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SPEECH BY DIRECTOR-GENERAL

SPEECH BY DIRECTOR-GENERAL, DR DUNCAN PIETERSE AT THE 8TH ORDINARY SESSION OF THE AFRICAN UNION'S SPECIALIZED TECHNICAL COMMITTEE (STC) ON FINANCE, MONETARY AFFAIRS, ECONOMIC PLANNING, AND INTEGRATION

29 September 2025

INTRODUCTION

Thank you, Chair, and good afternoon, colleagues.

Allow me to start by thanking the African Union for the platform to communicate South Africa's G20 priorities, the progress made thus far, and what we envisage as key legacy areas for South Africa and the African continent.

South Africa's G20 Presidency, under the theme: *Solidarity, Equality, Sustainability*, has a strong emphasis on challenges facing emerging markets and developing countries, especially on the African continent.

Substantive and focused attention has been devoted to the array of challenges facing African countries and the continent, and to unlocking opportunities for sustained growth and development across the continent.

Priorities in the Finance Track under the South African Presidency

With this in mind, South Africa's Presidency identified and examined four key impediments to growth and development in Africa. The four identified impediments are:

- Weak economic institutions - which need to be strengthened to provide a platform for economic growth.
- Infrastructure development - where a persistent gap hinders productivity and access to basic services.
- Macroeconomic vulnerabilities - that disproportionately affect African countries and constrain their governments' ability to invest.



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- High cost of capital - which acts as a burden on governments and is a disincentive to private sector participants.

To support the work on the four impediments to growth and development, South Africa commissioned four international organisations to produce analytical notes with actionable recommendations. I will briefly highlight some of the findings:

- Firstly, all four of the notes draw attention to Africa's substantial untapped growth and development potential;
- Secondly, despite Africa's potential and opportunities, the continent faces significant structural challenges alongside exposure to external forces; and
- Third, impediments to growth are deeply interconnected and require multiple, coordinated, and cross-cutting interventions and support to address them effectively.

It is clear to us that these impediments to growth and development, and the way that the G20 could support progress against them, require a multi-year project. Hence, South Africa has proposed establishing a G20 Africa Engagement Framework to support a more focused and structured engagement on Africa within the Finance Track from 2026 to 2030.

We are now in the process of engaging African policymakers, regional development institutions, G20 members, multilateral development banks, and international organisations to garner support for this medium-term Africa Engagement Framework. We have also circulated an information note to provide more detailed information on this work, and we would welcome your feedback on this. Minister Godongwana will also introduce this work to his counterparts later this week.

The Minister has also established the G20 Africa Experts Panel, which is chaired by South Africa's former Minister of Finance, Mr. Trevor Manuel. The Panel provides strategic advice by exploring and defining strategies that advance Africa's collective developmental interests through increased voice, effective representation, and the achievement of a reformed and inclusive global economic policy within the G20. The Panel aims to advance an African perspective in identifying key priorities for the continent's developmental interests in areas relevant to the work of the G20 Finance Track. The Chair of the Panel will present the progress of the Panel's work later this week during the Ministerial meeting.



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Priorities of the Finance Track Working Groups

I will start with the work to foster a more stable, effective, and resilient Global Financial Architecture. We have made significant progress on initiatives focused primarily on developing countries, particularly in Africa.

The International Financial Architecture Working Group (IFAWG) has taken forward the work on implementing the Roadmap for Bigger, Better, and more Efficient Multilateral Development Banks (MDBs). This Roadmap has a strong focus on the development needs of low- and middle-income countries. Under our G20 Presidency, a Monitoring and Reporting Framework to track implementation of the Roadmap has been developed. The first inaugural implementation progress report has also been drafted to track the MDBs' progress in implementing the recommendations from the MDB Roadmap.

The falling levels of aid and other sources of public finance are a concern and require us to collectively explore more innovative approaches to crowding in private sector funding for development needs, especially in our African countries. We tasked the International Finance Corporation (IFC), working together with other MDBs, to map blended finance instruments and vehicles that have proven impactful in their ability to mobilise private sector funding. Based on the report by the IFC and these MDBs, the G20 Presidency, working with France and Korea, drafted a Cover Note that identifies areas that the G20 could take forward in advancing blended finance. Some of these areas, such as improved coordination by development partners on blended finance transactions, the sharing of data to enhance private sector perceptions of investment risks, and the scaling up of derisking tools like guarantees, are expected to benefit many African countries and help reduce their cost of private sector capital.

With regard to debt sustainability, greater focus has been placed on the perspectives of borrower countries. Significant efforts have also been made to improve the flow of information on debt-related issues, including between the Global Sovereign Debt Roundtable and the G20. We have also brought notes to the attention of G20 Finance Ministers and Central Bank Governors on several debt-related issues of direct relevance to African countries, for example, on steps to improve the Common Framework, which has provided much-needed clarity to all stakeholders. We have also looked at the instruments available to support vulnerable countries facing near-term liquidity challenges, whose debt is sustainable, including through the IMF/WBG three-pillar approach.



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A G20 Presidency note was also drafted (with support from the French IFA co-chair) to map the recent voluntary use of climate resilient debt clauses (CRDCs). The mapping exercise was conducted based on a survey circulated to G20 IFAWG members and African borrower countries. Thirty-two borrower countries from the African continent provided their inputs to the survey, offering a rich diversity of perspectives from both borrowers and creditors alike. The note indicates that an increasing number of creditors are offering these clauses, and both creditors and borrowers are beginning to request their inclusion in loans.

Investment in infrastructure has remained a key objective for our G20 agenda. Our focus for this year in the Infrastructure Working Group has been on three areas: (i) Developing an Investable Infrastructure Pipeline; (ii) Scaling Up Sustainable Infrastructure Investment through Blended Finance; and (iii) Delivering Cross-Border Infrastructure for Regional Development.

A key objective of these priorities is to create an enabling environment to facilitate significant private sector participation in the public infrastructure by focusing on ways to improve pipeline development and de-risking measures.

Given the importance of regional integration, we believe that transformational regional projects are important to unlock trade and investment in the African region. Cross-border infrastructure is vital for enhancing regional connectivity, facilitating trade, and promoting economic integration across nations. We are therefore delivering a toolkit to implement cross-border infrastructure projects as a legacy priority for the African continent.

On 22 September 2025, during the last Infrastructure Working Group meeting held in Cape Town, the National Treasury and the African Development Bank launched an Ubuntu Initiative. This is a legacy initiative created to accelerate key regional projects under the AU Programme for Infrastructure Development and those under regional economic communities. The Initiative will focus on developing innovative financing instruments in collaboration with key financiers and building advisory capacity to ensure the successful implementation and lasting impact of cross-border infrastructure development across Africa.

However, none of this required investment is possible without the flow of sustainable finance. In the Sustainable Finance Working Group under South Africa's G20 Presidency, we have prioritised scaling up financing for adaptation and just transitions – which remain a key priority for African countries. This has included an analysis of insurance protection gaps and recommendations for governments, the private sector, and supervisors on how to address these



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gaps, particularly in agriculture, infrastructure, and real estate sectors, which are priority sectors for Africa.

Furthermore, recognising that developing countries, and particularly African countries, face significant challenges in attracting the capital needed for their low-carbon transitions, we took a bold step to initiate discussions within the G20 on unlocking the financing potential of carbon markets as a financing lever. The United Nations Framework Convention on Climate Change (UNFCCC) has been a strategic partner in this process, ensuring strong alignment and reinforcement with ongoing work in the broader multilateral space. To advance this work, we are focusing on developing a guiding set of principles and initiating work to establish a Common Carbon Credit Data Model as a global public good. We believe that this will ultimately enhance market integrity and help developing countries attract cross-border climate finance.

We also undertook work to advance the understanding of climate finance cooperation between vertical climate and environment funds, MDBs, national development banks, and private financial institutions. This has delivered a compendium of successful co-financed projects, as well as recommendations on how to scale up co-financing between public sector financiers and mobilise funding from the private sector.

With regard to international taxation, the focus has been on four priorities:

- taking stock of progress on transparency initiatives and actions against Base Erosion and Profit Shifting (BEPS) and advancing the Two-Pillar solution.
- supporting domestic resource mobilisation (DRM);
- addressing inequality; and
- improving tax certainty.

In February this year, we convened a ministerial engagement on Domestic Resource Mobilisation, with a specific focus on how developing countries can strengthen their revenue administrations to maximise resource mobilisation. The outcomes of this work have led to further reports that will be presented to G20 Finance Ministers, including those on capacity-building frameworks and strengthening revenue administrations in Emerging Economies and Developing countries.

Chairperson, transparency is vital for enabling revenue administrations to have sight of their residents' worldwide assets. Ensuring all countries have access to such information is a key priority for South Africa, and we welcomed the Organisation for Economic Co-operation and



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Development (OECD) and Global Forum's stocktake report on progress made in transparency and exchange of information for tax purposes.

We have also requested a report taking stock of progress made in addressing Base Erosion and Profit Shifting. The Inclusive Framework has led this work, which will support ongoing efforts globally to mobilise domestic resources and address the challenges of base erosion and profit shifting, which have deeply harmed Africa's fiscal positions.

The Global Partnership for Financial Inclusion is committed to advancing financial inclusion globally by increasing the quality of access to, as well as the use of, financial services for the underserved and excluded. Whilst access has expanded in recent years, the usage of financial products and services remains limited, particularly among vulnerable groups. During South Africa's Presidency, we have sought to address this with specific, practical initiatives to move from access to usage.

The Joint Finance and Health Task Force continued to ensure enhanced global cooperation on pandemic prevention, preparedness, and response (PPR) by fostering dialogue and coordination between health and finance ministries.

Under the South African G20 Presidency, the Task Force identified the improvement of domestic pandemic PPR financing in countries with low levels of domestic health expenditure as a key priority. Addressing domestic resource mobilisation, ensuring sufficient financing for PPR, and spending funding effectively and efficiently remain critical priorities given the sharp decline in global health spending, which disproportionately affects African economies.

Progress has been made on the Operational Playbook for Pandemic Response Financing. This is a non-binding reference tool that aims to enhance the speed, scale, and coordination of financing for future pandemic responses. It builds on lessons learned from the COVID-19 pandemic and previous large-scale outbreaks, as well as input and feedback from various stakeholders, including governments, international organisations, multilateral development banks, global health initiatives, and civil society.

Conclusion and closing remarks

To conclude, I would like to thank the African Union for this platform and for their invaluable support in the G20 this year. As African leaders, we would welcome your thoughts and guidance



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as we seek to deliver a lasting legacy of an African focus within the G20 – whilst the G20 holds many of the global levers, it is you and I who must deliver reforms and growth within our own economies. Thank you for your attention.

ENDS.