

THE BROOKINGS INSTITUTION

ASSESSING THE FINANCIAL STABILITY BOARD

Washington, D.C.  
Friday, September 23, 2011

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## P R O C E E D I N G S

MR. LOMBARDI: Good morning to everybody. My name is Domenico Lombardi. I'm a senior fellow here at Brookings, and I want to welcome you to this event on Assessing the Financial Stability Board.

The Financial Stability Board was established by the G-20 leaders at the height of the, perhaps, recent ongoing financial crisis in 2008 as a successor to the Financial Stability Forum, which had the kind of more G-7-like, G-7 plus structure, more narrow structure than the FSB has.

The FSB has an expanded membership, as you know, was established with a broadened mandate and a stronger institutional basis. And, yet, despite its importance, relatively little is known on how the FSB operates and how it is governed and what it actually does in reality.

And in response to this gap, the Brookings Institution convened a high-level panel that examined the governance of the Financial Stability Board and formulated a number of accommodations in order to align the Financial Stability Board governance with evolving international best practices. And it did so through this high-level panel, which comprises a very diverse group of experts ranging from former deputy prime ministers, former finance ministers, and central bank governors, to senior academics and members of the civil society. So, the outcome of the work by the high-level panel, is a number -- is a dozen recommendations that are assessed, very aspects of the FSB mandate, organization, and governance. They will be available at the reception desk by the time the meeting ends, and, of course, they will be posted by the time the meeting ends on the Brookings' website. So, we'll leave you with a little bit of substance and then send you to listen carefully to this panel.

Importantly, all of the high-level panel members draw from the various

regions of the world. So, there is also another aspect of the composition of the panel that we want to stress.

I would like to use this opportunity to thank the members of the high-level panel: Amar Bhattacharya, the head of the G-24 secretariat; Danny Bradlow, professor, international law, at the American University and the University of Pretoria in South Africa; Eric Helleiner, professor at the University of Waterloo and CIGI chair in Global Governance; Luis Kasekende, deputy governor of the Central Bank of Uganda; Harold James, professor at Princeton University; Jo Marie Griesgraber; Jacque Mistral, head of economic studies of IFRI, a French think-tank and member of the Conseil d'Analyse Economique of the French prime minister; Bessma Momani, who's sitting right there, associate professor at the University of Waterloo and senior fellow at CIGI, the Canadian think-tank; Jose Antonio Ocampo, professor at Columbia University, former financing minister of Colombia, and former UN undersecretary general; Almazebek Atambayev, former deputy prime minister of the Kyrgyz Republic; Pedro Solbes, former EU commissioner for Economic and Monetary Affairs and former deputy prime minister and financing minister of Spain; Ezra Suruma, who's sitting on this panel, distinguished visiting fellow here at Brookings and former finance minister and central bank governor of Uganda; and Chalongphob Sussangkarn, distinguished fellow at the Thailand Development Research Institute and former finance minister of Thailand.

I would also like to express my heartfelt appreciation to Jamie Baker, who's right there at the end of the room, New Rules coordinator, for her effective support to the high-level panel. So, really thanks, Jamie.

Before turning to today's panelists, let me briefly introduce the two members of the high-level panel that are sitting here and who will provide a snapshot of the high-level panel's deliberations.

To my far left, I have Jo Marie Griesgraber, the executive director of New Rules for Global Finance Coalition, a non-governmental, Washington-based international network of activists and researchers concerned with the reform of the international financial architecture.

And to my far right, I have Ezra Suruma. He's, as I said, former finance minister of finance and currently serving as presidential advisor to the president of Uganda.

And we have invited two outstanding discussants to offer a unique perspective both from the private sector and from academia. To my immediate left is Peter Sands, the CEO of Standard Chartered Bank before his appointment as the bank's chief CEO. He was responsible for finance strategy risk and technology operations. Peter is also the Board of Department of Health, and he was a director with McKinsey before joining Standard Chartered Bank.

To my immediate right, Ngaire Woods. She's a professor, international political economy, academic director of the Blavatnik --

MS. WOODS: Blavatnik.

MR. LOMBARDI: -- if my pronunciation is correct -- School of Government at Oxford University. And she's also the director of the Global Economic Governance Program at Oxford University, and also a good friend.

Then we hope to have joining us Svein Andresen, the secretary general of the Financial Stability Board, who was supposed to be with us now. Given the ongoing developments, he has been called out at very short notice to attend a meeting of senior officials, and he said he would be with us later on this morning.

So, before to you, Jo Marie, I would remind the rules again. So, you'll have some five, seven minutes for your remarks, and then we will be having a discussion

among the panelists, and then we're going to open up for a Q&A session with the audience.

So, without further ado, Jo Marie, I will leave you the floor. Thank you.

MS. GRIESGRABER: Well, thank you, Domenico. Domenico was the lead for this entire initiative, and he's also a member of the Board of New Rules, so, I'm doubly grateful to him. And I think this was really a masterful exercise because we used all of modern technology, webinars, and so on. So, we polluted the environment not at all. So, that's one positive contribution from the get-go.

I also want to note that there will be a brand-new website on the Financial Stability Board. It's called [fsbwatch.org](http://fsbwatch.org). It's being launched today, so, you're the first to know.

The rationale for this whole process on the Financial Stability Board is very much value-based. It's that the focus has been, at least from my perspective in getting this whole initiative underway, is what happens to the poorest countries and to the poorest people around the world as a consequence of financial regulation or the lack of great financial regulation? And the two centers, the two foci of financial rulemaking at the global level is the IMF, which is pretty well-known, and the Financial Stability Board, which I called the quintessential black box. Almost no one knows what it is or what it's doing, and if you can read their website, I get lost in all the acronyms myself. I really do need a map. So, it needs light transparency translation because it's a very, very important institution. It's a growing institution, it's a new kind of institution, it's much more networking.

But that being said, let me focus on a couple of principles of global governance for any international institution. One is comprehensiveness. It undertakes all the responsibilities in its mandate. Two: legitimacy. Three: transparency. And, four --

perhaps most importantly -- accountability.

By comprehensive, you will note in the recommendations that we encourage the FSB to go beyond any specific recommendations from the G-20, which really is the directorate for the FSB, and propose issues that need attention. And one came up very prominently in our discussions, is the issue of trans-border currency flows. Their needs to be some attention and some regulation to trans-border currency. Right now, it's a null issue; it's simply not addressed by the IMF or the FSB.

And another one that is, what can I say, very much on the front page of our business sections, and that is the situation of sovereign debtors. How do we deal with indebted sovereigns? This has been an issue that the developing world has dealt with since 1982, and now it's in the developed world. There's a deafening silence about it and reasoned, systematic attention should be given to it.

Secondly, on legitimacy, the G-20 is certainly better than the Financial Stability Forum, and much better than the G-7. However, it makes rules, I like to say, for the cosmos. Not just for the rich countries that participate, but for all the known and unknown world. So, repeatedly we hear from non-member countries, whether Colombia or Norway, why do we have to adhere to regulations when we have no voice, we're not in the room, we're not consulted? Even more so, the low-income countries who are impacted, but scarcely know about the FSB and how to influence, although, the Francophone low-income countries yesterday stated their concern about the inclusivity and legitimacy of the FSB for exactly these reasons. We would hope that there's allusion to this in the recommendations, moving towards a more inclusive process and for all the maligning I have done of the IMF constituencies, it is a very good model. It's not used perfectly at the Fund or the Bank, but it's a very good model to have a small table, but include everybody.

A strange element of the FSB is that it includes non-countries called the SSBs, and if you're on an international call and you're talking FSBs and SSBs, it can be extremely confusing. SSBs are Standard Setting Bodies, and they go everything from IOSCO and the Basel Committee all the way the International Accounting Standards Board. Some of them are comprised wholly of governments and the International Accounting Standards Board is wholly private, and then you have the blended institutions in between. What are they doing there? I mean, it's good to have them there, it's a novel institution, but it's very strange, especially if you are an excluded non-member entity. So, that's a question, and it's a puzzlement of the new world order where entities beyond the nation state are important.

The fourth principle is that of transparency. We note that the FSB is becoming more transparent, but before the reports are concluded, we would like to know the names of the chairs of the committee, how to send information to them, what the terms of reference are for each of the working groups, and then a way for people to contribute, whether countries or academics or think-tanks or, God forbid, activist NGOs.

And finally: accountability. Accountability requires transparency and representation. It also requires job descriptions and the ability not only to hire beyond Europe, which is a geographic limitation right now, but how do you fire the chair of the FSB? On what grounds? There are no provisions, it's a brand-new entity. So, that's an essential element.

We don't have that, for example, in the IMF. We know political pressure can force managing directors out and even some executive directors, but there are no terms in which you can fire them or hold them accountable for failure to perform.

And then, finally, we do have evaluation, and this is a very important element of accountability is to evaluate not only the leadership, the management, and

staff, but also the performance of the whole institution. So, it's a pretty vague recommendation, but I think it's an essential element to good governance in this contemporary time.

So, thank you very much, Domenico, for excellent leadership and brilliant writing.

MR. LOMBARDI: Thank you very much, Jo Marie.

Ezra.

MR. SURUMA: Thank you very much. I'm going to address the issue of this legitimacy attention. The fact that the FSB is a creature of G-20, and the rest of us who are not members legitimately, may be expected or will be expected to implement and follow the recommendations of the FSB and the standards set by the various standard-setting bodies.

As Jo Marie pointed out, there has been a longstanding program of voice for the developing countries and in the case of Africa, for example, where I come from; we have only one country, South Africa, as a member of the G-20. And I don't believe that many of us would consider that South Africa speaks for us in FSB or in the G-20. And, yet, over the years, we've had to implement rules and regulations and standards set by the IMF, and we've complained that we don't have much voice in IMF. And we've been making some progress there in World Bank, not enough, but some.

And now comes the FSB, and there we don't have any representation at all or hardly any representation. So, the issue we've been discussing in the high-level panel is how we could also have some say in what is going in FSB so that we fear that the recommendations made by FSB can be applied to us, and we will not be too resentful that we have not been consulted.

Some members of the panel feel that, in the long run, if the FSB is really



legitimate, it should be a vast organization with universal membership and should be a treaty-based organization. But that probably takes some time to occur. So, in the meantime, there's a view that we could have regional consultative groups, and if I remember correctly, Africa was supposed to be one such group.

Africa is a very large county, I mean, 1 continent with more than 50 countries and very diverse, and we didn't think that this kind of arrangement would work very well. So, we are proposing that, perhaps, the way that the regional groups, consultative groups are formed should be based on a bottom-up approach. Rather than the FSB saying this is how we want the region to be composed, it should be the countries in Africa themselves to work out an arrangement for the composition of the consultative groups and we've suggested that there are some existing regional groups and some regional groups.

For example, we have COMESA in Africa with 20 countries, and more than 700 billion in total GDP of these countries. So, clearly, to qualify, to have a chair who could represent them in FSB preliminary meetings, and, well, the current arrangements or proposals are that the G-20 person would be a co-chair of the regional meetings. I guess this could be looked at. But what is important is that the forming of the regional groups should come from the countries themselves rather than coming from FSB. And we hope that the regional secretariats that could be formed in the regional groups would be a channel for liaison with FSB and also an opportunity for learning for capacity-building because a great deal of learning needs to take place particularly in my continent.

So, we recognize that this would not cure the complaint or the feeling that we are not consulted, but at least if there's a channel of communication between our regions and members are free to join the region that seems to make a sense to them, this

communication would ease the tension and give us a sense of representation and consultation, and, hopefully, this could be working in the meantime until such time FSB becomes a treaty-based organization.

So, this is the area where I have been most concerned, and I think I'll stop there. Thank you.

MR. LOMBARDI: Thank you very much, Ezra.

Now I will give the floor to the external discussants.

Peter, do you want to go first?

MR. SANDS: Okay. I think it's absolutely right to focus on the FSB because it is much more important than its profile in the medium political debate would suggest, and Mario Draghi, who's been chairman of the FSB, has been one of the more influential voices in the shaping of financial regulation around the world.

And I'm broadly sympathetic to the high-level panel's recommendations. The FSB was cobbled together in a hurry as the development of the Financial Stability Forum, and there is a need for fine-tuning and refining its governance processes and arrangements, such as how you select a new chairman. And I think that is a very sensible thing to focus on.

But I think we need to be careful not to overdo it. there are many, many committees and meetings around the world in which these issues are discussed, which are highly formalized in which people speak to prepared briefs and where there's very little discussion, just a sort of lobbing of views over the table at each other, and one of the refreshing things about the FSB was actually that it had a degree of informality and real dialogue and disagreement, and we need to be careful as we evolve the governance model and process that we don't stultify it to make it into something that is exactly like all the other things that exist already.

Where I do absolutely agree is the need to make sense of the multitude of interacting organizations whose remits and mandates overlap in ways that even, as the CEO of an international bank, I can never quite work out why or whether something is coming from the Basel Committee or the FSB and it doesn't make any difference given that most of the people are the same anyway. I do wonder slightly whether some of this concern about legitimacy and accountability is, perhaps, a bit misplaced because the FSB only has a voice. The Basel Committee has power. And I think if you really want to focus on where the key standards are being set without the voice of much of the world, I think there's much more of an issue in the Basel Committee than there is in the FSB.

But I agree that kind of casting light and sorting out the tangle of how these things interact has enormous value. I also am very sympathetic to the view that the FSB shouldn't just sort of jump to whatever comes out of the G-20 communiqué in terms of what it should look at next, but should form its own view and feed that back into the G-20.

But I must admit, given a sort of title of a discussion, which is Assessing the FSB, I'm afraid to say my immediate focus is not actually on governance and process; my immediate focus is on outcomes. Has the FSB achieved what it was asked to achieve, which was to ensure greater financial stability and to ensure greater international coordination and consistency in achieving that end? And I'm afraid to say it would be hard to give it a very high grade on either of those points. Now, it's not entirely the FSB's fault because other things have been going on, but the fact that Svein can't even be here is sort of slightly indicative of the fact that we haven't yet got to a state of financial stability that leaves us all totally assured.

And part of the problem here is that we haven't been focusing on the right things, and I would say to Svein and I've said to Mario, the FSB has spent a

disproportionate amount of its intellectual ability and effort and it has fantastic people -- you know, very, very smart people involved -- focused on an elaborate closing of stable doors, i.e., there has been a lot of fighting the last war rather than working out what the threats are to financial stability that we face now and what we should be doing about them looking forward.

If you look at the papers that have been published, and I just check last night to make sure my memory was correct, they are all sadly irrelevant to what is facing us today. They're on compensation, shadow banking, resolution recovery. I mean, you can sort of draw a line to them, but none of them hit directly at the core issues that we are facing right now. So, I'm afraid to say on that mark of an outcome assessment, it's not a terribly good one.

Second, on the notion of international consistency and sort of coordination, here, I would say the FSB actually made a very, very good start. Under Mario Draghi's leadership, a lot of different constituencies were corralled together and there was a sense of shared purpose that led to -- and this is where it gets confusing about who does what, but, anyway, Basel Committee produced Basel III, which I don't think would have been produced had you not had the FSB providing the force and leadership and umbrella underneath it. So, a very good mark for that.

Where, however, I am more critical is I think since that sort of high point, we've been busily paddling backwards and that there has been increasing fragmentation with most countries saying well, once we've done that, now we want to either not implement it or implement it in our own variant and add lots of separate bells and whistles. The U.K. is particularly guilty of this with its own sorts of proposals about ring-fencing and its own version of the liquidity regulations, but it's equally true of the U.S. And, so, that sense of common purpose and consistency is rapidly diminishing, and there

are real costs of that for the global system. The cost of complexity, the cost of regulatory arbitrage. We are getting into a very, very confusing situation. The law of unintended consequences is going to be hitting us and is hitting is pretty hard.

And just to give you one small example of this, one of the core proposals of the new liquidity regulations, and there absolutely needed to be better liquidity regulations, is that all banks needed to hold much more sovereign debt. That is now not looking quite as compelling an argument as it might have done when those rules were drafted. So, I think there are some very sensible proposals around fine-tuning the governance of the FSB.

I think it was important to recognize how important it is. I think we need to be careful though that we don't turn it into something that is so rigid and bureaucratic that it doesn't add any value. These are very complex, difficult issues. You need real discussion around them and in-depth dialogue. You can't just sort of do it through exchange of prepared statements. I am on an outcomes basis. I would hesitate to give too high an assessment grade to the FSB at this stage.

MR. LOMBARDI: Thank you, Peter, and following your candid assessment, I will now turn to Ngaire.

MS. WOODS: Thank you, and thank you for the chance to read what is an excellent issues paper and an interesting commission report. There are really just two things that I want to say this morning.

The first is about the substance of why we should worry about the impact of the FSB on developing countries and the second is about the governance model and where that discussion goes, because I think on the second, the commission's panel has rather heroically struggled with two very different models, and, so, I just want to pull that tension out and put it front of us. But let's start with the why developing countries could

matter, because I can imagine if the FSB staff were here, they would feel a little bit like firefighters who are fighting a huge blaze in their own home, being held to account about the environmental consequences of the way they were fighting the fire or even about the standard of democracy in the local fire station, and they would look at us perplexed and say you've got to be kidding. You want us to be thinking about accountability mechanisms and about inclusive mechanisms when we've got a crisis on our hands and we have to be firefighting.

So, let's start with that proposition. I mean, I think there are two responses that I would have to that proposition. One is that even in terms of their own mandate on financial stability, it will be crucial that one part of the standard setting they're engaged in is taken up and implemented in developing countries, otherwise, you simply just push the weaknesses and vulnerabilities out to the periphery. So, it's crucial to their own mandate on financial stability. But the other issue that's fine, the firefighters' view is one view, but that doesn't mean that the rest of us shouldn't be thinking about, be concerned about, and be feeding into the FSB what the likely consequences of their activities and the wider activities of what we might call the Basel world, including, of course, the Basel Committee , are.

Just very briefly on that, to me, there are at least five ways in which the Basel standards and the Basel world's current deliberations will affect developing countries, and it's these kinds of issues that we should be focused on and feeding in.

The first is, obviously, the trade finance one, where, over the last year, we've seen a huge debate because it was clear that the Basel world hadn't even thought about the implications on trade finance. They're now trying to find a new pathway to think about that. That's a positive outcome. Hopefully, it will lead to a positive result.

The second is that the new Basel standards and other standards the

FSB are working on could seriously overstretch national capacity, that even the Basel standards themselves require capacity, discretion, and judgment. We are still in a world where global financial regulation is being formulated so as to impact as less costly as possible on financial services sector actors. We're not in a world where regulatory standards are being made to make them as cheap, effective, and enforceable for regulators as they might be. And for that reason, for developing countries, I think there's a particular set of issues around capacity and to what degree they should be making the choice to put a lot of their own scarce resources into that capacity.

A third is about the home host issues, very complex issues about which model of regulations, subsidiaries, bunches are best for any one developing country. The one overriding lesson from those issues is that it is crucial for developing country regulators to have much better quality of information from home regulators about banks operating in their jurisdiction, and we've seen remarkably little progress towards the arrangements for making that kind of information sharing possible.

A fourth reason is, of course, the extent to which the tighter global capital and liquidity standards might affect these scope for developing countries to use those standards in the immediate term, given that there's a lot of long-term transition period for the center's financial sector. Will that impact the way developing countries can use those standards in a countercyclical way?

I think I'll stop there on the reasons why we should be concerned about the consequences for developing countries of the FSB and the wider Basel world process, because I do want to move to the issue of governance.

Now, it's tempting as we see in clearly what was, May I say, half the commission? I don't know, but just reading the report, it felt to me like, perhaps, half the commission was saying we need a treaty-based, international organization a bit like the

IMF to set the global standards because then we will have rights of representation, consultation, we'll have rights to information, and there might even be some enforcement. So, that has a kind of intuitive appeal. And, perhaps, the reason why some of your commission panel found that intuitively appealing is because there is a really stark contrast in the world, for example, of trade, where globalization has been undertaken alongside a more and more robust global regulatory system, which states are formulated.

So, we have the Marrakesh Agreement, we have the WTO, we have centralized adjudication. The globalization of finance has been hugely more rapid, hugely more deeper and there has been absolutely no accompanying centralization of global regulation. Instead, we have seen governments consistently keep delegating to private, standard-setting organizations, and that, I think, is why there is now an impulse to say we need now to make that system more coherent.

So, what we've seen is governments form a kind of super network in the G-20 and a sub-network in the FSB. Not a treaty organization, but an organization created by a press release, which could actually probably be disbanded by a press release.

But let's stop before we immediately conclude. Therefore, what we now need is a treaty-based organization. Let me just throw one spanner in that little machine, and that's that what we are seeing in the Financial Stability Board is a gritty, bottom-up process of standard-setting, where national regulators who really do understand the possibilities and limits of regulation in their own countries get together and really try to work out how to piece their national regulatory systems together. It's a very bottom-up process. Contrast that to the IMF process, which is very top-down, which has been accused for about 20 years of being too top-down. One-size-fits-all, impositional. And think about which is it that you want. Which kind of system is it that you want?



The real problem with the FSB process I don't think is the bottom-up nature of the process; the problem is the narrowness of it. It's the fact that it is essentially just the G-10 countries who are wrangling among each other, and when we look at what's happened since the 2008 crisis, there's been a real attempt to create more cooperation in supervision and regulation. We've seen an explosion that Peter mentioned of alphabet soup of more and more bodies, but as Adair Turner has commented, 70 percent of the membership of all these dozens of committees is the same and 70 percent of the agenda is the same. So, you have the same small group of regulators from a small group of countries flying around to meetings with each other. And the logic of that is simply because each time you create a new committee, the existing actors say you must include us on that committee, and, so, you get this kind of replication.

So, clearly, there is some tidying up needed. Well, it's not actually just about tidying up, this isn't about housekeeping; this is about taking my first point seriously about what the impact on developing countries might be and then thinking about how we expand the narrowness of that process.

Now, I don't have a magic solution that I'm going to put in front of you, but all I would say is there is something in the bottom-up process of the FSB which looks a bit like what critics of the Fund and Bank have often asked for. But, at the same time, it's a process that doesn't have any way at the moment of making sure that it's taking into account the very serious impacts on developing countries. So, that to end, I think this commission is a terrific start in opening up the questions that need debating, and I would congratulate the panel for the effort.

MR. LOMBARDI: Thank you very much, Ngaire.

If I may, I'd like just to follow-up on one of the points that some of the presenters today have raised. And it is the FSB is a very unique organization because it

really clusters together official agencies like finance ministries, central banks, regulators, and other international regulatory bodies with standard-setting bodies. And even more so, the FSB was given the mandate to overview the work of the standard-setting bodies themselves. And, yet, how can the FSB really be able to deliver on this mandate in the absence of legal enforcement powers?

On the one hand, the SSBs are members of the FSB. On the other, FSB is supposed to overview them, and, yet, the FSB is not even a formal organization. It's chartered as nothing to constitute, it does not even allow for any obligations on the members themselves. So, how can it deliver its own mandate through formal enforcement, through peer pressure, just through learning? And I would invite, perhaps, some more elaboration on this point from the presenters.

MS. GRIESGRABER: Is that me?

MR. LOMBARDI: Yes.

MS. GRIESGRABER: Okay.

MR. LOMBARDI: An answer from you, yes.

MS. GRIESGRABER: Okay. Thanks. Yes, I was listening very closely to the other commentators, and it is attention, Domenico, between how do you have requirement to implement with not everybody in the room and the obligation within the FSB is that we might agree by consensus in the plenary on a set of regulations, and then everybody is supposed to go home and implement it individually, which just doesn't happen or it happens in some places and not in the right places. And, so, there is that tension, and I would like to say that the panel with its recommendations recognizes the evolutionary nature of the FSB. It is unique; it's positive that it's the actual worker bees, the actual regulators who are in the room discussing face to face. That's great. As opposed to turning it into another international organization where the foreign ministry

takes over. We do not need another foreign ministry international organization. And it's good for the regulators to come together and be systematized, but doesn't the impact on the non-members, and I'm going to harp on this, this is my shtick.

And in regard to Ngaire's argument or vivid image of the firefighters protecting their own home, well, as they're protecting their own home and trying to put out that fire, they're throwing sparks everywhere, and that causes other people's homes to go up in flame, and they don't have the resources of the fire department. So, I sympathize, I live in the house that's on fire. Yes, but we're going to have to pull together on this. It has to be a common effort.

With regard to the IMF being top-down and this being bottom-up, let me just refer to one additional recommendation we have, and that is that when these regional bodies get going that are being set up by the FSB with the FSB naming the members and naming the co-chairs, well, that doesn't smell right. It doesn't pass the smell test. The region has to determine which countries they want if they're going to play by this game, and not only the current member, as in the case of Africa, that South Africa would go and participate in the plenaries and represent the interests of the entire Continent of Africa, but why not the co-chair that the region selects? So, we have recommended that the regionally-selected co-chair also be a participant in the plenaries.

Secondly, and that's an interim step for your two models, Ngaire. And another interim step is let's use the expertise that exists beyond the G-20, and my reference point here is a paper by Victor Murinde that will be posted on the FSB Watch website which discusses exactly the issue of the impact of Basel III on Africa, the gaps in the regulation, both what's needed and what isn't there, and Victor is one of many experts in the developing world who have much to contribute on the regulatory front who can contribute to the issue of the fires being started, whether deliberate or accidental,

certainly never deliberate, but it's a reality. The accidental sparks are springing from my house being on fire.

So, and I really love hearing the feedback, so, thank you, Peter and Ngaire, for your comments. We panelists are just loving your feedback. Thank you.

MR. LOMBARDI: Actually, talking about the panelists, I just saw earlier on Harold James joining the audience. I want to acknowledge his presence. He was a very engaged panelist, and I just want to thank him for his feedback throughout the deliberations of the high-level panel.

Peter, would --

MR. SANDS: Well, first of all, the point of the sort of legal state for the Financial Stability Board in its ability to enforce things, I think where we have to be realistic about the art of the possible, if that had been a precondition for the creation of the Financial Stability Board, the applicability, I mean, there are bits of Basel III that rely on synthetic CDS spreads of institutions which may sound very plausible when you're talking about London and New York, but completely irrelevant for large chunks of the world. And it becomes very difficult to know how to implement some of the recommendations. And they have weird, unintended consequences.

The tradeoff, however, as always with these things, and it's not unique to this realm, is between inclusiveness and effectiveness. Already, the FSB is a significant expansion of the FSF, and to those who were prior members, they would claim in private that there has been a decline in the efficacy of it. And, indeed, there was already in inner cabal within the FSB of the old members of the FSF. The risk of more expansion, and I completely accept the argument of some inclusiveness and, indeed, some understanding, impact of the developing world, but I also think we need to be very mindful of what we will end up with. If you significantly, formally expand the FSB, what

you will undoubtedly get is a more powerful inner cabal working informally within it. And I think to not acknowledge is sort of kidding oneself. So, somehow or other, we need to square the circle of acknowledging where power lies, they need to have a relatively small of people to have real dialogue and efficiency, but also find a way to represent and understand the views and needs of the developing world.

MR. LOMBARDI: Okay, so, I just want to welcome Svein Andresen, the secretary general of the Financial Stability Board. We're especially delighted that you could make it, given all of what's going on. So, just to give you a little bit of breath coming up from another meeting as you do, I would also Ngage and Ezra if they have remarks. My earlier question to quickly follow-up, and then we'll give the floor to Svein. He may comment on the high-level panel's report and then make remarks related to the current and future challenges of the FSB.

Ngage?

MS. WOODS: I guess the only remark I would make is just thinking about the FSB processes won't solve all problems. If you go on the FSB website now, you'll find that to their great credit, they've posted their documentation, they've posted, for example, their proposal on resolution, they've posted all the commentaries. They had an open consultation process. They've posted all the different responses to their proposal. When you go down the list of the responses, you, of course, find every industry association interested in financial services because they're obviously the people that have a close interest in following these issues. And it just highlights to me that the goal is surely not to get more people into the room for the hell of it.

The goal is surely not to have some abstract vision of what democracy looks like and to try to apply that to the FSB. That's surely not the goal. The goal is to ensure that accurate, timely inputs are made from different stakeholders across the

world, including developing countries. And the two preconditions for that are: A, that they have timely information; and B, that they have the capacity and resources to respond in a timely way to that information.

And the third, of course, is that the institution permits them to respond. We have an institution that is permitting and encouraging them to respond. But what we don't have is the capacity. So, where might we look for that capacity beyond the industry associations who will, of course, understandably be pushing their own interests? Where can we look? Can we look to the academic community, of which I'm a paid member? Perhaps, but that's going to take some efforts to think about it. It's also going to take some ethical standards on the side of the academic community, as the pre-crisis economic research showed, that the academic community, we need to be careful of. We need to always know who's funded their research and there has to be an ethics rule in the academic community about being upfront about that so that the interest base of any research is taken into account. But what other ways are there? And I think that's the challenge for making this process work. What do you need?

I think in the United States, for example, and we when think about environmental regulation, there is actually a levying of the private sector to fund an independent set of watchdog organizations. Is it that kind of thing that the global, financial, regulatory process needs? So, I would just rather than saying we solve this simply by saying the FSB should be more participatory, it should be more inclusive, and more transparent, let's go one step deeper and say what is the capacity that's needed to ensure that actors outside of the financial services sector itself have timely access to information and good capacity to digest it and make timely, precise inputs into the process.

MR. LOMBARDI: Thank you, Ngaire.

Ezra.

MR. SURUMA: Yes, yes, I would agree with Professor Woods, that a program with developing countries has not been enforcement. We've suffered too much enforcement. IMF has been able to enforce standards solely because they could. They have resources that we needed, and, so, we had to accept the various standards that they came with. So, I think that the issue of consultation, of having a sense of belonging or being part of the world system is, perhaps, a more important problem for us now, and I think the enforcement, from our point of view, is not a major issue whether we are consulted or not.

MR. LOMBARDI: Thank you very much, Ezra, for raising this important point about broad-based consultations.

I would now give the floor to Svein. So, I would suggest perhaps you use five, seven, eight minutes at most.

MR. ANDRESEN: Yes.

MR. LOMBARDI: And then we can open up a Q&A session with the audience.

MR. ANDRESEN: Thank you. Well, thank you very much for having invited me and thank you very much for the work that you have done and Ngaire's group. It has well been very helpful to us in the FSB as we contemplate changes to the way the FSB is set up and how it works. I think many of the issues about capacity resources, institutional underpinnings of the FSB are arising because the ambit of work of the FSB has expanded quite dramatically. It will set up in the form of a cold war to a press release of the G-20 leaders, and that's really all that it is. It has a very, very small secretariat, it has very capable individuals sitting within it, but it is a structure that has many, many merits to it, but it has underpinnings which are not quite commensurate with the role that

it takes.

There are no easy answers to this. I think that there are questions of resources, and I think those are in the process of being addressed. The FSB secretariat remains still very, very small. It's about 20 people now, but that is 3-1/2 times as many as it was about 3 years ago.

There are questions about where these resources should be coming from over time as the FSB expands. The central banks so far provided most of these resources. As this expands, it's not clear that that will be the case.

Another issue for us is staffing. All staffing of the FSB are seconded to this body, stay for generally very short periods of time, and they move on. That has many, many positive side effects, but it also means a tremendous amount of turnover and lack of capacity to build institutional memory in this body.

So, it comes to what are the mechanisms that enable the FSB to address some of these challenges? And in that context, whether or not it should adopt more formal legal underpinnings has arisen. I think that that would have merits because it would enable the FSB to hire staff in its own capacity, it would crystallize and force a resolution to the issue of funding over time, and it will enable the FSB to develop more articulated transparency and accountability structures than it now has.

There are advantages to the informality of the FSB. I think the flexibility and speed is something that authorities and the global community would not want to give up. But as the role of the FSB becomes more important, clearly, there is a need for this body to be seen to have the mechanisms of transparency, explicability, accountability to demonstrate its accountability that people would like to see it have.

So, we are discussing these issues, and we will have some folks coming out of the FSB for the G-20 summit in Cannes, and I think separately, there will be



thoughts on these issues coming out of a process, coming into the Cannes Summit at the leaders, their level.

If I could respond a little bit to some of the issues that you raised in your recommendations in no particular order, I think that the issues of implementation motorizing enforcement, the FSB cannot be an enforcement body, and if it were to have legal underpinnings, I think you need to think of that in an organizational support mechanism rather than it having enforcement capacity. Of course, I don't think countries would ever see that through an international body. But there are many things that we can do to foster implementation and coherence in implementation. And it is important that we do so because we can agree -- good policies. Not everybody will agree that the policies are good. Peter will have different views than I. But if we don't get them implemented consistently, there would be delusion along the way, and, over time, they will not achieve their objectives.

And as Ngaire has pointed out, a process of a complaints mechanism in effect harnessing the interests of the marketplace in having a level playing field in that rules that apply to participants. They keep looking at each other and what applies to themselves in different kinds of jurisdictions, and they might be merits to us in harnessing their interests in a level playing field by having them come to us and tell us that this country over there has cheated on the implementation of agreed policies.

We are putting in place quite a detailed process of implementation monitoring, but it will not have the quality of enforcement; it will probably not have consequences for FSB members if they do not implement.

You mentioned that the FSB and the IMF should work together on capital flows issues. I'm not sure that I would advocate FSB involvement in cross-border capital flow issues, at least as far as that pertains to macro issues. There are, of course,

prudential issues having to do with the management of FX risks and mismatched risks and so on where the FSB and the potential committees have roles.

On the relationships to the standard-setting bodies, this is kind of complicated. Overwhelmingly positive and good. The FSB has a role to coordinate the work of the standard-setting bodies, of which, as you know, there are quite a number, and I think one of the reasons why we have the FSB is that for those that have political responsibility in our countries, when something goes wrong and they have to stand up and tell the press who's responsible for addressing this and this and that sort of problem, you are not going to find any leader in the world who can say it's the CPSS, it's IOSCO, CGFS, ISB, BCBS, and so on and keep straight what these different bodies are doing. And, so, there is a need to have coordination and a kind of accountability mechanism for standard-setting bodies.

But we all benefit enormously from independent standard-setting, and the fact is it is an important means for the international community of solving coordination problems. Those problems don't typically get solved easily at the political level, and a political level and agreement structure at one time may not stick when circumstances change.

So, we need independent standard-setting bodies, but there needs to be the possibility of interaction between the political process and imperatives and the standard-setting process, and I think the FSB does that relatively well. However should that coordination role be, it's continuous tension, which probably is productive, but if it is enshrined in statutes, as it were, it may become -- well, let's put it this way, you wouldn't get standard-setting bullies to sign onto it. (Laughter) So, it's a political issue as much as it is an issue that can be solved within the FSB itself.

You suggested that we should have a more structured process selection

of the FSB chair and independent evaluation for better accountability and so on. All of these are very good ideas, and I think illustrative of the fact that, as I said at the beginning, the FSB is in between being an informal body and needing to become something other than just an informal, incorporating mechanism.

At the moment, we are in the process of identifying a successor to the current chair, and that is not, as you know, going to be a structured, open eliminations process with hearings and all of that, it will be a process in which there is nominations brought over to the chair and the chair consults the members on consensus on a successor. And, of course, where the organization to be a structured institutional setup, these are arrangements that would need to change.

I would like to just end by pointing out that, first of all, the FSB has some 24 member countries and large sums of other bodies as members. We are in the process of setting up a regional consultative structure, which will mean that about 70 other countries will become part of this mechanism with chairs of these regional bodies becoming parts of the FSB. And, so, we hope that that will enable others to input into this process in a way that may not have been as good up until the present.

We are sometimes criticized for not having enough consultation with NGOs, with industry bodies, and so on. I think that the principle way in which we think of this working is that all the people that sit in the FSB are nationals. And every one of them must consult quite a bit domestically and do consult their industry, their various NGOs, their legislatures, and so on, and what they come together to do in the FSB is to sift through all of this, their own dues, and attempt to agree on what they should be trying to do. And that process of getting agreement is not one that is always very easy, and the time that you have available to bring these decision-makers together is not a very large amount of time and spending that time with organizations that many of them ought to

have consulted previously, at least in this phase in which has been important to get reform objectives agreed has not been the highest priority.

It is a bit of an issue that, just like the FSB itself, the numbers of players and bodies involved is very numerous. We can meet with the IAF, but meeting with the IAF is not sufficient, of course. There is on the industry side any number of additional bodies and we have to find ways on meeting with organizations, and civil society at large.

So, we know that it's a worksite for us. We are not an institution in which the people that sit on the secretariat write the policies. It's the members that agree to policies. We helped them write the (inaudible), so it doesn't help to come and talk to us; you have to have that consultation with members. The time they have to agree to these policies is, as I said, relatively limited.

Well, I'm very happy to take questions. I'm sure I have not covered everything that you wanted me to.

MR. LOMBARDI: Thank you very much, Svein, for your remarks.

I think we will open up to the audience for questions. I would suggest that we're going to group questions in sets of three or four and then we'll give a chance to the panelists to respond.

So, Colin Bradford? And can you please identify yourself?

MR. BRADFORD: Thank you very much, Domenico. I'm Colin Bradford from the Brookings Institution, and CIGI in Canada, that has also been very involved in this, Eric Helleiner being a major contributor to the literature on the FSB.

But I speak to you more in my role as a board member of the New Rules for Global Finance Group, which is sponsoring this project. And I'd like to just bring up for what is, I think, obvious and underlying dynamic of all this, which is really central and I think needs to be more the pivot of how all this goes forward, and that is, of course, the

national political resistance that there is to really undertaking serious national or much less global reform and institutional development that can, in fact, prevent future financial crises like the one we have. I would submit to you that it's a reasonable hypothesis to say that today, we're not significantly better off in terms of national structures for a supervision oversight and regulation of financial markets and institutions than we were three years ago. And that is not the fault of the FSB, it's not the fault of the fact that there aren't enough countries in it; it's a question of responsiveness to political pressures.

So, the question I think that this dynamic is what all these issues need to be pivoted around because, in a certain sense, you have to address that resistance in order to get any movement forward on this at the national and global level. So, that's what I would basically say. And I would go with were Ngaire was headed, I think, and which came to me in the New Rules board meeting we had earlier this week, which is let's not underestimate the power that an independent monitoring body made up of researchers and advocates, much as the New Rules group itself functions, to hold the feet to the fire of national politicians and regulators or would be regulators and make things happen rather than let things slip.

Thank you.

MR. LOMBARDI: Thank you, Colin.

SPEAKER: I'm a member of (inaudible), also a member of New Rules for Global Finance, which is a very wide alliance, let's say, of interest.

The Basel Committee was obviously not set up to bring instability to the system. The purpose was search for stability. Unfortunately, in that search, they introduced so much rigidity that the system became fragile and not flexible enough, and now we have this crisis.

What is the purpose of Financial Stability Board? Stability is not enough

for us developing countries. We want flexibility, we want to grow. What is the purpose? Why is it not called, for instance, the financial function ability board? Something that shows what we are looking for. Stability, we'll have that in a graveyard. (Laughter) Meanwhile, we need to grow.

Thank you.

MR. LOMBARDI: We have a question in the back and then Matthew Martin.

MR. PABOCKER: Raul Pabocker, University of Oxford.

My question is directed towards Mr. Sands, who mentioned that the FSB is powerless because the big powers refuse to see power to it. And my question is directed towards saying that if it were the private sector that were pushing for more formalized mechanisms at FSB, I think they're the particular audience that should be addressed. And going back to Ngaire's point on the compliant mechanism, if a level playing field issues between American and European and Asian banks truly are of that great a concern, wouldn't the FSB offer the sort of forum and the mechanisms available to lodge complaints? And in that way, transparency and accountability and governance will be the sort of spillover effects of private sector actors pursuing their own interests aligned with overall social benefit.

MR. LOMBARDI: Thank you.

We have two more questions, Matthew Martin and Tony Allison.

MR. MARTIN: Thank you, Matthew Martin, Development Finance International.

We help low-income countries get their voice across about these international financial issues, and, indeed, yesterday, produced a communiqué by 25 low-income countries that Jo Marie referred to, which made reference to the FSB.

I was going to ask the question in relation to the panel's recommendations about why you thought it was necessary to get to the status of being a treaty-based body before you could really have proper representation of low-income countries. But because notably the G-20 has low-income countries on it, decided to bring in low-income countries without any treaty-based decisions. But then I heard Svein say at the end one of the recommendations of the committee had been that the co-chairs of these regional groups should be full members of the FSB, and I think heard Svein saying that that was going to be the case. But I just wanted to ask, first of all, is that definitely going to be the case?

But, secondly, a supplementary question because talking a lot to members of the FSB at the moment, they often given the implication that the plenary of the FSB is a bit of an overall body which kind of ex-post approves of things, may look at terms of reference and things, but doesn't get down to the nitty-gritty.

And to come back to Ngaire's analogy of top-down and bottom-up, I think a lot of low-income countries see the FSB at the moment embitters G-20 top-down tells the FSB what to do. The members of the FSB regulators sit in the subsidiary bodies and the committees and working groups and do the bottom-up stuff, and then top-down, along comes somebody from the international level and tells them that they must implement what that little group of regulators implemented.

So, I'm concerned, and, indeed, what the minister said yesterday was we don't just want to be in the plenary; we want to be in those standard-setting bodies and we want to be in those working groups and committees because, otherwise, we think we'll be coming along to be consulted ex-post about things that have already been decided. So, is that going to happen, too?

MR. LOMBARDI: Thank you, Martin.

Tony Allison over there.

MR. ALLISON: Thank you. Tony Allison, Johns Hopkins.

I wanted to ask members of the panel if the issue of division of labor about the FSB, the BIS, and the IMF in the oversight of global systemic stability was addressed. It seems to me there should be a clearer division of labor among these three institutions.

As you know, in November 2008, there was a letter of cooperation signed between the IMF managing director and the FSB chairman, but it seems to me that was superseded by the charter for the FSB. So, I wonder if this issue was addressed by the panel.

MR. LOMBARDI: Thank you.

So, I would start from Svein and I would say that each of you has no more than three minutes to pick up on the questions raised by the audience.

MR. ANDRESEN: Well, implementation monitoring, Colin, I think the world needs implementation monitoring and by those that have strong incentives to do so, but one shouldn't underestimate the work involved and the difficulty of doing this. There's no simple way. And if you want to do it, really to appoint where you know that you go to the level of issues that are going to matter in shaping the condition that a market faces, institutions face.

It is phenomenally labor-intensive, and the Fund and the Bank does this in numbers with huge resource needs, and, well, they cannot do it sufficiently. Nonetheless, naming and shaming authorities that sit around the table and agree on rules and then do not implement them themselves I think is entirely a reasonable thing to do.

Should we not become the financial functionality board? I don't think



there's a contradiction between financial stability and financial functionality? Indeed, that would be really, really bad. We cannot have functionality in the financial system in a reliable way without some sort of rules of the game, and whether we get or authorities get the rules of the game right is a legitimate issue for debate, and I think there are a few things in which there has to be invested as much thinking in. Frankly, there has been a lot of thinking invested in this by market participants, academics, authorities for years and years, and it might not be perfect, but if you change many things in the right sort of way, and we will need to address that as we learn to do it better, and everybody should be invited to be part of that endeavor.

Sorry, I've spoken too long. I think on the issues that Matthew raised that the plenary of the FSB has 70 persons sitting in it. You cannot debate many fine points of regulation in a group of 70 people unless they meet for a week. And with the level of people that sit in the FSB, that's never going to happen. So, it needs to have other mechanisms of much smaller groups drawn from within the membership that settle many of these issues. And if that is the case, these groups must not be confined to the membership of the FSB. They can have outside members. The practice of that happening is likely to change once this regional consultative mechanism is set up, and if the members of the regional consultative groups show the level of interest that is needed because it does take investment to be part of these bodies and contribute to them being productive.

I think I'll stop there.

MR. LOMBARDI: Thank you, Svein.

Jo Marie.

MS. GRIESGRABER: Okay, thank you.

I want to thank Svein for being here. It's really refreshing openness on

the part of the staff. We know you're pressed.

I wanted to note one element of surprise thinking that those busy nationals who have succumbed to your organization, one, that they're known that people know to talk to them and I need to figure out who's on staff to go talk to them and through my lobbying, what can I say?

Also, hoping that both co-chairs of the regional entities are going to be present, and the plenaries, delighted that the smaller working groups are now open to non-members; we hope you recruit and are advertising enough to get low-income countries and developing countries beyond the members to participate. That would really be, as we say, getting into the engine room where you're helping to repair the machinery, or if not, design new machinery.

And then I just want to, again, thank all of you for being here and to invite you to check out the [fsbwatch.org](http://fsbwatch.org). FSB Watch is one word. There are no periods or commas in between, [fsbwatch.org](http://fsbwatch.org) website. That will go live today. And to thank Jamie Baker in back who's taking pictures, recording, set up the website, does the dishes, and designs the strategic plan. So, thank you.

MR. LOMBARDI: Thanks, Jo Marie.

Peter, do you want to react?

MR. SANDS: I'll pick up specifically on the question of the role of the private sector. There's a very wide range of views in the private sector, so, I can't pretend to talk for the private sector as a whole, but what I would say is that there are a significant number of CEOs in major institutions around the world who I think would be, like me, agreeing that the creation of the FSB was a very good thing, and that as an effort, however imperfect in its sort of formal design, to get some consistency and coherence to what a lot of the standard-setting bodies were doing and to bring together at

least some of the countries in dialogue about what needed to be done. I think it's been a very positive thing.

So, I think the private sector has a very strong interest in seeing it succeed in that role. I think similarly particularly those of us who are active in the developing parts of the world, making sure that the interests and views of the developing world are represented in those debates is important. Implementation monitoring is something that, in a sense, we can help with because we see it in a very, very tangible, concrete way all the differences and distinctions, and the reality beyond the fine words of what actually happens in terms of the implementation of regulation. And I think that is somewhere where there's probably more work to be done between the private sector and the FSB as to sort of how we can practically assist with what, as Svein said, is a very laborious task because it's only interesting as a granular level of detail because at a high level, everybody agrees that they're doing exactly the same thing; it just doesn't turn out like that when you look at the nitty-gritty.

I think this point about division of labor is an important point, which is that I think, as I say, as a CEO of a bank actively involved in regulatory debate, I find it completely bewildering as to what the remit is of the different various bodies and things involved in all of this.

I don't think it'll ever be completely simple. The world is too complicated for that. But there's probably useful work to be done to get some clarity on the map of who does what. That's all I was going to say.

MR. LOMBARDI: Thanks. Ngaire and then Ezra.

MS. WOODS: So, I'd like, also, to pick up on this issue of the division of labor and FSB, IMF, BIS. To really underscore the role that the standard-setting bodies are playing, let's not miss them out of the equation because they're more difficult to

study.

My Oxford colleague and coauthor Walter Mattli, together with Tim Buthe, have recently completed and published the only global survey of the members of the private standard-setting organizations, and their study is pretty devastating. Those private standard-setting organizations are failing. They're failing a lot of their members in their members' views, and one part of those failings is about the governance of those standard-setting bodies. So, I think it is very important that those standard-setting bodies are actually looked at.

Now, when Svein said that what the FSB has been asked to do is coordinate the standard-setting bodies, my first thought was a memory of about five years ago, and the head of a large, multinational corporation listening to a discussion on global governance which was all about coordination said the word coordination makes me very worried. He said when I hear people talking about coordination, it means that they are neither managing nor delegating. In other words, coordination is just a way of avoiding responsibility. And I think that's true, and that is exactly what it means in this context. And to simply ask the FSB with no formal powers to coordinate a group of standard-setting bodies without addressing the standard-setting bodies is not going to get us very far.

Have I got time to make one other point or should I stop?

MR. LOMBARDI: Please.

MS. WOODS: I'm happy to stop.

MR. LOMBARDI: Please do.

MS. WOODS: Okay, because the other point I just wanted to raise was really to come back to Colin Bradford's point about how you get robust regulation, which is led by countries who are so dependent on large financial services sectors when we

know that the financial services sector has practically infinitely more resources, expertise, lobbying power, and so forth than the regulators? And, to me, there are two very simple models and there are only two simple models that can work in that context.

So, one is the model where you say that the regulation has to be first and foremost designed so as to make the job of the regulators the simplest, the easiest, and the least resource heavy, and that kind of regulation is very simple, it's very crude, and it applies very hard costs on the industry being regulated. But at least you get the outcome of regulation that's effective.

The alternative model, and this is the model that before that Svein was mentioning is to say okay, where is the information and the expertise? It's in the private sector. So, how do we design regulation so as to ensure that the private sector itself has a proprietary stake in enforcing it? How do we design responsibilities and rights so that different private sector companies actually start monitoring where the governments around the world are complying and are implementing, and, so, that they have an interest in actually bringing to the attention of their own government where compliance is failing. I've started calling it regulatory judo because I think that that's the other model. But either way, to me, those are the only two models that can actually and that that's what the experience of the last decade shows us.

MR. LOMBARDI: Thank you, Ngaire.

Ezra.

MR. SURUMA: Yes, I just wanted to say that I hope that our recommendation for a bottom-up approach in forming the regional authoritative organizations will be looked at. And that the point about a co-chair, not only having a co-chair, but having a secretariat at the regional level that is able to do some capacity-building, that is able to build up the technical capacity of countries to understand and

follow what is going on in FSB and SSBs.

Thank you.

MR. LOMBARDI: Thank you, Ezra.

So, let me wrap up. Of course, I want to thank you first and foremost the presenters today for their excellent job and thank you for coming. Many of you are coming from Europe or from Africa, so, again, thanks so much for joining us.

I want again to thank the members of the high-level panels for their wonderful job and engagement throughout this project. Let me clarify that the initiative of the high-level panel on the FSB is completely independent of the FSB itself and so is its funding.

As I said at the outset, the recommendations from the high-level panel will be available, the printed versions from the reception desk, and, of course, by now, they should have already been posted on the Brookings' website.

I also want to thank Maureen Shen and Steven Magnusson for their wonderful work in setting up this event and for taking care of the communication aspects of the high-level panel together with Jamie Baker, who's right there managing the video camera.

So, again, thank you very much. Thanks, Svein, and, so, I hope to see you at possibly a follow-up event to this one this morning. Thank you. (Applause)

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