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1 of 4

SOUTH AFRICAN RESERVE BANK

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MEDIA STATEMENT

THIRD MEETING OF THE G20 FINANCE MINISTERS AND CENTRAL BANK GOVERNORS

The Third Meeting of the G20 Finance Ministers and Central Bank Governors (FMCBG) took place on 17 and 18 July 2025 in Durban, KwaZulu-Natal, South Africa to advance the theme of “Solidarity, Equality, Sustainability.” The National Treasury and the South African Reserve Bank are jointly responsible for overseeing the work of the G20 Finance Track under the co-chairship of Minister Enoch Godongwana and Governor Lesetja Kganyago.

This was the final FMCBG meeting of the G20 Presidency on the vibrant continent of Africa, concluding as the people of South Africa celebrated Nelson Mandela Day. The meeting outcomes were agreed in a communiqué consented to by all members that centres on strategic macroeconomic issues. This second G20 communiqué agreed on the African continent since the establishment of the G20, is now available on the G20 website.

The meeting delivered productive and constructive discussions on Africa, the global economic outlook and macroeconomic stability, the international financial architecture, sustainable finance, global health, infrastructure, tax, financial sector issues and financial inclusion. Further detail on the discussions is recorded below.

On the first day, Ministers and Governors recognised the challenges posed by conflicts, geopolitical and trade tensions, disruptions to global supply chains, high debt levels, and frequent extreme weather events and natural disasters, which impact economic growth, price and financial stability. They agreed to bolster long-term growth potential by pursuing growth-oriented macroeconomic policies, while building fiscal buffers, ensuring fiscal sustainability, encouraging public and private investments, undertaking productivity-enhancing reforms and safeguarding central bank independence to maintain price stability. A renewed pledge was made to strengthen multilateral cooperation to address existing and emerging risks to the global economy and to recognise the importance of the World Trade Organisation (WTO) to advance trade issues and the agreed-upon rules in the WTO as an integral part of the global trading system, while recognising that the WTO has challenges and needs meaningful, necessary, and comprehensive reform to improve all its functions, through innovative approaches, to be more relevant and responsive in light of today’s realities.

Participants discussed strengthening Multilateral Development Banks (MDBs) and the Monitoring and Reporting Framework (MRF) that will track progress against the G20 MDB



MEDIA STATEMENT

Roadmap. Members are looking forward to the inaugural report due later in the year under South Africa's G20 Presidency, that will capture the progress made by MDBs in implementing the MDB Roadmap.

Members expressed their commitment to addressing debt vulnerabilities in low- and middle-income countries and reaffirmed their commitment to further strengthen the implementation of the G20 Common Framework. To give effect to this, the G20 FMCBG endorsed the G20 Note on Lessons Learned from the Initial Common Framework Cases and the G20 Note on Steps of a Debt Restructuring under the Common Framework. These documents have been published on the G20 website. In addition, fact sheets on the Common Framework country cases for Chad, Zambia and Ghana have also been published on the G20 and Paris Club websites to improve information sharing. During the discussions, members acknowledged a G20 Note on Special Drawing Rights (SDR) channelling which highlights the achievement of exceeding USD 100 billion in voluntary channelling of SDRs or equivalent contributions for countries in need, with the current pledges standing at USD 113.8 billion coming from 35 countries. Members also underscored the need for enhancing the representation and voice of developing countries in decision-making in MDBs and other international economic and financial institutions. Members recognised the relative resilience of capital flows in Emerging Market and Developing Economies (EMDEs) despite heightened global policy uncertainty – underscored by strong macroeconomic fundamentals and sound policy frameworks. They also highlighted the growing influence of non-bank financial institutions (NBFIs) and stressed the importance of gaining a deeper understanding of their impact on these flows. Members further emphasised the significance of structural reforms in fostering long-term sustainable capital flows to EMDEs.

Ministers and Central Bank Governors considered key recommendations for enhancing collaboration among Vertical Climate and Environment Funds, Multilateral Development Banks, National Development Banks, and the private sector. They also shared views on the most binding macroeconomic and microeconomic constraints to scaling up sustainable finance.

Members reaffirmed the urgency of scaling up financing for adaptation and just transitions, and reflected on key recommendations emerging from a comprehensive analysis undertaken by multiple knowledge partners. These included guidance on integrating adaptation into voluntary transition planning, addressing insurance protection gaps, scaling financing mechanisms, and strengthening enabling environment.

Ministers and Central Bank Governors also received an update on the work of the Climate Data Steering Committee, which has developed a set of principles for the development of a Common



MEDIA STATEMENT

Carbon Credit Data Model aimed at promoting interoperability and improving transparency of carbon markets. They noted that the draft data model is currently undergoing a public consultation with both the private and public sectors.

G20 Finance Ministers and Central Bank Governors noted progress made towards finalising a framework for effective planning and preparation practices for pipeline development report; blended finance de-risking measures report; and a toolkit for developing cross-border infrastructure projects. They also endorsed two deliverables: A Practice Guide on leveraging infrastructure project-level data and digitalising the pipeline and a Note on Improving Availability and Accessibility of Market Data. Collectively, these reports will support credible pipeline development by addressing data challenges that hinder substantial private sector participation in public infrastructure development.

The meeting reaffirmed commitment to addressing vulnerabilities and promoting an open, resilient, and stable financial system, including the full and timely implementation of all agreed-upon reforms and international standards such as Basel III. The meeting supported the Financial Stability Board's (FSB) work to address NBFIs data availability challenges as well as their recommendations for addressing systemic risks from NBFIs leverage. Members re-affirmed their commitment to the effective implementation of the G20 Roadmap for enhancing the efficiency and safety of cross-border payments. Members acknowledged the critical role of international standard-setting bodies, including the Financial Action Task Force, FSB and Bank for International Settlements. Participants also backed innovative approaches to extend usage of financial services among individuals and small businesses, building on the Presidency's "Moving from Access to Usage" paper.

Members agreed to continue engaging constructively to address concerns regarding Pillar Two global minimum taxes, with the shared goal of finding a balanced and practical solution that is acceptable for all. The meeting also affirmed a commitment to facilitate further progress to stabilise the international tax system, including a constructive dialogue on the tax challenges arising from the digitalisation of the economy. These efforts will be advanced in close cooperation across the membership of the OECD/G20 Inclusive Framework, preserving the tax sovereignty of all countries. Members noted the ongoing negotiations to establish a United Nations Framework Convention on International Tax Cooperation; received a report on tax transparency; and looked forward to forthcoming reports on tax transparency, progress in addressing base erosion and profit shifting, simplifying international tax rules while improving certainty, voluntary exchange of real estate information, and strengthening revenue administrations and capacity-building frameworks to support domestic revenue mobilisation.



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4 of 4

SOUTH AFRICAN RESERVE BANK

MEDIA STATEMENT

Members underscored the importance of aligning finance and health priorities to improve pandemic prevention, preparedness and response and bolster efficient and effective health spending. They welcomed updated guidance on health security financing and simulation exercises and committed to continued collaboration with the Pandemic Fund and other global health mechanisms.

Finally, Ministers and Governors again turned their attention to key impediments to growth and development in Africa. Participants welcomed analytical work conducted by international organisations and the South African Presidency's proposed next steps, which will include exploring a medium-term framework for how the G20 can best support growth in Africa.

The South African Presidency also hosted number of side-events, including a key forum on further strengthening the Compact with Africa, a seminar discussing how artificial intelligence may affect productivity and labour markets, and discussions on mobilising private investment for sustainable growth in Africa, enhancing cross-border payments in sub-Saharan Africa, and addressing natural catastrophe insurance protection gaps.

The next FMCBG meeting will convene in Washington, D.C on the sidelines of the Annual meetings of the World Bank Group and the International Monetary Fund in October. South Africa will then host the G20 Leaders' Summit in November during the country's summer.

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Jointly issued by National Treasury and the South African Reserve Bank

DATE: 18 July 2025