



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

FIRST FINANCE AND CENTRAL BANK DEPUTIES MEETING HELD FROM 11 TO 12 DECEMBER 2024 IN JOHANNESBURG

South Africa's G20 Presidency is underway. Under South Africa's Presidency, we have held a series of G20 meetings over the past few days. Each of these represents a crucial building block as our Presidency commences.

The Finance Track Meetings, which comprise meetings of representatives from Finance Ministries and Central Banks, are tasked with focussing on global economic and financial policy issues.

The discussions range from the state of global economy, stability of the international finance system, trade and investment as well as development financing. The purpose is to develop and agree on a set of concrete recommendations, drawn from the various Working Group Meetings that are grappling with the chosen thematic areas.

We intend to use our Presidency to advance an African agenda. We have taken a balanced approach and incorporated African priorities into all of our Finance Track Working Groups to ensure that we operationalise the theme of our Presidency in respect of Africa and developing countries in general, namely **Solidarity, Equality and Solidarity**.

In this regard, reviewing the cost of capital for Africa and developing countries in general would also be essential. This is a significant constraint to economic growth and development. With its longstanding expertise and track record of work on issues influencing the cost of capital, the Finance Track will anchor the review. We will take a holistic approach to ensure that, where applicable, each Working Group will contribute to this vital work so that we leverage the full array of expertise within the Finance Track on this critical initiative, including the Finance Track's established focus on the international financial architecture and the work of its associated Working Group, as it resonates with many of the critical issues which will need to be considered.



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The Issues Notes presented, which drew broad support from G20 members and other partners, contain many areas that would address high cost of capital. This includes pressing ahead with Multilateral Development Bank (MDB) reform, accelerating the development of country-owned and country-led platforms, and promoting measures to increase private capital, including in the design of funding and derisking mechanisms to facilitate the mobilisation of private finance. We will also advance efforts to improve the concessionality of resources, including attention to the rechannelling of Special Drawing Rights to MDBs. We strongly advocate for an ambitious African Development Fund 17th replenishment in 2025. In our work, we will emphasise steps needed to accelerate the development of local currency bond markets.

This year, beyond the regular monitoring of capital flow dynamics through regular updates from international organisations, the G20 Finance Track will also give particular attention to the role of non-bank financial institutions in understanding the vulnerabilities that contribute to capital flow volatility and supporting strategies to achieve more sustainable and resilient capital flows. Of course, throughout the year, we will be focusing strongly on debt, debt sustainability, and support for countries with liquidity challenges in Africa and other developing countries.

We are also focusing on improving the enabling conditions to accelerate infrastructure development and finance in Africa and other developing countries, expanding the use of blended finance instruments to de-risk sustainable infrastructure projects, and creating a toolkit for African countries to overcome barriers to cross-border infrastructure and to advance critical projects that support operationalisation of the African Continental Free Trade Agreement. In all of these initiatives, we will work closely with our partners and international organisations.

As we build momentum with our work, we will provide input across all of these workstreams to the Fourth International Conference on Financing for Development (FfD4), to be held in Spain in June 2025.

The Minister of Finance will appoint a G20 African Expert Panel to advise the Minister on matters of policy, financing, and outcomes to be achieved during the G20 Presidency. The



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Panel will be chaired by Mr. Trevor Manuel and composed of leading African economic, development, and finance experts from the public sector, think tanks, academia, and international financial institutions.

The Panel will explore, analyse, and define strategies that South Africa should advance for the benefit of Africa. The Minister of Finance will request the Panel to advise on aspects such as the cost of capital to Africa and developing countries in general. Here, the Panel's work will assist the Minister on the critical issues to be considered, how the range of initiatives within the G20 and the UN system can be leveraged, the requirements to help galvanise support among all the relevant stakeholders, and how this initiative could strengthen multilateralism.

The Minister will review the Panel's work and determine how it could be considered in the ongoing work of the Finance Track Working Groups. Given the considerable interest in this matter, we will provide a periodic update on how the work is processing.

For enquiries, please contact Media@treasury.gov.za

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