



Third G20 Finance Ministers and Central Bank Governors Meeting

COMMUNIQUÉ

26 July 2024

1. We, the Finance Ministers and Central Bank Governors of the G20, met on July 25 and 26 in Rio de Janeiro, Brazil. We were honored to be joined by our colleagues from invited countries and international organizations. With the purpose of making progress towards the three overarching priorities established by the Brazilian Presidency to the G20 in 2024, namely (i) social inclusion and the fight against hunger and poverty; (ii) energy transitions and sustainable development; and (iii) the reform of global governance institutions, we exchanged views on global economic developments, financial sector issues and financial inclusion, taxation, sustainable and climate finance, resilient infrastructure, and development financing, including capital flows, global debt and multilateral development banks reform.
2. We express our solidarity with Brazil and the people of Rio Grande do Sul in the aftermath of record floods which devastated that state in May. We are also in solidarity with the peoples and governments of other countries facing extreme weather events and natural disasters. As these events become more frequent and intense, affecting a large number of people and taking a toll on our economies, we underscore the criticality of addressing climate change and environmental crises and taking ambitious effective action to tackle these and other pressing global challenges.
3. We welcome the consensus reached by the G20 on the creation of the Global Alliance Against Hunger and Poverty, which took place on the 24th of July 2024, and look forward to its launch at the G20 Leaders' Summit in November 2024. Without duplicating existing initiatives, we establish as a priority the renewed commitment to support and accelerate efforts to eradicate poverty and hunger (SDGs 1 and 2) while reducing inequalities (SDG 10), contributing to revitalizing partnerships (SDG 17) and the achievement of other interlinked SDGs. We also welcome the ongoing work of the Task Force for a Global Mobilization Against Climate Change, which, by bringing together the sherpas and the finance tracks, aims to boost climate action and ambition by further mainstreaming climate change into the global economic agenda.

Global Economic Outlook and Ongoing Challenges

4. We are encouraged by the increasing likelihood of a soft landing of the global economy, although multiple challenges remain. We will continue to calibrate and clearly communicate our policies to foster strong, sustainable, balanced and inclusive growth (SSBIG), maintain price and financial stability, support fiscal sustainability and mitigate negative spillovers. Our fiscal policies will safeguard fiscal sustainability and rebuild buffers, remain growth-friendly and catalyze public and private investments towards productivity-enhancing reforms. Inflation continues to come down from elevated levels due to well-calibrated monetary policy and the unwinding of supply shocks. Central Banks remain strongly committed to achieving price stability in line with their respective mandates and will continue to adjust their policies in a data-dependent manner. Economic activity has proved to be more resilient than expected in many parts of the world, but the recovery has been highly uneven across countries, contributing to the risk of economic divergence. We remain concerned that medium and long-term global growth prospects are below historical averages. We will continue
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to strive to reduce growth disparities across countries through structural reforms and measures. We reaffirm our April 2021 exchange rate commitment.

5. We commit to resist protectionism and encourage concerted efforts to support a rules-based, non-discriminatory, fair, open, inclusive, equitable, sustainable and transparent multilateral trading system with the WTO at its core and continue to support the reform efforts of the organization by its members.
6. Risks to the outlook remain broadly balanced. Upside risks include enhanced global cooperation, faster-than-expected disinflation, and productivity boosts due to technological innovations, including the development and deployment of safe and responsible Artificial Intelligence (AI). Downside risks include wars and escalating conflicts, economic fragmentation, more-persistent-than-expected inflation leading to higher-for-longer interest rates, extreme weather events, excessive public and private indebtedness, limited financial buffers in the private sector of several countries, lower-than-expected productivity growth, and the possible negative impacts of new technologies, including AI. Limited buffers and policy room to absorb new shocks could further hinder growth prospects, particularly in EMDEs.
7. Longstanding global challenges continue to require multilateral collaboration and decisive action. Poverty; hunger; malnutrition and diseases; inequality within and across countries; demographic transition; insufficient access to technologies and quality education; energy and food insecurity; significant financing gaps to cover social spending and investment; elevated debt burdens; subdued long-term capital flows to EMDEs; low productivity growth; significant loss of biodiversity; and climate change are key topics of concern. While recognizing these challenges, we reaffirm our commitment to accelerate progress towards achieving the 2030 Agenda and its SDGs.
8. We recognize that reducing inequality is pivotal for achieving SSBIG. The decline in global income inequality, which had been substantial since 2000, has slowed in recent years. In this context, we welcome the G20 Note on a Menu of Policy Measures and Recommendations to Address Inequality Pressures. It will outline policy options to address inequality and highlight the importance of international cooperation. While it is noted that there is scope for agreeing on general guidelines for policy action, there's no one-size-fits-all approach, given the multidimensional nature of inequality. Negative distributional impacts of climate change and transition policies can substantially aggravate inequality challenges, if not mitigated by appropriate policies. We reiterate the understanding that the cost of inaction is greater than the cost of action. We look forward to the outcome of technical discussions on the macroeconomic and distributional impacts of climate change and sustainable transition policies.

Concerted Action Towards Boosting Sustainable Development Finance

9. The consequences of climate change and biodiversity loss weigh on our economies and take a painful toll on our societies. For that reason, we are focusing on promoting effective policy frameworks and mobilizing adequate, affordable and accessible

finance to address climate change and biodiversity challenges, fostering inclusive sustainable development and facilitating just transitions, while considering national circumstances and institutional mandates. We look forward to the 2024 G20 Sustainable Finance Report, and receiving the Independent High-Level Expert Group Review on the Vertical Climate and Environmental Funds.

10. We support the Sustainable Finance Working Group agenda focused on advancing robust, credible and just transition plans for financial institutions and corporates, while accommodating different use-cases, acknowledging different jurisdictional frameworks and considering national circumstances. We look forward to the development of high-level principles for transition plans for corporations and financial sector institutions, whose adoption will be voluntary and non-binding. We welcome the reflections by G20 members on just transitions, which reinforce the connections between climate action and development challenges and the commitment to ensure that no one is left behind. While recognizing their benefits, we also note the ongoing assessment of the challenges of implementing sustainability reporting standards, such as those developed by the International Sustainability Standards Board (ISSB), particularly for SMEs and EMDEs. We look forward to the recommendations on how to address these challenges and to promote reliable, comparable and interoperable sustainability reporting disclosure standards, which are flexible and take into account country-specific circumstances.
 11. We welcome the progress towards developing a repository of financial instruments for Nature-Based Solutions (NbS), emphasizing the integration of blended finance strategies and innovative sustainable financing instruments. We will continue to work on the recommendations for addressing the challenges to scaling up NbS financing and the G20 online repository of NbS financial instruments and case studies. We commit to accelerate our efforts to implement the G20 Sustainable Finance Roadmap, which is voluntary and flexible in nature.
 12. Strengthening the global architecture for pandemic prevention, preparedness and response (PPR) and mobilizing sustainable financing for global health to meet health-related SDGs in an equitable way remain a pressing issue. In the aftermath of the COVID-19 pandemic, G20 leadership through the Joint Finance and Health Task Force (JFHTF) has been critical. It has allowed for enhanced coordination between Finance and Health Ministries for pandemic PPR and increasing financing to prevent and tackle health emergencies and strengthen national health systems. We are encouraged by the progress made by the JFHTF during the first two meetings and the G20 Presidency side events. We look forward to the finalization of the key deliverables under the three priorities listed in the JFHTF 2024 Workplan, by the Joint Finance and Health Ministerial Meeting (JFHMM), in Rio de Janeiro, on October 31st. We call for increased support to the Pandemic Fund, in particular through the voluntary expansion of its donor base, so as to augment the financing for EMDEs to strengthen their pandemic PPR capacities.
 13. We underscore the critical importance of climate-resilient and quality infrastructure in the global context of climate change. To this effect, we welcome the G20/
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OECD Report on Approaches for Financing and Investment in Climate-Resilient Infrastructure, taking into account national circumstances and priorities, which presents comprehensive case studies from countries with a diverse geographical and economic context showcasing successful approaches to financing and investing in climate-resilient infrastructure. We also look forward to the results of ongoing analytical work concerning the linkage between infrastructure and poverty reduction, the mitigation of foreign exchange risk in infrastructure projects, and the challenges of financing cross-border infrastructure, taking into account the overarching need to ensure affordability through appropriate financing mechanisms and adequate policy design.

14. We recognize that market fluctuations, tight financial conditions, and debt vulnerabilities, among others, could be adding near-term pressure on strained public budgets amid increasing financing costs. We believe that country-specific solutions to development financing challenges could be based on combined policy measures that support growth, domestic resource mobilization, capacity building, private capital flows, and targeted concessional financing. We call on the international community to step up support to developing countries' efforts in implementing sound macroeconomic frameworks, ambitious reforms and investments. We ask the IFAWG to discuss these challenges.

Transforming MDBs and how they work together

15. Building on the legacy of previous G20 Presidencies, we reaffirm our commitment to deliver better, bigger, and more effective Multilateral Development Banks (MDBs) to better address countries' sustainable development goals as well as global and regional challenges with a renewed sense of urgency and determination and continued focus on addressing the development needs and priorities of low- and middle-income countries. We will focus on areas where MDBs' collective and coordinated action, working as a system, can add value while respecting their individual mandates. We welcome the World Bank's progress on its Evolution Roadmap and the reforms being undertaken by other MDBs. We encourage ongoing initiatives to connect MDBs with national and subnational development banks.
16. We call on MDBs to continue enhancing their operations and incentive structures, improving the responsiveness and accessibility of their support, including capacity building, knowledge sharing and lending to low- and middle-income countries, while maintaining high standards. While safeguarding MDBs' financial stability and robust credit rating, we call on MDB Boards to increase MDBs' financing capacity through a full range of measures, where applicable, to achieve their strategic objectives. We encourage MDBs to enhance private capital mobilization through supporting enabling conditions, innovative risk-sharing instruments and new partnerships to maximize their development impact. This, along with the implementation of all appropriate CAF recommendations, would maximize the leverage effect of potential capital increases. 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. We further call on MDBs to maximize their development impact, including by increasing their geographical and female representation.

17. We take note of the G20 Presidency and IFAWG co-Chairs' Note on the Way Forward for Better, Bigger, and More Effective MDBs. We also take note of the "Viewpoint Note" by the Heads of MDBs group, under the chairship of the Inter-American Development Bank (IADB), as an input to the G20 MDB Roadmap. We look forward to the submission of the G20 MDB Roadmap at the 4th FMCBG as a key deliverable under the Brazilian G20 Presidency.
 18. We welcome the G20 Progress Report: Implementing the Recommendations of the G20 Independent Review of Multilateral Development Banks' Capital Adequacy Frameworks (CAF). We commend the progress made so far on CAF implementation with measures already identified that have the potential to unlock up to USD 357 billion in additional lending headroom to be deployed by the major MDBs in the coming decade. We call on the MDBs to raise their ambition and to continue implementing and reporting on the CAF recommendations from both the G20 roadmap on CAF and the G20 Progress Report, including by collectively establishing MDB-wide standards for preferred creditor status and portfolio concentration risk. We ask MDBs to jointly develop and adopt approaches to better value callable capital, adjust the confidence levels in their respective capital adequacy frameworks and their risk appetite, and report on progress at our meeting in October. We encourage MDBs to enhance dialogue with Credit Rating Agencies (CRAs).
 19. We welcome the G20 note on Special Drawing Rights (SDR) Channeling Options and continue to invite countries that are willing and legally able to explore channeling SDRs to MDBs, while respecting the reserve asset status of the resulting SDR-denominated claims and ensuring their liquidity. SDR channeling could strengthen MDBs' financial capacity to support the SDGs and global challenges, including the goals of the Global Alliance Against Hunger and Poverty. Following the successful replenishment of the Asian Development Fund (AsDF14) this year, we underscore the importance of IDA as the largest multilateral concessional source to support the development of low-income countries, including in fighting poverty and hunger. We look forward to having these priorities as an important component of a successful IDA21 replenishment, including an expansion of its donor base, while respecting IDA's independent governance and decision-making process. We recognize the successful outcome of the International Fund for Agricultural Development (IFAD13) replenishment negotiations and encourage further pledges from those that have not yet made them. We look forward to a successful seventeenth replenishment of the African Development Fund (ADF17) next year. We further look forward to the 2025 Shareholding Review of the International Bank for Reconstruction and Development (IBRD).
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Addressing Debt Vulnerabilities

20. We welcome the progress made on debt treatments under the G20 Common Framework (CF) and beyond. We remain committed to addressing global debt vulnerabilities, including by stepping up the CF's implementation in a predictable, timely, orderly, and coordinated manner. We welcome the MoUs on the agreed debt treatments for Zambia and Ghana. We call for a swift process for the conclusion of the debt treatment for Ethiopia. Beyond the common framework, we also welcome the agreed debt treatments for Sri Lanka by official bilateral creditors. We also welcome joint efforts by all stakeholders to continue working towards enhancing debt transparency and encourage private creditors to follow.
21. We are encouraged by the progress on the G20 Note on the Lessons Learned from the First Cases Under the Common Framework. Reaching consensus on this note will further facilitate the implementation of the Common Framework. We continue to support the Global Sovereign Debt Roundtable to further advance common understanding among key stakeholders, including the private sector and debtor countries, and commend the IMF and World Bank and their roles in its support. We take note of the G20 Presidency Notes on Debt for Development Swaps and Climate Resilient Debt Clauses (CRDCs) which could be considered on a voluntary and case-by-case basis and call for a balanced view on their benefits and limitations.
22. We welcome the Africa-led Debate on Debt and Development Financing convened by the Brazilian G20 Presidency in June 2024. The G20 reiterates its continued support to Africa, including through the G20 Compact with Africa.

Reforming Global Financial Governance

23. We reaffirm our commitment to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. We are working to secure domestic approvals for the quota increase agreed at the 16th General Review of Quotas (GRQ) by mid-November this year, as well as relevant adjustments under the New Arrangement to Borrow (NAB). We acknowledge 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. We welcome 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 GRQ. We stand ready to act constructively to help build momentum at the IMF Executive Board.
24. We look forward to the IMF Executive Board review of charges and surcharges and to an outcome that could alleviate the financial burden on borrowing countries while preserving their incentive functions and safeguarding the Fund's financial soundness. We look forward to the completion of the review of Poverty Reduction and Growth Trust (PRGT) facilities and financing to better respond to LIC's balance of payments needs and ensure the PRGT's financial sustainability by exploring all options,

including the use of internal resources and changes in lending policies. We welcome the completion of the interim review of the Resilience and Sustainability Trust (RST) and look forward to the operationalization of the pandemic preparedness aspect of the Trust. We encourage IMF members with strong external positions, especially those that have not already contributed to make additional voluntary contributions to the PRGT/RST.

25. We underscore the need for enhancing the representation and voice of developing countries in decision-making in MDBs and other international economic and financial institutions to deliver more effective, credible, accountable, and legitimate institutions. In that context, we welcome the decision to create a 25th chair at the IMF Executive Board to enhance the voice and representation of Sub-Saharan Africa. We acknowledge the ongoing work in the IFAWG to survey practices of regional and female representation across IFIs.
26. We reiterate our commitment to further strengthen the international financial architecture, including by promoting sustainable capital flows and using sound policy frameworks to address excess capital flow volatility when needed. We welcome the ongoing discussions to assess the factors influencing capital flows to EMDEs, and analyze the opportunities for EMDEs to attract and retain stable, long-term foreign capital investment flows and the barriers to it. We look forward to the OECD's Note on the Resilience of Capital Flows to EMDEs. We welcome continued discussions on the macro-financial implications of cross-border integration of domestic payment systems, including those facilitated by CBDCs and fast payment systems.

Financial Sector Issues and Financial Inclusion

27. We share the commitment to promote an open, resilient, inclusive and stable financial system, grounded in agreed international standards and policy coordination. We reaffirm our commitment to address the financial system's vulnerabilities. We are firmly committed to the timely implementation of international financial reforms, and reaffirm the importance of strong prudential standards for banks and our commitment to implement all aspects of the Basel III framework in full, consistently and as soon as possible. We will continue to enhance the resilience of non-bank financial intermediation (NBFI) from a systemic perspective while monitoring evolving developments in NBFI. In this context, we support the implementation of the Financial Stability Board's (FSB's) revised policy recommendations to address vulnerabilities arising from liquidity mismatch in open-ended funds. We welcome the FSB's Annual Progress Report on enhancing resilience in NBFI, encourage the FSB to finalize its policy on margin preparedness and look forward to its consultation report including robust policy recommendations to address NBFI leverage. We welcome the FSB and other standard-setting bodies (SSBs) efforts to address the lessons learned from the 2023 bank turmoil. We welcome the launch of the G20 TechSprint 2024, a joint initiative with the Bank for International Settlements (BIS) Innovation Hub, which will promote innovative solutions to sustainable finance challenges. We welcome the FSB's stocktake of financial authorities' regulatory and supervisory initiatives
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and challenges related to the identification and assessment of nature-related financial risks. We look forward to the FSB's progress report on achieving consistent and comparable climate-related financial disclosures. We support the work to take forward the third phase of the G20 Data Gaps Initiative (DGI-3).

28. We can harness the benefits of digital innovations while also mitigating the risks they may pose. We remain vigilant and continue to closely monitor the vulnerabilities and risks posed by crypto-assets. We recognize the joint efforts of the IMF and the FSB, in collaboration with the World Bank, the Financial Action Task Force (FATF) and its global network, and SSBs, towards the implementation of the G20 Roadmap on Crypto Assets, including beyond G20 jurisdictions. We reaffirm our commitment to implement effectively, timely and in a coordinated manner the FSB's High-Level Recommendations for the Regulation, Supervision and Oversight both of Crypto-asset Activities and Markets and of Global Stablecoin Arrangements. We look forward to receiving the first status report on the implementation of the G20 Roadmap on Crypto Assets. We reaffirm our support for FATF's work to accelerate the global implementation of its Standards on virtual assets and virtual assets service providers and to monitor the impact on the financial integrity of emerging technologies and associated risks, including from DeFi arrangements and peer-to-peer transactions. We look forward to the FSB's reports on the financial stability implications of the tokenization of assets and of artificial intelligence, including possible next steps to address identified risks. We also look forward to the report by the BIS and the BIS Committee on Payments and Market Infrastructures (CPMI) examining the meaning of tokenization in the context of money and other assets and how to envision a tokenized environment that builds on the best attributes of the current monetary and financial system.
29. We reiterate our commitment to a timely and effective implementation of the G20 Roadmap to Enhance Cross-border Payments and look forward to the FSB's progress report on the Roadmap and on progress toward the quantitative targets. We emphasize that greater regulatory alignment is key to the successful implementation of the Roadmap. We look forward to the BIS CPMI's final report on governance and oversight of fast payment systems interlinking and its report on recommendations for greater harmonization of application programming interfaces (APIs). We also look forward to the IMF's report on the macro-financial implications of cross-border payments platforms. We welcome FATF's ongoing work to revise its Standards on Payment Transparency and its initiative to enable financial inclusion alongside financial integrity, including by updating its risk-based approach.
30. We welcome the progress made by the Global Partnership for Financial Inclusion (GPFI) in implementing the 2023 Financial Inclusion Action Plan (FIAP) and we look forward to completing the planned deliverables for 2024. We recognize the significant role of financial inclusion in improving financial well-being and achieving the UN Sustainable Development Goals (SDGs). We take note of the progress on the establishment of a consensual concept of financial well-being, including a working definition and a preliminary conceptual framework. We take note of the deliberations regarding the Guidance Note on Policy Options to Improve Last Mile Access and Quality Inclusion

through Digital Infrastructure, including Digital Public Infrastructure (DPI), Consumer Protection and other FIAP Objectives. We also take note of the advances regarding the new G20 GPFI Action Plan for Micro Small and Medium Enterprise (MSME) Financing. Finally, we welcome the Report on Promoting financial inclusion through digitalization of remittances.

31. We reiterate the importance of stepping up global efforts to implement the FATF Standards to combat money laundering, terrorist financing and proliferation financing, as well as our commitment to support the FATF and FATF Style Regional Bodies in overseeing the implementation of the FATF standards across the Global Network. We commit to effectively implementing FATF's revised Standards on the transparency of beneficial ownership of legal persons and arrangements and on asset recovery and international cooperation to ensure criminals cannot hide the proceeds of crime and engage in illicit activities, and to facilitate the return of proceeds of crime.

International Taxation Cooperation

32. We welcome the progress made on the Two-Pillar Solution under the OECD/G20 Inclusive Framework on BEPS and reiterate our commitment to the October 2021 Statement of the Inclusive Framework and to the swift implementation of the Two-Pillar Solution by all interested jurisdictions. We also welcome the continued significant progress made towards the implementation of Pillar Two and will continue to support ongoing works to ensure coordination among countries implementing the Global Anti-Base Erosion Rules as a common approach. This should be regarded as a resounding success of international taxation cooperation. We encourage Inclusive Framework members to expeditiously complete the negotiations on a final package on Pillar One through resolving the remaining issues on a framework for Amount B, allowing the Multilateral Convention (MLC) to be finalized and opened for signing as soon as possible.
 33. We continue to work together towards a fairer, more stable and efficient international tax system fit for the 21st century. In this context, we have issued The Rio de Janeiro G20 Ministerial Declaration on International Tax Cooperation, restating our commitment to tax transparency and fostering dialogue on fair and progressive taxation, including of ultra-high-net-worth individuals, among other topics. Our international tax cooperation should maximize synergies among the existing international fora. We take note of the following documents commissioned by the Brazilian G20 Presidency: IMF's G20 Note on Alternative Options for Revenue Mobilization; the Blueprint for a Coordinated Minimum Effective Taxation Standard for Ultra-High-Net-Worth Individuals; and the OECD Report to G20 Finance Ministers and Central Bank Governors on Taxation and Inequality. We encourage constructive discussions at the UN Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Taxation Cooperation.
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Widening Participation and Renewing Our Commitment to International Economic Cooperation

34. Recognizing the constructive role played by civil society and engagement groups in addressing economic and financial issues, we thank the engagement groups for the work presented at the FCBD meeting. We will review them in the context of G20 workstreams.
35. We resolutely reaffirm our commitment to enhanced international economic cooperation to address global challenges and look forward to continuing our dialogue in the 4th FMCBG Meeting, in October.

