



LECCE FRAMEWORK

The G8 Summit in L'Aquila will focus on rules in order to put the global economy on sounder footing and prevent future crisis. Fundamental norms of propriety, integrity and transparency must be respected for the market economy to generate broad prosperity

FACTS

- The financial crisis has stressed the inadequacy of existing rules meant to guarantee the proper functioning of markets. The crisis has revealed irresponsible behaviour, fraud, excessive risk-taking, whose consequences have been discharged on other stakeholders, including tax payers. This highlights the need to also reaffirm the **ethical foundations of economic action**.
- It is necessary to initiate a comprehensive analysis on the operation of the international economic and financial system. **Propriety, transparency and integrity** need to be brought back to the center stage of international relations.
- A number of instruments and standards have been developed by international organizations, and could be updated, harmonized and presented in a coherent manner, in order to reaffirm these basic rules and ensure their implementation.

G8 RESPONSE

- The G8 Finance Ministers have, in the last few months, worked to identify a body of common principles upon which to build stable global growth in the long term, and approved the "**Lecce Framework**" strategy during their meeting in Lecce, on 12-13 June.
- The Ministers committed to work with their partners in seeking the broadest possible consensus on this initiative, including by bringing it forward at the G20 and in wider formats: indeed, without the **involvement of other partners**, no international rule can be effective.
- The Lecce Framework seeks to gather, integrate and organize, in a coherent manner, existing work on international standards by the OECD, the International Monetary Fund, the World Bank, the Financial Stability Board and the Financial Action Task Force (which deals with anti-money laundering). The principal focal areas of the "Lecce Framework" are the following:
 1. **corporate governance**, within businesses and institutions, to ensure greater transparency and to combat corruption;
 2. prevention of illegal activities, such as **money laundering** and **financing of terrorism**;
 3. **regulation** and **supervision** of financial markets;
 4. international tax cooperation, to combat tax evasion;
 5. **transparency** of macroeconomic policy and data.

→ In L'Aquila, the Heads of State and Government of the G8 have agreed on the importance of having better rules for the global economy, and on the objectives of the Lecce Framework. Much work needs to be done to develop effective rules, shared at the global level. This will require time, perseverance and leadership in order to succeed.