooperation on topics of mutual interest including on transition finance. In this regard, we welcome the stocktaking report on BRICS countries' views and experiences on transition finance. We look forward to continued cooperation in these areas.
10. We underscore the importance of continued work under the existing work streams, including information security in the financial sector, and the BRICS Payments Task Force (BPTF) as a platform for exchanging experience and knowledge, and welcome the central banks' further cooperation on the payments track.

### **III. Cooperation on Global Issues**

11. We reiterate our commitment to enhancing cooperation on global issues, where possible, at relevant multilateral fora, with a view to enhancing the voice of BRICS countries in the global economic governance system. We highlight the following cooperation areas:
  - Placing 2030 Agenda for Sustainable Development among the top priorities of the global macro-economic policies.



- Continuing to strengthen international cooperation against the pandemic; ensuring the availability of safe, efficacious, accessible and affordable vaccines, diagnostics, therapeutics and treatments to people from different countries especially those from developing countries. We need to strengthen cooperation on equitable distribution of vaccines and expeditious vaccination, to fill the immunization gap globally by urging advanced countries to take concrete steps to facilitate developing countries by improving COVID-19 vaccine access, distribution, local and regional manufacturing capacities; enhancing capabilities of pandemic prevention, preparedness and response (PPR) by supporting the reform and improvement of global health governance system through their respective national legal frameworks and policy by maintaining the centrality of WHO and preventing the fragmentation of global health governance.
- Addressing the international debt agenda properly to support the economic recovery and sustainable development of low-income countries, while taking into account the national laws and internal procedures.
- Continuing to call for the strengthening and reforming of the multilateral system with a view to making global economic governance more inclusive, representative and participatory in order to facilitate greater and more meaningful participation of the EMDCs; and continuing to maximize MDBs' development finance through all possible options for increasing their financial strengths, including, if needed and as appropriate, through capital increase.
- Reiterating our commitment to maintaining a strong and effective Global Financial Safety Net with a quota-based and adequately resourced IMF at its center; calling for the timely and successful completion of the 16<sup>th</sup> General Review of Quotas by December 15, 2023, to reduce the IMF's reliance on temporary resources, to address under-representation of EMDCs for their meaningful engagement in the governance of IMF, and to protect the voice and quota shares of its poorest and smallest members.
- Welcoming progress on voluntary channeling of Special Drawing Rights (SDRs) from countries with strong external positions to support countries most in need, as well as the IMF's decision to establish the Resilience and Sustainability Trust (RST); looking forward to early operationalization of the RST.



- Celebrating the 30<sup>th</sup> anniversary of the adoption of the United Nations Framework Convention on Climate Change (Convention); reiterating our commitment to the goals, principles and institutional framework of the Convention and its Paris Agreement; recalling relevant Paris Agreement provisions that mandate developed countries included in Annex II to the Convention to provide the necessary means of implementation support including through funding, capacity building and technology transfer to developing countries; emphasizing that measures to combat the climate crisis should not be used to undermine fair competition and opposing any mechanisms intended for climate policy comparison and convergence which are not consistent with the CBDR-RC principle, and any measures to restrict trade and investment and the set up of new disguised trade barriers with the pretext of addressing climate change, such as the imposition of Carbon Border Adjustment Mechanisms, which are incompatible with multilateral rules under the World Trade Organization.
- Recognizing the crucial role of sustainable finance to achieve green, resilient and inclusive global economic recovery, we are taking forward actions, including in the G20 Sustainable Finance Roadmap, which is voluntary and flexible in nature; acknowledging the importance of transition finance to support orderly, just and affordable transitions towards a low-greenhouse gas emissions and climate-resilient economy; supporting scaling up sustainable finance markets and improving access for countries and firms, including for developing economies and SMEs, in an affordable way.