



**Chair's Summary**  
**1st Finance Ministers and Central Bank**  
**Governors Meeting Cape Town, South Africa**  
**26 – 27 February 2025**

The first G20 Finance Ministers and Central Bank Governors Meeting (FMCBG) took place on 26 and 27 February 2025, in Cape Town under South Africa's Presidency of the G20. A consensus for a communique was not reached and this represents the Chair's summary of the meeting.

Generally, members:

1. Expressed support for the G20 South African Presidency's theme of "Solidarity, Equality, Sustainability" and discussed international policy cooperation to further promote global prosperity and address key shared challenges.
2. Reaffirmed the role of the G20 as the premier forum for international economic cooperation, with a shared and collective responsibility for effective stewardship of the global economy and for fostering the conditions for strong, sustainable, balanced and inclusive global growth; resolved to maintain and broaden discussions and foster the implementation of concrete policy measures among G20 members and continued cooperation; and reaffirmed efforts to support developing countries in responding to global crises and challenges and achieving the sustainable development goals (SDGs).

**Global Economic Outlook**

3. Exchanged views on global economic developments. While global economic growth has been generally subdued, many parts of the world have shown resilience, and some upside risks could materialise. However, growth patterns remain divergent across economies. Inflation has receded, supported by well-calibrated monetary policies and the unwinding of supply shocks, although progress has varied across countries. Discussions covered a diverse array of downside risks, such as ongoing conflicts and wars, geopolitical tensions, economic fragmentation and rising protectionism, disruptions to global supply chains, elevated public and private debt levels and high debt servicing costs, persistent inflation, climate change and frequent extreme weather events; discussed that these risks may hinder the achievement of strong, sustainable, balanced and inclusive economic growth;<sup>1</sup>
4. Acknowledged the need for evidence-based and comprehensive assessment of risks

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<sup>1</sup> Consistent with the approach of the Brazilian G20 Presidency, during the course of the South African G20 Presidency the matters relating to the geopolitical environment will be discussed among Sherpas and Ministers of Foreign Affairs in the coming months in preparation for the Johannesburg Leaders' Summit.



to growth and inflation, and for discussion of macroeconomic policy and cooperation, while respecting country-specific circumstances; emphasised the importance of strengthening multilateral cooperation to address existing and emerging risks to the global economy, safeguarding financial stability, and to further promote strong, sustainable, balanced and inclusive growth, and job creation; supported a rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable, and transparent multilateral trading system with the World Trade Organization (WTO) at its core; reiterated the commitment to resisting protectionism. Fiscal policies should safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyse public and private investments towards productivity enhancing reforms. Central banks remain strongly committed to price stability, in line with their respective mandates and will continue to adjust their policies in a data-dependent manner. Central bank independence is crucial to achieving this goal; and reaffirmed the G20's April 2021 exchange rate commitment.

5. Noted the Framework Working Group's (FWG) 2025 work programme and its continued efforts to monitor and assess global macroeconomic risks and vulnerabilities and explore appropriate policy responses; discussed the FWG's plan to explore macroeconomic policies and structural reforms necessary for stronger economic growth in the context of risks from rising temperatures, severe weather and climate change; and acknowledged the FWG's work in identifying structural reforms needed to enhance the productivity growth effects of technology and artificial intelligence (AI) in the context of demographic changes and migration flows, taking into account country-specific circumstances.

## **International Financial Architecture**

6. Discussed the work plan of the International Financial Architecture Working Group (IFAWG) and its focus on four priority areas: (i) strengthening multilateral development banks (MDBs) and ensuring financing for development; (ii) enhancing debt sustainability and addressing liquidity challenges; (iii) strengthening the global financial safety net (GFSN) and reforming global governance institutions; and (iv) enhancing financial resilience by strengthening capital flows to emerging market and developing economies (EMDEs).
7. Requested the MDBs to improve working as a system and partner with relevant stakeholders to implement the G20 Roadmap for Bigger, Better and More Effective MDBs, building on the legacies of previous G20 Presidencies; recalled that the IFAWG was tasked to work with the MDBs to develop a monitoring and reporting framework, with clear indicators, for periodic updates on MDBs' progress against the Roadmap's recommendations; and encouraged MDBs to work with developing countries in enhancing domestic resource mobilisation and increasing private capital investment by supporting enabling conditions, addressing potential obstacles to private investment, and scaling up both innovative risk-sharing instruments and country platforms.
8. Recognised that the Roadmap encourages MDBs to take steps towards the implementation of all appropriate outstanding Capital Adequacy Framework (CAF)



recommendations, safeguarding their long-term financial sustainability, robust credit ratings and preferred creditor status; recalled that the Board of each MDB will be best placed to determine if and when a capital increase is needed in addition to CAF measures to support efforts in addressing global challenges and meeting development needs; and looked forward to progress with the International Bank for Reconstruction and Development 2025 Shareholding Review in line with the Lima Shareholding principles and recognised the need for enhancing the representation and voice of developing countries in decision-making in MDBs and other international economic and financial institutions.

9. Looked forward to improvements in the implementation of the Common Framework for Debt Treatments, in a predictable, timely, orderly, and coordinated manner, informed by the recommendations from the G20 Note on the Lessons Learned; and welcomed joint efforts by all stakeholders to continue working towards enhancing debt transparency and encouraged private creditors to follow;
10. Encouraged the International Monetary Fund (IMF) and World Bank to continue their work related to feasible options which are country-specific and on a voluntary basis to help vulnerable countries with near-term liquidity challenges whose debt is sustainable;
11. Reiterated the commitment to a strong, quota-based, and adequately resourced IMF at the centre of the GFSN; acknowledged the urgency and importance of realignment in quota shares to better reflect members' relative positions in the world economy while protecting the quota shares of the poorest members; and the IMF Executive Board's ongoing work to develop by June 2025 possible approaches as a guide for further quota realignment, including through a new quota formula, under the 17th General Review of Quota. Encouraged IMF members with strong external positions, especially those who have not already contributed, to make additional voluntary contributions to the Poverty Reduction and Growth Trust and the Resilience and Sustainability Trust and countries that were willing to voluntarily explore channelling Special Drawing Rights, including through MDBs, where legally possible, while respecting their reserve asset status, continue to be invited to do so.
12. Welcomed the successful conclusion of the 21st replenishment of the International Development Association (IDA) and welcomed members' efforts to implement IDA21 swiftly; welcomed the launch of the Global Alliance Against Hunger and Poverty at the G20 Leaders' Summit in November 2024 to accelerate progress on SDGs 1 and 2; encouraged a successful 17th replenishment of the African Development Fund; acknowledged that a strong G20 partnership with African economies remains vital, including through the G20 Compact with Africa (CwA); and supported the Presidency's ambition to strengthen the CwA further and expand its membership, in line with the CwA's mandate.
13. Reiterated efforts to promote sustainable capital flows to EMDEs and foster sound policy frameworks, notably through central bank independence; recognised the growing importance of non-bank financial institutions (NBFIs) and planned to deepen the understanding of their role in shaping EMDE investment flows; and agreed to



continue the work on understanding structural bottlenecks to efficient mobilisation and allocation of capital, globally.

14. Noted the Finance in Common Summit, which was held in parallel with our meeting. The Summit fostered collaborations between international, regional, national, and subnational public development banks; and had a discussion on the fourth International Conference on Financing for Development which will be held in Spain from 30 June to 3 July 2025 and considered the opportunity to contribute constructively to its discussions.

### **Sustainable Finance**

15. Reaffirmed the G20's efforts to continue the implementation of the G20 Sustainable Finance Roadmap, which is voluntary and flexible in nature, and the Sustainable Finance Working Group's work programme for 2025; welcomed collaborative efforts and partnerships aimed at mobilising climate finance from all sources; noted the development of high-level voluntary recommendations, that will build on previous work on transition plans, on how to incorporate adaptation and resilience considerations to facilitate informed decision making by financial institutions and corporations; discussed enhancing the availability and affordability of insurance, including reinsurance, which can play a significant role in managing the financial impact of natural catastrophes; and looked forward to the development of practical recommendations to enable countries to address natural catastrophe insurance protection gaps in line with their own priorities.
16. Recognised the need, as noted in the Independent High-Level Expert Group Review of the Vertical Climate and Environmental Funds, to foster greater complementarity and coherence among national development financing institutions, MDBs, and vertical climate and environment funds – while accounting for their different mandates and governing bodies – as well as private financial institutions; and scaling up co-financing is essential for risk sharing of climate investments, especially for developing countries.
17. Discussed work to enhance the integrity of carbon markets and to address carbon market data fragmentation which has the potential to contribute to long-term investment aligned with countries' climate objectives; and noted the importance of promoting greater transparency of international data standards to enhance the effectiveness and integrity of carbon markets, while acknowledging that approaches may vary based on national contexts and priorities.

### **Infrastructure**

18. Recognised that increasing quality infrastructure investment is critical to support faster, inclusive and sustainable economic growth and development; discussed the agenda for the Infrastructure Working Group which will continue to focus on addressing impediments to long-term finance and creating an enabling environment for infrastructure as an asset class. In this regard, the Presidency will prioritise: (i) the development of a robust, accessible and investable pipeline towards attracting private sector participation; (ii) exploration of blended finance de-risking measures to bolster



sustainable infrastructure investment flows, particularly in EMDEs; and (iii) development of a toolkit to assist countries in overcoming significant barriers to advancing cross-border infrastructure projects.

## **Financial Sector Issues**

19. Recalled the G20 commitment to ensure a resilient, inclusive, and stable financial system through the consistent, full and timely implementation of agreed international reforms and standards, including all aspects of the Basel III framework; emphasised the importance of the Financial Stability Board (FSB), the Bank for International Settlements (BIS), and standard setting bodies' (SSBs) work on enhancing cross-border payments, addressing climate-related financial risks and implementing the FSB crypto-asset recommendations, among other matters; discussed that the FSB, with the assistance of SSBs, will conduct a comprehensive review of monitoring the implementation of financial reforms established over the past 15 years to identify gaps and improve implementation; and noted that the 2025 G20 TechSprint will focus on innovative solutions to strengthen integrity and trust in payments.
20. Encouraged efforts to develop and harmonise application programme interface solutions, improve payment data and pursue necessary additional steps to deliver on the G20 cross-border payments roadmap, recognising the challenges with the implementation of the roadmap; planned to continue enhancing the resilience of non-bank financial intermediation (NBFi) from a systemic perspective and looked forward to the FSB's final recommendations for addressing risks from NBFi leverage, as well as the work programme to address non-bank data availability, use and quality; and supported ongoing initiatives to improve the understanding of the benefits and risks associated with the adoption of AI by the financial sector, and that the Format for Incident Reporting Exchange to boost cybersecurity resilience is finalised. The finalisation of the Insurance Capital Standard (ICS) in Cape Town in December 2024 marks an important juncture in implementing financial reforms.
21. Supported the Financial Action Task Force (FATF) and the FATF-style regional bodies in overseeing the implementation of the FATF Standards to combat money laundering, terrorist financing and proliferation financing across the Global Network, especially in the context of the new round of evaluations; reiterated the importance of stepping up global efforts to effectively implement the FATF's revised Standards on the transparency of beneficial ownership of legal persons and arrangements, as well as on asset recovery and international cooperation, to prevent criminals from hiding the proceeds of crime and to facilitate the return of these illicit financial flows and illicit proceeds; and supported ongoing work to revise the FATF's Standards on payment transparency as well as the implementation of its standards on virtual assets; welcomed the FATF's commitment to ensure financial integrity without compromising financial inclusion, by promoting risk-based implementation of the FATF Standards; and supported the FATF's ongoing work to support low-capacity countries in the implementation of AML/CFT/CPF Standards.





## **Financial Inclusion**

22. Recognised the progress in financial inclusion and reaffirmed the need to swiftly integrate the remaining 1.5 billion unbanked individuals into the formal financial sector globally, focusing on SDG target populations remains an important objective, despite the progress made in financial inclusion; and acknowledged the need to intensify efforts to expand the effective usage of financial services and products, particularly in developing countries. The Global Partnership for Financial Inclusion will discuss a comprehensive diagnostic study, including policy recommendations on “Moving from Access to Usage” of financial services and products. Supported implementing the G20’s 2023 Financial Inclusion Action Plan and ongoing efforts to lower remittance costs.

## **International Taxation**

23. Welcomed the broad support for continuing discussions on the international tax agenda; and remained confident that the G20 is the relevant body to ensure that positive momentum on this work is maintained. The South African G20 Presidency invites the OECD/G20 Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS), in consultation with international organisations, to report to us by the October meeting on the progress on BEPS; and the OECD in conjunction with the Global Forum on Transparency to take stock of progress on transparency initiatives since the inception of the G20; noted the progress made on the Two-Pillar Solution; acknowledged the concerns and the need to respect the sovereignty of each country and supported the swift implementation of the Two-Pillar Solution by all interested jurisdictions, including expeditious completion of negotiations on the final package of Pillar One. Recognising that many countries have made progress in implementing Pillar Two, the South African G20 Presidency calls on the OECD/G20 IF on BEPS, in cooperation with international organisations, to provide country-based specific technical support to developing countries.
24. Raised the issue that developing countries are struggling to mobilise domestic resources and benefit from international tax reforms; recognised that domestic resource mobilisation is foundational to achieving fiscal sustainability and SDGs; and called on the partners of the Platform for Collaboration on Tax (PCT) and regional organisations to coordinate and report on progress in strengthening capacity-building frameworks to enhance the effectiveness and efficiency of technical assistance, as stated in the Rio de Janeiro G20 Ministerial Declaration on International Tax Cooperation. The IMF is requested, in consultation with the other PCT partners, to compile a report on how to strengthen revenue administrations, as a follow up to its note “Alternate Options for Revenue Mobilisation” to the Brazilian Presidency.
25. Recalling the Rio de Janeiro G20 Ministerial Declaration on International Tax Cooperation, pushed for the OECD/G20 IF on BEPS to work on understanding how tax policies may exacerbate or mitigate inequality, including by discussing potentially harmful tax practices and aggressive tax planning in the field of individual taxation, while respecting the sovereignty of each country; called on the OECD to report on progress to exchange foreseeably relevant information regarding real estate for



combating tax evasion and avoidance purposes on a voluntary basis and to continue the discussion on the access of beneficial ownership information where it is foreseeably relevant; and looked forward to the OECD reporting on its work plan to put forward simplifications, to promote tax certainty and reduce compliance costs while maintaining the integrity of existing tax rules. Mindful of the need for an inclusive, effective and stable international tax system, encouraged continued and constructive engagement with parties in the ongoing discussion on the development of a UN Framework Convention on International Taxation Cooperation with the aim of reaching broad consensus, maximising synergies among the existing international fora, while seeking to avoid unnecessary duplication of efforts.

26. Recognising the high potential impact of health risks on the global economy and building on the legacy of previous G20 Presidencies, the South African G20 Presidency will continue the focus on finance and health coordination through the Joint Finance and Health Task Force (JFHTF); welcomed discussion on addressing deep challenges in the capabilities of countries to prevent, prepare for, and respond to pandemics; recognised the critical importance of sustainable health financing in addressing these challenges, and towards achieving health SDGs on Universal Health Coverage; and looked forward to the Task Force delivering important work this year by updating the Global Report based on the Framework for Economic Vulnerabilities and Risks.
27. The South African G20 Presidency looked forward to updating the Operational Playbook for pandemic response with a focus on day zero and surge financing, as well as simulation exercises to assess the efficiency of domestic and international finance coordination in dealing with future health emergencies and identify any remaining gaps; welcomed the important contribution of the Pandemic Fund, as a component of pandemic prevention, preparedness and response financing; recognised current contributions and encouraged increased support to the Pandemic Fund, in particular through the voluntary expansion of its donor base; looked forward to the plan to take stock of the JFHTF since its establishment, to discuss and evaluate the options for its potential evolution; and acknowledged the continued support of the World Bank and the WHO, and the WHO for hosting the JFHTF Secretariat.
28. Noted the encouraging results of the first meetings of the G20 Finance Track workstreams in January and February 2025, the productive discussions on the South African Presidency's priorities and work plans and welcomed efforts to work in a spirit of candid dialogue and compromise. The next meeting will be in April 2025 in Washington, DC.