



Press Release

First G20 Finance Ministers and Central Bank Governors Meeting

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The G20 Finance Ministers and Central Bank Governors (FMCBGs) met on Friday 26 February 2021 for the first time under the **Italian G20 Presidency**. The event was held online.

The Ministers and Governors acknowledged that health and economic conditions remain difficult despite the launch of vaccination campaigns and signs of strengthening economic activity. They are committed to scaling up international coordination to tackle current global challenges by adopting a stronger multilateral approach and focusing on a set of core priorities.

Granting equitable access to safe vaccines, diagnostics and therapeutics for all countries is a top priority for all the Ministers and Governors. Efforts to promote preparedness against future pandemics are equally important – a G20 High Level Independent Panel has been established to this end.

The FMCBG meeting discussed the benefits stemming from **joint action** and strong policy **cooperation** and concurred that a premature withdrawal of the support measures should be avoided. In April, the update to the G20 Action Plan will offer the opportunity to address new and pre-existing challenges, such as low productivity growth, rising inequality, climate and environment-related risks, and the infrastructure financing gap.

The Ministers and Governors reaffirmed their **support for the most vulnerable countries**, especially those facing an unsustainable debt burden. Key milestones in the near future include the effective implementation of the G20 Common Framework on Debt Treatment and of the Debt Service Suspension Initiative. They also called on the international financial institutions to explore additional tools to meet long-term global financing and reserve needs; the IMF should formulate a proposal for a general SDR allocation.

Another point discussed by the Ministers and Governors was their recovery strategies as a unique opportunity to support the **transition towards more sustainable, inclusive and equitable societies**. Landmark steps will be considered more in-depth in future meetings and particularly during two events – a High Level Tax Symposium and a Conference on Climate, both to be held in Venice in July. These events will bring together policy makers, international financial institutions and eminent representatives from the private financial sector.

On **international taxation**, the FMCBG meeting focused on the urgent need to reform the current system to respond to the new challenges posed by globalization and the digitalization of the economy. In this regard, the G20 will endeavour to achieve a global and consensus-based solution by mid-2021.

The Ministers and Governors also discussed the challenges that the COVID-19 crisis poses for **financial stability and financial inclusion**. They concurred that preserving financial stability and the capacity of the financial sector to support the recovery is a key priority, and maintaining close



cooperation is essential to those goals. While the emergency is not yet behind us, the Ministers and Governors are **taking stock of the lessons already learned from a financial stability perspective**. Ongoing work is focusing on **strengthening the resilience of the nonbank financial intermediation sector**, which played a part in the amplification of the March 2020 market turmoil.

The Ministers and Governors expressed broad support for the Italian G20 Presidency's initiatives to ensure growth and financial stability beyond the COVID-19 pandemic. The swift implementation of the **G20 roadmap for enhancing cross-border payments** will improve the framework underpinning those transactions, including for remittances. Initiatives to fill **data gaps for assessing climate-related financial risks** and to promote more consistent **climate-related disclosure** were also endorsed. Recognizing the need to address the impact of climate change on the financial system and to ensure its capacity to support the transition towards more sustainable economies, the Ministers and Governors agreed to re-establish the Sustainable Finance Study Group.

Finally, there was a dedicated discussion on the role that the accelerating pace of digitalization in payments and other financial services is playing in enhancing or endangering the **financial inclusion** of the most vulnerable and underserved groups. There was broad consensus on the need to identify the related gaps that may have emerged as a consequence of the COVID-19 crisis and to share country-specific experiences and policy responses, also in the field of digital financial awareness.