“Eurasian Economic Club of Scientists” Association




IV Astana Economic Forum

Recommendations for the G20 leaders based on the results of the IV Astana Economic Forum May, 3-4, 2011 “Astana Consensus”




"Astana Consensus"

Within the Astana Economic Forum there were six key components identified which will be especially relevant for the G20 Summit in France, including: 1) International Monetary System; 2) Reform of International Financial Institutions; 3) Reform of Financial Sector; 4) Support of International Investment and Trade; 5) Food Security; 6) Green Economy.

I. INTERNATIONAL MONETARY SYSTEM

Astana Economic Forum supports the decision of the G20 Summit in Seoul about the need to transform the global financial system to address the root causes of the crisis. G20 should contribute to the solution of the problem of global financial imbalances, including high volatility and disparities of exchange rates, the nonequilibrium structure of the reserve currency system, the problematic state of public finances of the issuers of world currencies, biased ratings of sovereign issuers, uncontrolled emissions of derivatives.

The presence of these defects requires the implementation of radical reforms of the world monetary and financial system. The main directions of these reforms should be:

Recommendation 1: Creation of preconditions for introduction of a supra-national global currency

The G20 needs to form a standing committee to discuss the introduction of supranational global currencies, including selection of the emission center, identification of the principle of country participation, preparation of issue of investment instruments that will be denominated in the supranational currency and projects, which will back these instruments.

In addition, to increase stability of the world currency regulation it is proposed to form a permanent body – the Board of the G20 Central Banks. This institute will serve to smooth the volatility of currency markets and create opportunities for rapid and coordinated response to the exchange rates of the leading world currencies.

Recommendation 2: Increasing responsibility of the major reserve currencies issuers for their public finances

We support the initiatives of the Group of 20 on the implementation of relevant global principles of financial reforms. We consider it necessary to supplement this requirement with measures to improve the public finances of the countries that issue the world reserve currencies.

In connection to this, there is a need to develop standards to maintain within a certain range of key indicators of public finances in developed countries to ensure stability and predictability of exchange rates.

Recommendation 3: Objectivity of estimates of economies issuing the world reserve currencies

It is necessary to ensure objectivity of the assessment system of economies issuing the world reserve currencies through the transition from the sovereign credit ratings by rating agencies to objective indicators of economies and financial systems developed at the level of authoritative international organizations (UN, World Bank, G20).

Recommendation 4: Return of the emission of monetary financial instruments under the control of monetary authorities

It is proposed to return emission of the foreign exchange financial instruments under the control of monetary authorities by: reducing the possibilities of investing in currency derivatives; cutting-off speculative capital from operations in the currency markets; return to the separation of banking activities into credit and investment, as it was before the repeal of the Glass-Steagall Act.

II. REFORM OF THE INTERNATIONAL FINANCIAL INSITUTIONS[1]

Amongst the participants of the Astana Economic Forum, there is a broad agreement on the need to increase both the legitimacy and efficiency of the international financial institutions. The balance of economic powers has changed; the distribution of financial capacities, savings and reserves is no longer what it was. Therefore based on the results of the G20 Summit in Korea it was decided to provide additional quotas to the developing countries in the IMF, as well as reform the Council of the organization, which members gradually have to become fully electable. So, the decisions which have already been taken regarding the change in quotas in the IMF are not yet effective because they have not been signed or ratified by all the member states, and the fact remains that emerging powers and developing countries are still under-represented in the IMF Council.

The G20, which brings together the main economic powers of the planet at a policy-maker level, must give further impetus to a reform process which is absolutely necessary. In the short term and with a main goal of enhancing legitimacy, efficiency and accountability of the IMF and the World Bank, we offer the following recommendations:

Recommendation 1: Reform of voting powers at the IMF

[1] In partnership with Club de Madrid.

Reform of voting powers at the IMF must go further. It should be taken into account that votes on the actions of the Fund are distributed proportionally to contributions. It takes 85% of votes to approve a decision of the Fund. The US only has 17% of votes. This is insufficient to make decisions independently, but it is enough to veto any decision of the Fund. Therefore, to give more voting rights to the developing countries, G20 must solve two problems: the US veto issue, which will require reducing the majority rule from 85% to around 70-75%; and, the problem of Europe's overrepresentation.

Recommendation 2: IMF quota formula

Reform of IMF quota formula would be useful. Up to now, 80% of this formula is based on GDP. In addition to GDP, elements like population and reserves could be introduced.

Recommendation 3: Open management selection and staff diversity of the IMF and World Bank

Open management selection of the IMF and World Bank and equal opportunities must be assured. The G20 has to break with the presumption that the IMF Managing Director is to be European and the World Bank's President an American. Their selection process must be nationality-blind and exclusively based upon merit. Diversity within the staff – by nationality, gender, education and experience – should be increased, especially from under-represented regions.

Recommendation 4: Reform of the IMF Council

A high degree of political engagement by senior policy makers in the IMF Council is crucial. Quota rebalancing and diversification of the staff could be achieved through the activation of the high-level council envisaged by the Articles of the Fund.

Recommendation 5: Financing and recapitalization of the development banks

Regarding the World Bank and development financing, the G20 should tackle the issues of emergency financing and the recapitalization of the development banks. The G20 should seriously reconsider new mechanisms for almost automatic recapitalization in order to increase the reaction capacity of the regional development banks.

III. REFORM OF THE FINANCIAL SECTOR

Issues of domestic financial regulation and supervision do not feature on the list of priorities that France has set for the G20 Summit it will host in Cannes,

France on November 3-4, 2011. Yet they are destined to be dealt with nonetheless. The issue area had been a core part of the agenda from the very first G20 summit in Washington, D.C. in November 2008, where the leaders agreed that to stop the escalating global financial and economic crisis, they needed to fix the banks first. As a banking crisis turned into a sovereign debt crisis in Ireland, G20 leaders at their most recent Summit in Seoul, Korea in November 2010 agreed to accept and implement the Basel 3 regime for banking capital, liquidity and leverage. They approved 28 commitments on financial regulation and supervision of the 156 made at the Summit overall. These financial regulation and supervision commitments covered banking capital and liquidity, systemically important financial institutions (SIFIs), risk management, cross-border resolution regimes, shadow banking, commodity derivatives, over-the-counter derivatives, hedge funds, credit rating agencies, compensation, anti-money laundering, market integrity and efficiency, consumer protection, financial inclusion, small and medium size business, and emerging market issues. The most recent installment of the European crisis, erupting in Portugal in April and Greek debt restructuring, suggests that these issues will still be ripe for, and indeed, require G20 Summit governance when November comes.

Recommendation 1: Implementation of commitments

The first requirement is that that all G20 members implement their existing commitments in the way and at the pace, that all agreed at the Summit. Already a challenge has arisen in this regard, as some countries do not have the financial resources to mount the required regulatory reforms, some must harmonize their regulations/supervision at the regional supranational level. In addition countries must worry about non-G20 members imposing national regulations beyond Basel 3.

Recommendation 2: Effective accountability mechanism

It is thus important that there be a stronger accountability mechanism to monitor the compliance of all G20 countries with their financial regulation and supervision commitments. This will make it possible to determine the causes of high and low compliance, and assess the aggregate effects of the all taken measures on the overall financial stability. An accountability mechanism must be transparent, independent and credible.

Recommendation 3: Formation of a comprehensive agenda

The Cannes G20 should restore a set of commitments that cover, completely and comprehensively, all the financial regulation and supervision issues the G20 Summit had made commitments on in the past. Above all, attention is needed to

accounting standards, to fulfill the goal of having a single global set of accounting standards for today’s globalized economy.

The first four G20 Summits understandably dealt with those financial issues of concern to the United States and European Countries – those where the 2007-2010 financial/economic crisis was born and bred. The Seoul G20 Summit correctly recognized that the time had come to add to the agenda those issues of financial regulation and supervision of most concern to the emerging country members. This logic can be extended to add the developing countries beyond the G20 to the list. The Cannes Summit should identify a detailed agenda and also develop principles and process to advance financial regulation and supervision that works for all.

Recommendation 4: Strengthening the Financial Stability Board[2] and International Monetary Fund

At present both the Financial Stability Board (FSB) and the International Monetary Fund (IMF), backed by the Basle Committee on Banking Supervision (BCBS), have been assigned the lead roles in supporting and implementing the G20’s work on financial regulation and supervision. Since the FSB has a membership largely restricted to G20 countries, it would contribute to strengthening financial regulation and supervision within the Group. The IMF needs to identify ways to include outside jurisdictions and to recruit for the IMF staff representatives from the private sector with a detailed knowledge of how complex markets, instruments and institutions work. Issues of financial regulation and supervision should be made a more robust component of the IMF’s Article 4 consultations with its members, particularly those budget constraints do not allow the country to proceed with implementing G20 commitments as rapidly as desired.

Recommendation 5: Advancing work on shadow banking

The fundamental flaw of the accepted financial regulation and supervision is in the fact that a large part of the financial system generally stays out of the activities of the Basel 3 and is not covered by its terms.

There is a shadow banking sector - investment banks, mutual funds and money insurance companies, or financial departments of large industrial corporations, which are very big players of the financial market, occupying almost half of all the financial sector assets in some large countries. And it is the shadow banking sector, rather than traditional banks, which were a cause of the last financial crisis. But Basel 3 does not cover them. Therefore, the main problem of the financial crisis of recent years has not been solved, and the Basel 3 does not cover it.

[2] G20 Summit held in London in 2009 coordinated the efforts of the largest economies in the world in combating the crisis, by establishing the Financial Stability Board.

Recommendation 6: No bank levy and international financial transactions tax

A global bank levy should be imposed only in those G20 members and participating countries whose banks or other financial institutions required emergency financial support from their national governments to amidst the financial and sovereign debt crisis since 2007. Such a levy should be proportional to the amount of state support secured, take full account of an institutions’ speed in meeting the Basel 3, SIFI and other relevant G20-mandated requirements for financial stability, and pro-cyclical by rising at times when the financial institutions can best afford to pay the additional levy. The assets raised from such a levy should be kept in dedicated accounts, as opposed to general revenue, as close to the financial institutions as possible, available to be deployed should a crisis arise.

Such a bank levy would thus not discriminate against countries seeking to become regionally and globally significant financial centers for the first time. It would also not discriminate against those financial institutions wishing to shift financial activity and services to more stable jurisdictions, where the regulatory-supervisory regime helped obviate the need for any government financial support, and thereby enhance global financial stability as a whole.

G20 leaders should also resist effort to establish a general international financial transaction tax as a way of enhancing financial stability or financing other global public goods.

Recommendation 7: Interconnected catastrophe stress tests

A new round of stress tests should be conducted for banks, insurance firms and other relevant financial institutions to consider their resilience to particularly potent combinations of shocks that are arising with increasing frequency. As evidenced by the recent events in Japan, the immediate requirement is to assess the impact on insurance firms and banks with commercial and mortgage loans of a combined earthquake, tsunami and nuclear reactor accidents. More generally, the impact of extreme weather events (hurricanes, floods, heat waves, forest fires, volcanoes) and health pandemics in general should be integrated into the stress tests on individual firms and industry sectors. These should be conducted by the appropriate combinations of international institutions and professionals with the proper expertise.

Recommendation 8: Informed commodity market regulation

French President Nicolas Sarkozy has set the regulation of commodity markets as one of the key priorities for the forthcoming G20 Summit in Cannes. His focus is on derivatives and the speculators who contribute to the creation of market bubbles. However, some consider such market participants to be market makers who assist in price determination and provide liquidity. There is an

immediate need to establish a way to identify the difference between these two categories. There is also a need to provide the proper balance between regulation of commodity markets, and increased production and improved distribution of the physical commodities themselves. Before any new international regulations are introduced, it is appropriate to secure greater transparency of commodity markets, to provide a better evidence base.

Recommendation 9: Exchange Consolidation

There is currently a rapid move to consolidate stock and other exchanges across international borders, especially with the proposed merger of major US and German exchanges (NYSE Euronext and Deutsche Boerse) and the United Kingdom and Canadian ones (London Stock Exchange and Toronto Stock Exchange). This trend raises issues of interconnected contagion in the event of market integrity failure, consumer protection and “too-big-too fail” and extraterritoriality arising from regulation across multiple jurisdictions. Given the absence of a central global regime or international institution responsible for merger and acquisitions and competition policy, there is a need for the G20 to establish principles and a process to address this issue.

Recommendation 10: Mortgage and Housing Markets

Although housing markets and commercial property remain largely local, they are becoming more internationalized. The recent financial crisis demonstrated that their financing has become global, in a potentially destabilizing way. There is a need for national regulators to strengthen the consideration of their regulations and supervision for housing and commercial property markets on an international basis, to identify international interconnections, to share and compare best practices, and to create common principles as initial steps to considering the need for a more internationally convergent regime. It is also necessary to monitor the situation in other segments of the economy, where there may be signs of overheating analogous to the real estate market.

IV. SUPPORT OF INTERNATIONAL INVESTMENT AND TRADE

Astana Economic Forum supports the framework goals of the G20 about liberalization of investment for strong, stable and balanced post-crisis growth. The crisis has demonstrated transition of the global economy to a new level of globalization, accompanied by the increasing imbalance in the international trade, in the sphere of tax stimulation, increasing influence of state investment funds and monopolization of markets by national states.

In these circumstances it is necessary at the level of G20 to concentrate efforts on systematization of measures of the global order to support international investment and trade taking into account the challenges of the last crisis.

Recommendation 1: Correction of imbalances in the intentional trade

The causes of imbalances in the international trade are similar to what they were before the crisis: undervalued exchange rates and inadequate domestic savings in the developed countries with a budget deficit.

A possible correction in the form of a slowdown of consumption and attendant growth of savings levels in the developed countries, in addition to increasing demand in the emerging markets, also will not be able to eliminate imbalances in the international trade.

In connection to this, a targeted policy for correction of imbalances is required in the international trade through adequate exchange rates and stabilization of domestic savings.

Recommendation 2: The fiscal arrangements for supporting investment

Nowadays the imbalances have increased in the sphere of fiscal stimulation of international investments. In certain countries a budget consolidation is required to release budgetary reserves to provide tax incentives in order to attract international investments. In other countries there is a practice of enticing foreign capital using low tax rates and other benefits which distorts the structure of economic incentives of non-offshore economies.

Thereafter, fiscal arrangements will be required for supporting investments using tax incentives as well as the elimination of “tax dumping” from offshore countries and areas which competes with the efforts of governments to fiscally stimulate investments.

Recommendation 3: Development of measures to stimulate incomes of population and businesses, particularly in the developing countries

A sharp drop in income as a result of the global crisis has led to a reduction in consumer demand for durable goods, as well as forced the private sector to review their spending plans for investment goods.

In general, capital and consumer durables occupy a relatively small share of world GDP, but a significant share of the world trade. Accordingly, the drop in demand for these commodities has a more devastating effect on the world trade, rather than production. In this regard, it is necessary to maintain measures to promote income (credit terms, level of wages) and private businesses (tax incentives and liquidity). Particular attention should be given to developing countries with low incomes.

Recommendation 4: Increasing state responsibility

Nowadays wealth moves not only from the West to the East, but also gets concentrated under state control. The developing countries that have significant resources are subject to a model of state capitalism.

In the developing countries national companies have been established, which in many cases are seeking to enter the world market, especially in commodity and energy sectors. During the crisis period, they performed a stabilizing role, helping to ease inflation and lower the exchange rate of the national currency due to the export of capital abroad.

However, the state is not always an effective investor. Economy must be based on the private sector, while the state must collect and distribute incomes.

In connection with that, G20 countries have to consider the issue of rebalance of rights and obligations of investors and the state.

Recommendation 5: Breaking down barriers for foreign trade and investments

The process of resumption of selective industrial policies is going on in the world: governments that control their economies are interested in participating in industrial policy. The large developing countries have made state plans for expanding their economies and shifting to higher value-added components in the global supply chain such as technologies and services. However, the fundamental difference between present and previous steps is that these countries now have economic resources for realization of their plans, and they do not have to rely on interested parties or foreign capital.

The G20 countries need to monitor the growing trend of selective industrial policies in the emerging markets so it will not turn into barriers for foreign trade and investments.

Recommendation 6: The formation of a favorable investment climate

It is necessary to intensify cooperation between the G20 countries and developing countries in expanding international investment agreements including the creation of investment hubs all over the world.

In order to strengthen support of the countries in special need of a stable inflow of foreign direct investment it is necessary to improve the investment environment for foreign investors and create conditions for creation of investment hubs.

Recommendation 7: **The reduction of ecological risks for investors.**

The G20 should make an effort to enhance the responsibility for inspection of the large international investments in order to prevent the threat of ecological safety in recipient countries, and for possible externalities as well.

It is necessary to expand the use of effective mechanisms of strategic and cross-border environmental impact assessment, as well as strengthen the relationship between the requirements of WTO rules and multilateral agreements on environmental protection.

It is recommended to increase an investor responsibility for the environmental consequences of investment and production.

V. FOOD SECURITY

Astana Economic Forum emphasizes that food security remains a major challenge of the third millennium. The current situation in the world where 1 billion people experience chronic hunger and the lack of a clear mechanism to reduce the number of hungry and malnourished people require more thorough joint efforts of all countries in this direction. A guiding principle should be to give priority to policies that contribute to long-term development goals and avoid policies that conflict with long term development.The main priorities of the long-term economic policy of food security should be: stimulating economic growth, maintenance and increse of productivity of land and water, support of organic agriculture, investment in research, development and social infrastructure.

For coordination purposes of short-and long-term food security policies, the following recommendations are offered:

Recommendation 1: Food assistance and early warning

Since risks of food crisis are constantly rising, governments and international agencies need to expand food assistance where necessary, through creation of social safety nets and early warning of crisis situations and rapid response capacities. To ensure that the scarce food assistance resources are efficiently used it is necessary to combine food security safety nets with measures to improve food access through normal market channels. Early warning systems, including those supported by FAO, should be developed at farm/farmer and government authority levels to combine market intelligence with statistical methods and evaluation missions. This will alert government authorities and international agencies about urgent needs for food assistance measures. It is also necessary to create an emergency food fund to ensure that the funds for the purchase of food in emergency situations can be made available immediately.

Recommendation 2: World Trade Organization (WTO) Doha Round of trade negotiations

The World Trade Organization (WTO) Doha Round of trade negotiations should be completed in order to restore trust in the international trading system with multi- or plurilateral rules and agreements through open and responsible trade policies. The experiences with trade restricting policies employed by many countries in reaction to the food price crisis and the increased protectionism that has been seen since the financial crisis have created distrust in the global trading system and increased the cost of doing business in international markets. A Doha Round agreement would be an important step in restoring confidence in the trading system and in reducing distortions that restrict trade and create uncertainties for farmers and traders. Although it is tempting for countries to limit exposure of own consumers and producers to world market volatility, a way to protect food security in a global market is to expand trade and reduce trade restricting policies. Likewise, WTO members and countries seeking accession would all benefit from completion of these negotiations to add new members to the WTO.

Recommendation 3: Stimulate economic growth

The best strategy to reduce poverty, improve food security and enhance agricultural productivity in the past has been an increase in economic growth. As reported in the FAO study on increased hunger and undernourishment, the economic crisis pushed more people into hunger than did the food price crisis. Moreover, the duration of the economic downturn is longer than the food price spike in most countries. The agricultural sector benefits from the growth of the non-agricultural economy, because it reduces labour and unemployment in the sector and thereby increases labour productivity. Restoring economic growth must be a high priority; it reduces unemployment, increases household incomes and improves government budget resources for social protection programmes and sustains economic development.

Recommendation 4: Invest in social protection or safety net measures

Safety nets include targeted food distribution programmes to protect vulnerable populations in the medium and long term as well as targeted cash transfer schemes, feeding programmes and employment schemes. Social protection is to cushion the main impacts of market and financial shocks in order to limit the long-term consequences. For example, a significant decrease in income will lead to a lower education level.

Recommendation 5. Enhance investment in agricultural infrastructure

Both governments and international agencies and donor programmes need to give priority to investment in agriculture.

Investments in industrial infrastructure, such as irrigation and roads, contribute more to agricultural growth than other public spending (e.g. farm subsidies). Investments in rural infrastructure have two important effects. First, they connect farmers to markets by reducing transport costs and integrate smaller farmers in modern supply chains which in its turn reduces constraints on farmers in delivering the quality demanded. Second, investments in rural infrastructure create conditions to attract human resources, improve access of farmers and workers to the economic potential of cities, expand the possibilities of cooperation and establishment of productive relationships.

Recommendation 6: Enhance rural social infrastructure investments

The development of agriculture does not provide adequate rural development, and therefore lagging rural incomes need special attention. Rural development needs targeted attention, including social infrastructure such as schools and child care facilities, hospitals and clinics, community centres with libraries, internet connections and adult learning facilities. These support measures are territorial not sectoral and they improve the rural business environment as well as the capacity of rural residents to enhance human capital, increase economic opportunities and enhance the quality of life.

VI. GREEN ECONOMY

IV Astana Economic Forum supports the recommendations of the G20 Summit in Seoul in November of 2010 on strong willingness to fight climate change, to continue reconstruction and provide a framework for achieving a strong, sustainable and balanced growth, to carry out the measures aimed at green and innovative growth in search of new sources of growth and promotion of sustainable development.

But there are concerns that a transition to a new economic model will limit opportunities for growth and block some solutions of social problems.

The new UNEP report[3] proves that such doubts are not justified. On the contrary, green economy stimulates economic progress and creates jobs, thereby lowering risks of such global threats as climate change, loss of ecosystem services and deficit in water resources.

According to UNEP experts, even in the short term, green economy is able to provide the GDP growth, increase in per capita incomes and employment at the same or even higher rates than the traditional economy. In the medium and long

[3] UNEP, «Pathways to Sustainable Development and Poverty Eradication», 2011

term, green economy will give much more benefits in terms of preservation of the nature's potential and reduction of social inequality.

Recommendation 1: The reform of subsidies

Subsidies are one of the important instruments of trade policies, which is used widely by many countries in such sectors as agriculture, energy, fishing, forestry and water supply. However, subsidies, especially in the long term, have an ambiguous and often negative effect on sustainable development, leading to a significant imbalance in the markets and exacerbating a variety of economic, social and environmental problems. Subsidies often allow increasing production, where it is economically inefficient and discourage introduction of new, more efficient technologies.

Elimination of many types of inefficient subsidies would free up funds of national budgets to address important environmental or social issues.

In addition, the abandonment of some subsidies will have a direct positive impact on the environment. For example, fishing subsidies lead to overfishing and depletion of fish resources. Negotiations to eliminate them are underway at the WTO.

Recommendation 2: The removal of trade barriers for ecological products and services

It is necessary to advance the completion of negotiations on the reduction and removal of tariff and other barriers to trade in ecological goods and services in the Doha Round of the WTO trade negotiations.

Trade liberalization can lead to increased trade flows of ecological goods and services, which in its turn will accelerate replacement of old technologies, thus helping to reduce pollution levels and harm to the environment, caused by waste.

It is also necessary to identify and compile a list of ecological goods and services.

Recommendation 3: Increasing financing of innovation

An important measure for transition to green economy is the increase in funding innovation in clean technologies. This can be achieved in various ways - for example, through support of R&D, low interest rate loans, debt relief, for instance, by using eco-restructuring of debt, which implies a debtor paying off a part of the debt by conducting conservation actions for a certain amount and in agreement with the appropriate lender.

Recommendation 4: The incentives for investment

To advance the transition to green economy governments should use incentives for investments. Often, such a measure is part of a broader strategy to support specific industries, such as production of renewable energy, electric or hybrid cars, eco-tourism, etc.

In some cases, investments or other measures described above to shift to green economy could include special conditions, such as requirements to use a share of domestic production (local content) in technology, requirements to use a certain technology, local labor and joint ownership of the investment.

Recommendation 5: "Green" public procurement

Government procurement (for example, for education, health, transport and other infrastructure) represents a huge market. In the exercise of procurement the government can set certain rules, in particular, it can determine the percentage of recycled paper, energy efficiency criteria for goods purchased within the public procurement. This will contribute to transition to the green economy.

Recommendation 6: Valuation of environmental damage taking into account economic consequences

There is a considerable underestimation of nature's capital and, in particular, goods and services derived from ecosystems, which are a basis of national wealth in the developing countries, and the access to which is sought by the developed countries and multinational corporations. This is particularly evident in the pharmaceutical, agricultural, textile, and, more recently, low-carbon sectors (biofuels). Public authorities must conduct an economic assessment of biodiversity and ecosystem services. This will provide additional funding and employment in the field of biodiversity, improving the efficiency of protected areas. When conducting such assessment an important role can be played by local communities and indigenous people.

The assessment will ensure the objectivity of product prices as the price will include the cost of externalities such as water pollution and restoration of degraded ecosystems. In this case, we can expect that users of natural resources will invest in more efficient and effective resource management, if these resources will be of some value, and users will be guaranteed continued access to these resources, which would allow them to extract significant benefits.

Recommendation 7: Energy

Analysis of the prospects of energy, which, in particular, is being done by the World Wildlife Fund today, shows how to provide the entire population with energy from clean renewable sources. We believe that it is possible to provide

clean energy for those for whom the main sources of energy are fossil fuels, which will lead to radical reductions in greenhouse gas emissions. This will require investments in technology and innovation to improve the energy efficiency of production. Simultaneously, the emergence of a large number of "green" jobs will be a beginning of a new era in the labor market.

Recommendation 8: Forming of "Global energy and ecological strategy of sustainable development for the XXI century"

The participants of the IV Astana Economic Forum support the initiative of the Republic of Kazakhstan to create a "Global energy and ecological strategy of sustainable development for the XXI century".

At the beginning of the XXI century the world community of nations and civilizations has faced a fundamentally new threat: global energy, ecology and food crises, reverberating and amplifying, have put a question mark on the successful resolution of the issue of sustainability of world development. Today the pressing issues for the world community are worsening global energy crisis and the growing threat of adverse climate change on the planet.

To solve these problems at the 62nd session of UN General Assembly in 2007, the President of the Republic of Kazakhstan Nursultan Nazarbayev proposed to develop a "Global energy and ecological strategy" and discuss it at the UN Conference on Sustainable Development "Rio +20" in 2012.

At the IV Astana Economic Forum during the panel session "Forming of Global Energy-Ecological Strategy for the UN Conference on Sustainable Development "Rio+20" in 2012 a draft of N. Nazarbayev's "Global energy and ecological strategy of sustainable development for the XXI century" was presented in the form of a scientific vision.

Recommendation 9: Discussion of "Global energy and ecological strategy of sustainable development for XXI century" at "Rio+20"

We recommend to include a report of the President of the Republic of Kazakhstan Nursultan Nazarbayev on "Global energy and ecological strategy of sustainable development for the XXI century" in the agenda of the UN Conference on Sustainable Development "Rio +20" in 2012.

The report is based on a solid scientific basis - a 10-volume work, "Global Outlook "The Future of Civilizations" for the period until 2050" and on energy and ecological balance of nations and civilizations, which was developed by scientists from Kazakhstan, Russia, USA, Germany, China and other countries.

Scientific basis for the report was discussed at the four Civilization Forums - in Moscow in 2007, in Astana in 2008, in Almaty in 2009, in Shanghai in 2010, as well as at the III and IV Astana Economic Forums.

N. Nazarbayev has published monographs devoted to this issue – "The strategy of becoming a postindustrial society and a partnership of civilizations"

(Moscow, 2008) and “Strategy for a radical renewal of the global community and a partnership of civilizations” (Astana, 2009) and selected works in 2 volumes in 2010.

Recommendation 10: Institutions, decision-making and management

Given the severity of energy and ecological problems, the participants of the IV Astana Economic Forum recommend to implement the “Global energy and ecological strategy of sustainable development for the XXI century” by creating Energy and Ecological World Bank analogous to the World Bank.

The main objective of the “Global energy and ecological strategy of sustainable development for the XXI century” is to develop a mechanism for the formation of safe energy and ecological state of the planet, which would be economically beneficial to all countries now and in the future, and in achieving such a result the banks perform much more effectively than the funds.

To achieve the objectives of the Strategy it is necessary to have long-term global, international and national programs based on innovative projects in renewable energy, development of which is now associated with large investments and risks.

Currently, the function of regulation of global financial and credit relations is mainly performed by the International Monetary Fund, World Bank and less well-known Financial Stability Board. There are also a number of organizations such as the International Finance Corporation, European Bank for Reconstruction and Development, etc.

But all these organizations are funding a wide range of projects and do not specialize in achieving the objectives of the “Global energy and ecological strategy of sustainable development for the XXI century”.

We need a bank that would not only finance projects in energy and ecological field in the developed countries, but also conducted cost-effective policies to overcome polarization in this area between rich and poor countries, contributed to the development of their energy base and energy and ecological technologies.

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