

G7 Finance Minister and Central Bank Governors Statement on Russia's war of aggression against Ukraine

We, the G7 Finance Ministers and Central Bank Governors, met in Washington D.C. on 20 April 2022 to discuss Russia's war of aggression against Ukraine, the tragic loss of life resulting from the war, as well as its global economic impact.

We are united in our resolve to restore peace and stability and uphold international law as well as in our unwavering commitment to international cooperation and multilateralism. We strongly condemn Russia's unprovoked and unjustifiable war of aggression against Ukraine, which is a blatant violation of the fundamental principles of sovereignty, territorial integrity and international peace and security. This condemnation is shared by 141 countries at the United Nations and was emphasised by most G20 members this morning. Russia must immediately comply with the legally binding order of the International Court of Justice to suspend the military aggression that it commenced against Ukraine on 24 February 2022. Further, we urge Russia to withdraw completely its military forces and equipment from the entire territory of Ukraine within its internationally recognised borders. We join our Leaders and Foreign Ministers in their statements of 7 April 2022 in condemning in the strongest terms the appalling atrocities perpetrated by Russian armed forces.

International organisations and multilateral fora should no longer conduct their activities with Russia in a business-as-usual manner. We will work closely with our partners to act as appropriate, based on shared interests, as well as rules and regulations of respective institutions. As such, we regret participation by Russia in international fora, including G20, International Monetary Fund and World Bank meetings this week.

In the presence of Ukrainian Finance Minister Sergii Marchenko, we expressed our unwavering support for and heartfelt solidarity with the Ukrainian people and government. We continue to stand with Ukraine.

Building on the G7 Finance Ministers' statement of 14 February 2022, together with the international community we have provided and pledged considerable additional support exceeding 24 billion US dollars for 2022 and beyond, both in financial and material terms. This comes on top of the economic support provided since 2014 until 2021, which exceeds 60 billion US dollars. Against the background of the ongoing brutal Russian aggression, the accompanying suffering of the Ukrainian population, and the continued destruction of the country itself, we are prepared to do more as needed. It is also essential that we continue to closely coordinate our support to Ukraine and its neighbouring countries. We commend the international financial institutions, including the International Monetary Fund and the World Bank, for the provision of critical, urgent financial assistance to Ukraine. We call on all

countries and international organisations to join our efforts to ensure adequate support for Ukraine in meeting its immediate needs and rebuilding its future. In this regard, we welcome the establishment of the International Monetary Fund's Multi-Donor Administered Account for Ukraine and the European Union announcement to develop a Ukraine Solidarity Trust Fund. We support the World Bank Group's support package to Ukraine and the European Bank for Reconstruction and Development's Resilience Package.

We have acted in close coordination and alongside other partners to increase Russia's costs of its war by isolating Russia from the global economy. As evidenced by the G7 Leaders Statement of 7 April 2022, we continue to take coordinated action, including with our partners across the world, responding to the ongoing escalation to further raise the cost of this war for Russia. We will sustain and increase our coordinated pressure for as long as necessary and continue to urge other countries to support our efforts.

We imposed significant sanctions on Russia in direct response to its invasion of Ukraine and will fully implement and enforce the economic and financial measures taken as a result. Our sanctions are already having the intended massive impact on the Russian economy, which is likely to contract significantly this year. The Russian stock market has lost over a quarter of its value and had to remain shut for almost a month; hundreds of international companies are withdrawing from Russia and investment is drying up; inflation in Russia has increased; and Russian imports are declining with a knock-on impact on Russia's long-term growth prospects. The significant long-term hit to the Russian economy will become even clearer over time. We will continue to closely monitor the effects of sanctions. We will also continue to work closely together and with our partners to enforce our sanctions and prevent any attempts to evade, circumvent or backfill sanctions.

President Putin, his government and supporters, and the enabling Belarusian regime, bear full responsibility for the social and economic consequences of the war. We designed our sanctions in a targeted way to minimise harm for third countries and the global economy and we have excluded key agricultural products and humanitarian necessities from sanctions, ensuring the availability of food stuffs, medicines and medical devices as well as enabling telecommunication services to support the flow of information.

The multilateral Russian Elites, Proxies, and Oligarchs (REPO) Task Force has taken up its work to coordinate and support our action to find, restrain, freeze without delay and, where appropriate and possible, seize, confiscate or forfeit the assets and economic resources of those individuals and entities who have been sanctioned in connection with Russia's unjustified and unprovoked invasion of Ukraine.

All G7 economies have undertaken concrete steps to reduce imports of Russian energy supplies. We will continue to coordinate closely to enhance our energy security and to secure a stable and sustainable energy supply. This crisis reinforces our determination to meet the goals of the Paris Agreement and of the Glasgow Climate Pact, including by accelerating the reduction of our overall reliance on fossil fuels and our transition to clean energy.

We are strongly committed to not conducting government-to-government financial transactions with Russia, including voluntary trading in Special Drawing Rights, and call upon other countries to join us in further limiting Russia's ability to finance its unprovoked and unjustifiable war of choice against Ukraine. Russia must not obtain financing from the international financial institutions, including the International Monetary Fund and the World Bank. We welcome the decision by the European Bank for Reconstruction and Development to suspend the access by Russia and Belarus to its resources.

We, together with like-minded partners, remain committed to addressing the economic challenges caused by Russia's war of aggression against Ukraine. Russia's ruthless actions are causing substantial increases in commodity and food prices and are disrupting the global economy more broadly at a time when we were already facing the challenges of an uneven recovery, elevated levels of inflation and reduced policy space. The war is directly undermining Ukraine's economy and ability to export, in particular agricultural products, is disrupting key supply chains and transport links and is impeding Russia's own exports. The longer Russia and those enabling Russia allow the aggression to continue, the higher the global economic cost will be.

The economic costs of Russia's military aggression will be felt disproportionately by vulnerable groups across all economies and particularly by the most vulnerable countries, given already elevated debt levels following the pandemic. Higher food prices as a result of the war are leading to rising food insecurity. A further tightening of global financial conditions could exacerbate financial vulnerabilities, particularly in emerging and developing economies.

We stand in solidarity with all those across the world who are having to bear the rising price of President Putin's war of choice against Ukraine. The global community has worked very hard to develop and maintain the global financial safety net. We support the use of all available instruments to the benefit of vulnerable countries that suffer from a crisis not of their own making. As requested by our Leaders, we will work with our partners to address the consequences of the current crisis on food security through a joint G7 effort. We call on the international financial institutions to urgently bolster support for food security and agricultural production and provide support to the most vulnerable countries. We are committed to addressing food insecurity, keeping markets open, and enhancing the resilience of the global economy, notably including agricultural and energy markets in line with climate and environmental goals. We are closely monitoring developments in global financial markets, including those for commodities, which have been volatile as a consequence of uncertainty created by Russia's war against Ukraine. We will continue to stay vigilant to global economic risks and stand ready to act jointly where appropriate to support resilience, ensure financial stability and mitigate spillovers.