

## **Y20 Russia 2013 Delegates Declaration**

We, the delegates of Y20 Russia 2013,

*Convened* in Saint Petersburg on 18-21 June 2013 in order to address major imbalances in the areas of global finance and sustainable development;

*United* in our resolve to contribute to global decision-making on key financial and sustainability challenges;

*Welcomed* the Presidency of the Russian Federation in the G20 and expressed our solidarity with the strategic agenda and specific priorities proposed by the Russian Federation for the G20 in 2013;

*Recognize* the difficult recovery of the world economy after the global financial and economic crisis and consider it important to outline the existence of macroeconomic and financial imbalances that jeopardize the growth rates and living standards of people all over the world, including youth;

*Recognize* that 50 per cent of the world's population is under the age of 30, that this demographic is becoming increasingly relevant to addressing our global challenges, and that our leaders must purposefully engage youth at all levels – locally, nationally, regionally, and globally;

*Are confident* that the G20 is a major economic policy coordination mechanism, and believe that the continuation of national economic priorities harmonization within the G20 is a dominant factor for shaping new positive trends in the world economy.

We therefore propose:

### **I. INTERNATIONAL FINANCIAL ARCHITECTURE REFORM**

#### **A. Finding A New Design For International Financial Organizations**

1. We recommend implementing measures to ensure representation for all emerging and developing economies in the sphere of global finance.
2. We suggest increasing the weight of GDP in the existing IMF quota formula.
3. We propose that the IMF implements a transparent mechanism in its quota redistribution.
4. We recognize the importance of an urgent implementation of the 2010 governance and quota reform package to enhance the quota share of Emerging and Developing Countries; to have a more representative executive board to strengthen the legitimacy and credibility of the IMF; and to retain its role in the core of global financial recovery.
5. We encourage reform in IMF and World Bank leadership to be based on transparent and merit-based criteria, avoiding regional preferences.
6. We suggest fostering accountability and competition amongst Credit Rating Agencies (CRA) by stimulating the transparency of rating mechanisms. We also recommend establishing a monitoring commission for CRA within the Financial Stability Board that will audit existing CRA and ensure their balanced representation.
7. We endorse the Financial Stability Board's (FSB) report on Strengthening Oversight and Regulation of Shadow Banking in order to reduce systemic risk.

## **B. Strengthening Financial Regulation**

1. We recognize the harm caused by tax havens through the erosion of other country's fiscal bases. Appropriate policy tools need to be implemented in a timely manner to address and coordinate this issue at a global level. We strongly recommend: (a) imposing a tax on cash flows directly connected with tax havens; (b) encouraging countries to systematically exchange financial and fiscal information; and (c) closing tax loopholes exercised by third party countries.
2. We are committed to the complete implementation of Basel III standards by the year 2019. We welcome the work of the FSB to foster the implementation of Basel III standards. In the meantime, the FSB should have a clear mandate to enforce this implementation, in adherence with the timeline established by the Bank of International Settlements. These institutional decisions would require full transparency and cooperation from all nations concerned.
3. We recognize the urgency in combating illegal financial activities such as money laundering and tax evasion. Therefore we recommend establishing a protocol focused on compiling and sharing financial intelligence, which would enable national taskforces to cooperate internationally. This effort should leverage existing initiatives like the Financial Action Task-Force of the OECD.

## **C. Reforming International Capital Markets**

1. Regarding derivatives, we propose that all G20 nations implement a mark-to-market valuation of underlying assets on a daily basis, which should be applied for the pricing of collateral.
2. For the purposes of further international Public Private Partnerships (PPP) financing development, we recommend establishing a network that focuses on infrastructure between existing development banks. We propose providing mechanisms for direct debiting of PPP projects and use of the "earn out scheme" and "put/call rights plans."
3. A centralized, comprehensive, open and voluntary online database of PPP projects should be maintained in order to create transparency.
4. We call for entrepreneurs to be given financial support via alternate sources of financing e.g. crowdfunding. We recommend that crowdfunding repayments be based on a share of future profits as opposed to being based on interest rates. Future profits should be capped at a rate to be determined.

## **D. Regulating Government Borrowings And Monetary Policy**

1. With regard to each nation's sovereignty, we recommend that the G20 countries strive towards fiscal sustainability and take into account country-specific factors. We suggest that the G20 countries set transparent budget performance targets.
2. We suggest that some sessions of the Think 20 could be dedicated to regulating government borrowings and monetary policy.
3. We encourage G20 leaders to address the incompatibility between debt restructuring processes and the action of vulture funds.

4. We reiterate the commitment of previous G20 summits to foster market mechanisms to set up exchange rates.

## **II. SUSTAINABLE DEVELOPMENT**

### **A. Social Policy Optimization**

1. In order to engage youth, we emphasize the importance of strengthening primary and secondary education for sustainable development e.g. environmental, social, and economic pillars to shape a sustainable future.
2. We suggest enhancing practical and employable skills to match the requirements of the modern labor market by stimulating industry-specific training, including digital and language skills.
3. We recommend that education, employment and vocational training programs, such as the subsidization of training and entry-level wages, be implemented and supported by public, private and civil society institutions. We support the implementation of dual-education schemes in order to increase the role of the private sector in the development of education policy; to minimize the current skills gap between existing and employable skills; and to reduce long-term youth unemployment.
4. We recommend establishing a unified G20 countries job vacancies database for youth *and* promoting youth mobility. In order to stimulate youth self-employment we propose empowering and supporting youth entrepreneurship by supporting Small and Medium Enterprises (SME) through soft loans and mentoring.
5. We support implementing basic financial education and entrepreneurship courses in schools and actualizing financial literacy standards. We recommend that financial institutions establish educational departments.
6. We encourage international cooperation in healthcare through knowledge-exchange processes and working abroad programs in order to improve the quality of healthcare systems and the professional experience of medical professionals.
7. We support the implementation of governmental conditional cash transfer programs in order to provide livelihood sources and better living standards for the purpose of extreme poverty eradication.

### **B. Energy Efficiency**

1. We welcome a global consensus to strengthen a Post-Kyoto protocol framework to reduce carbon emissions which will reflect regional circumstances.
2. We recommend that G20 governments consider the implementation of a national progressive tax for carbon emissions based on a percentage of individual weighted system of indicators. Carbon tax is not going to harm free trade relations. Further, we suggest that nations consider providing lower taxation levels once investment targets for sustainable development have been met.
3. We propose using direct debiting mechanisms on existing accounts as well as funding through securitizing Green bonds and using Exchange Futures for Physicals mechanisms on the national level.

4. Funding for decarbonization, implementation of infrastructure and legal technology transfer can be provided by the Green Climate Fund. This Fund would in turn be financed by the national progressive tax on carbon emissions.
5. We encourage the public sector to support the development of sustainable projects through public procurement and catalytic projects. We urge G20 leaders to foster public and private sector investments in energy efficient infrastructures.
6. We suggest establishing renewable energy research centers and G20 student and scholar exchange programs with government financial support.
7. We recommend the creation of regional partnerships linking national energy markets in order to enhance cost-effective energy efficiency.
8. With regard to energy price stability, we suggest improving regulatory oversight of energy markets to promote transparency and tackle price volatility.
9. We recommend that G20 leaders promote energy efficiency as a key priority in order to reduce impacts on the environment while preserving economic growth and competitiveness.
10. We recommend standardizing the measurement of energy efficiency according to best practices set by international institutions.
11. In order to ensure nuclear energy safety, we affirm the endorsement of International Atomic Energy Agency safety standards.

### **C. Infrastructure Development**

1. We encourage G20 countries to establish implementation standards for innovative PPP and consider country-specific circumstances with regards to transparency, monitoring and evaluation. We recognize the important role of governments in viability gap funding for private players.
2. G20 countries should actively promote risk mitigation mechanisms and appropriate incentives in order to strengthen investor confidence in PPP projects.
3. We support increased involvement of development banks that leverage local and international expertise in the financing of infrastructure projects.
4. We recommend the use of national oversight bodies to co-ordinate the development of long-term infrastructure projects that cut across political cycles and to promote the use of open government in making policy and investment decisions.
5. G20 Leaders should encourage cities to develop sustainable urban planning policies using methods that can be implemented widely and timely.

### **D. Food Security and Environmental Protection**

1. We recommend international cooperation in cross-sector research and development, legal technology transfer, microfinance and infrastructure development aimed at the reinforcement agricultural businesses and the diversification of economies.
2. We encourage the utilization of degraded land and sustainable land management in order to avoid deforestation and to facilitate the development of agriculture and other plantation.
3. We support the implementation of large-scale programs and technical visits between G20 countries specifically geared towards improving food, agriculture and agro-processing sector technology and facilitating the understanding of international best practices.

4. We reaffirm our commitment towards the Rapid Response Forum (RRF) which aims to coordinate the prevention and management of market crises. We recommend the involvement of expert input from civil society organizations in the RRF. We also recommend the setting up of a measurement system to gauge the impact of the RRF.
5. We endorse food banks at the regional, inter-regional and national levels in order to secure an adequate food supply and mitigate market crises through the implementation of early warning systems.
6. We encourage insurance mechanisms at the domestic level to mitigate financial losses for farmers.
7. We propose a minimum supply of clean drinking water. We also support improving irrigation efficiency via a process of crop selection that takes into consideration hydrological, geographical and economic factors. We encourage public and private investment in water-saving programs.
8. We support enhancing awareness of the importance of reducing food and water waste at all levels of production, post-production and consumption.
9. We support raising public awareness of protected species and the dangers that wildlife trafficking poses to the environment. We welcome the establishment of an international oversight authority tasked with suppressing wildlife smuggling and poaching.
10. We encourage G20 countries to create a global program for responsible collection and recycling to avoid domestic and industrial waste.

## **CONCLUSION**

As such, we hope that our recommendations will be useful for G20 leaders. We appreciate Mexico's efforts in hosting the Y20 Mexico 2012. In 2014, Australia will chair the G20 Summit. Youth leaders will be grateful for the opportunity to convene in Brisbane under the Chairmanship of Australia. We thank the Russian Federation for hosting a successful Y20 Russia 2013.

We welcome the participation of Brunei Darussalam, Kazakhstan, Senegal, Singapore and Spain in the Y20 Russia 2013. We encourage further work between the G20 countries and the other concerned countries and remain committed to continuing our dialogue and cooperation.

The Y20 representatives urge G20 Member States to establish the celebration of the Y20 Summit as a permanent activity within the G20, ensuring its continuity and guaranteeing that the holder of the rotating presidency is responsible for determining the most appropriate mechanism to host it.