



# G7 Finance Ministers and Central Bank Governors Meeting

## Communiqué

Niigata, Japan, 13 May 2023

*We, the G7 Finance Ministers and Central Bank Governors, met in Niigata, joined by the Heads of the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development, and Financial Stability Board.*

*We were honored to be joined virtually by the Ukrainian Finance Minister Sergii Marchenko. We reaffirmed our strong commitment to our united response to Russia's war of aggression against Ukraine, which is also an attack on the rule of law and the principles of the UN Charter, and to our unwavering support for Ukraine for as long as it takes.*


*In the face of multiple and complex global challenges, we renewed our commitment to upholding the free, fair and rules-based multilateral system and elevated our engagement with international partners to new heights through an extensive dialogue to advance international cooperation and deliver prosperity for all. We highly valued the productive dialogue with Brazil, Comoros, India, Indonesia, the Republic of Korea, and Singapore. G7 members and Finance Ministers of these countries exchanged views on recent global economic developments and major challenges to foster robust and sustainable growth, and committed to jointly tackle a range of global economic challenges, fight poverty, and achieve strong, sustainable, balanced, and inclusive global growth.*

### **I. Tackling Immediate Global Challenges**

#### ***Russia's War of Aggression against Ukraine and Support for Ukraine***

- We reiterate our unwavering support for Ukraine for as long as it takes and are united in our condemnation of Russia's illegal, unjustifiable, and unprovoked war of aggression against Ukraine.** Russia's war has caused tragic loss of life, destruction of property and infrastructure, and exacerbated global economic challenges, including through adding to inflationary pressures, disrupting supply chains, and heightening energy and food insecurity. We remain determined to foster international cooperation to address the global economic hardships caused by Russia's war and its weaponization of food and energy, which are disproportionately felt by low- and middle-income countries and vulnerable groups. In this context, we steadfastly reject Russia's repeated false narrative about the spillover effects of our sanctions on food and energy security. We call for an immediate end of Russia's illegal war against Ukraine, which would clear one of the biggest uncertainties over the global economic outlook.


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2. **We are strongly committed to continue addressing Ukraine’s urgent short-term financing needs, as well as supporting its neighboring and other severely affected countries.** We, together with the international community, have increased our commitment of budget and economic support for Ukraine for 2023 and early 2024 to 44 billion US dollars, which enabled the approval of an International Monetary Fund (IMF) program for Ukraine amounting to 15.6 billion US dollars over 4 years. These supports give Ukraine certainty and enable its authorities to safeguard the functioning of government, continue the delivery of basic services, carry out the most critical repairs of damaged infrastructure and stabilize the economy. We look forward to swift implementation of structural reforms by Ukraine under the IMF-supported program, and the successful completion of the program’s reviews, which will promote macroeconomic and financial stabilization, enhance governance and strengthen institutions, contribute to longer-term economic sustainability and post-war reconstruction. This will also help to catalyze further financial support from other countries and institutions as well as the private sector.
  
  3. **We will continue our joint efforts to support Ukraine’s repair of its critical infrastructure, recovery and reconstruction, including through the Multi-agency Donor Coordination Platform.** We welcome continued engagement by the IMF, the World Bank Group (WBG), the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank. Given the substantial recovery and reconstruction financing needs, we should expand the donor base. Mobilizing private capital is also crucial. In this context, we welcome ongoing efforts to catalyze private resources through providing guarantees and insurance, including by the International Finance Corporation and the Multilateral Investment Guarantee Agency. We recognize the role of Development Finance Institutions (DFIs) to catalyze private investments and welcome the launch of the Ukraine Investment Platform in Tokyo on 12 May, to support Ukraine and affected countries more broadly, through further efficient co-financing and greater collaboration among the DFIs, together with the EBRD as the leading institution. We look forward to the Ukraine Reconstruction Conference to be held in London in June.
  
  4. **We reiterate our unwavering resolve to impose and enforce sanctions and other economic measures** to further undermine Russia’s capacity to wage its illegal, unjustifiable and unprovoked war of aggression. We remain committed to countering any attempts to evade and undermine our sanction measures. Following our Leaders’ statement on 24 February, as part of our efforts to strengthen the enforcement of our sanctions and other economic measures, we have initiated sharing typologies of circumvention and evasion and other relevant information through the Enforcement Coordination Mechanism (ECM). Going forward, we will continue to



strengthen coordination in monitoring cross-border transactions between Russia and other countries, take further action directed at the Russian financial sector as necessary, and closely monitor the effectiveness of the price caps on Russian crude oil and petroleum products to ensure the measure delivers on its objectives, and take any necessary and appropriate enforcement actions required. We call on other countries to join our measures against Russia and efforts to bolster their enforcement. We will also ensure Russia's sovereign assets in our jurisdictions remain immobilized in accordance with our Leaders' statement on 24 February.

### ***Global Economy and Economic Policy***

5. **The global economy has shown resilience against multiple shocks including the COVID-19 pandemic, Russia's war of aggression against Ukraine, and associated inflationary pressures.** Nevertheless, we need to remain vigilant and stay agile and flexible in our macroeconomic policy amid heightened uncertainty about the global economic outlook.
  
6. **We are committed to a stability- and growth-oriented macroeconomic policy mix that supports medium-term fiscal sustainability and price stability.**
  - Fiscal policy should continue to provide, as appropriate, temporary and targeted support to vulnerable groups suffering from the increase in cost of living and catalyze investment needed for the green and digital transformations. The overall fiscal stance should ensure medium-term sustainability and be coherent with the monetary policy stance amid inflationary pressures.
  - Inflation remains elevated and central banks remain strongly committed to achieving price stability, in line with their respective mandates. They will ensure inflation expectations remain well anchored and will clearly communicate policy stances to help limit negative cross-country spillovers.
  - We reaffirm our May 2017 exchange rate commitments.
  - We reemphasize the importance of supply-side reforms, especially those that increase labor supply and enhance productivity. We also stress the crucial role of women and under-represented groups for the long-term success of our economies through promoting inclusion, diversity and innovation. We look forward to a successful review of the G20/Organisation for Economic Cooperation and Development (OECD) Principles of Corporate Governance to strengthen sustainability and resilience of the private sector.
  
7. **We will continue to work closely with supervisory and regulatory authorities to monitor financial sector developments and stand ready to take appropriate actions to maintain financial stability and the resilience of the global financial system.** We reaffirm that our




financial system is resilient, supported by the financial regulatory reforms implemented after the 2008 global financial crisis, including considerable increases in the levels of bank capital and liquidity, an international framework for effectively resolving failing institutions, and strengthened cross-border regulatory and supervisory cooperation. We will address data, supervisory, and regulatory gaps in the banking system. We support the Financial Stability Board (FSB)'s ongoing efforts, including for bank prudential and resolution frameworks, to draw out lessons learned from the recent episodes and the consequent priorities for its future work to enhance financial stability. We also continue to prioritize addressing vulnerabilities in non-bank financial intermediation (NBFi). We strongly support the work of the FSB and standard-setting bodies (SSBs) on enhancing the resilience of NBFi, including promoting implementation of the FSB Money Market Fund policy proposals, addressing structural liquidity mismatches in open-ended funds, addressing vulnerabilities in NBFi leverage, and enhancing margining practices in centrally and non-centrally cleared markets.

### ***Supporting Vulnerable Countries***

8. **We reiterate the urgency of addressing debt vulnerabilities in low- and middle-income countries** amid multiple economic shocks that have disproportionately impacted these countries. We fully support the G20's effort to improve the implementation of the "Common Framework" in a predictable, timely, orderly and coordinated manner, providing clarity to participants. We call for a swift conclusion of debt treatment for Zambia and encourage progress on a debt treatment for Ethiopia under an envisaged IMF-supported program. We welcome the progress toward the IMF-supported program for Ghana through the recently provided financing assurances. Beyond the "Common Framework," debt vulnerabilities in middle income countries (MICs) should be addressed by multilateral coordination that involves all official bilateral creditors taking swift actions to respond to requests for debt treatments. In this respect, we welcome the launch of the creditors' meeting for Sri Lanka under the three co-chairs, France (as chair of the Paris Club), India, and Japan, and look forward to a swift resolution as a successful model for future multilateral efforts to address MICs' debt issues. We also stress the importance for private creditors to provide debt treatments on terms at least as favorable to ensure fair burden sharing in line with the comparability of treatment principle. In this context, the contractual approach, including private creditor incorporating Majority Voting Provisions in future syndicated loan contracts, can facilitate sovereign debt restructuring. We expect the Global Sovereign Debt Roundtable led by the IMF, the WBG, and India (holding the G20 Presidency) to facilitate constructive dialogue among debtors and official and private creditors and look forward to further work to support predictability and efficiency of the debt restructuring process.

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9. **Enhancing debt data accuracy and transparency is crucial to secure credible and effective debt sustainability assessments.** In support of the G20's initiative on debt data transparency, we, together with willing other creditors, took the lead through a first data sharing exercise by providing granular lending data to the WBG for debt data reconciliation. We are encouraged by the outcome of this exercise, which initially identified data gaps amounting to 6.5 billion US dollars in total. With these tangible benefits in mind, we invite all official bilateral creditors to join the data sharing exercise for debt data reconciliation, including through further advancing the G20's initiative in the area of debt data accuracy. We call on private creditors to voluntarily submit details of their lending to the joint Institute of International Finance / OECD Data Repository Portal.
10. **We strongly support the ongoing work on the evolution of the Multilateral Development Banks (MDBs).** We encourage MDBs to expedite the work to review and transform their business models to better address transboundary challenges such as climate change, pandemics, fragility and conflict, which are integral to achieving poverty reduction and shared prosperity. This evolution should come with the most efficient use of their existing capital. To this end, we will contribute to developing an ambitious G20 Roadmap on implementing the recommendations of the G20 MDB Capital Adequacy Framework Review and call on MDBs to make further progress in a comprehensive manner while safeguarding MDBs' long-term financial sustainability, robust credit ratings and preferred creditor status. We welcome the ongoing discussion at the WBG to review its vision and mission, operating model, and financial capacity, including the first proposal of financial reform that can add up to 50 billion US dollars of financing capacity over the coming decade. We look forward to further progress at the WBG toward the 2023 WBG and IMF Annual Meetings and beyond so that ambitious reforms can be made on a continual basis and encourage other MDBs to join this initiative for a coordinated approach of MDBs as a system. In considering the renewed value proposition for MDBs to address global challenges, we emphasize the importance of a targeted, more systemic approach and maintaining prioritization on low-income countries (LICs). We also call on MDBs to make the best use of policy and knowledge support, building on their longstanding experience, align their analytical strengths with evolving missions, and explore strengthened approaches to promote mobilizing domestic resources and private capital as well as private sector engagement.
11. **We have further advanced our joint efforts to support countries most in need through the voluntary channeling of Special Drawing Rights (SDRs) or equivalent contributions.** We welcome that additional pledges by Japan and France, amongst others, together with our previous contributions and commitments, put the global ambition of 100 billion US dollars within






reach and call for the delivery of existing pledges and for further pledges from all willing and able countries, especially those which have not yet contributed, to fulfill the ambition. We welcome the first Resilience and Sustainability Trust (RST) programs. We also support the IMF's multi-pronged strategy, which ensures that the Poverty Reduction and Growth Trust (PRGT) can continue to provide strong support to meet the growing needs of LICs in the coming years, including through the IMF achieving its agreed 2021 fundraising targets for the subsidy and loan resources by the 2023 WBG and IMF Annual Meetings, as well as through exploring the full range of options to put the PRGT on a sustainable footing. We will further explore viable options for enabling the voluntary channeling of SDRs through MDBs, while respecting national legal frameworks and the need to preserve the reserve assets character and status of SDRs.

12. **We are committed to further strengthening financial and economic collaboration and political dialogue with African countries.** We underscore the crucial role of private sector development to foster sustainable and inclusive growth. Together with our African partners, we cooperate on and support a range of public initiatives to improve the investment climate and to mobilize private investment in Africa, such as the G20 Compact with Africa, as well as on multi-donor arrangements to realize Africa's growth potential. Building on these initiatives, we will continue our discussion at the G7 Africa Roundtable in October this year on how to address key challenges to further mobilize private investment. In this respect, we underline the catalytic role of foreign direct investment (FDI) in promoting sustainable development, and welcome the efforts by donor and recipient countries as well as international financial institutions to attract and retain quality FDI through creating an enabling environment for investment, and to strengthen its linkages with the local economy. Recognizing the threat that conflict poses to economic and development gains, we welcome the cessation of hostilities in Ethiopia, call upon both sides in Sudan to enact a sustainable cessation of hostilities, and express concern over the deteriorating humanitarian situation in eastern Democratic Republic of Congo (DRC) and underscore the importance of the peace processes in the DRC. More broadly, we welcome the organization of the Summit for a New Global Financing Pact by France in June to strengthen the architecture of development and climate finance and address the needs of emerging market and developing economies (EMDEs).

## **II. Enhancing Global Economic Resilience**

### ***Climate Change***


13. **We are determined to urgently tackle climate change, through scaled-up action in this critical decade, in order to keep the limit of 1.5 degrees global temperature rise within reach and avoid the worst consequences of climate change, underscoring the**



**Intergovernmental Panel on Climate Change’s most recent findings.** Energy insecurity caused by Russia’s war of aggression has reinforced our determination to further accelerate our climate action and promote an orderly and just transition to achieve our emission reduction targets by 2030 and reach net zero greenhouse gas emissions by 2050 or earlier, in a way that positively impacts jobs, growth, competitiveness and fairness, as well as enhances energy security. Our temporary support in response to heightened energy prices should be well targeted to the most vulnerable and phased out appropriately in order not to delay the transition to clean, safe and sustainable energy. We also support the FSB Roadmap for Addressing Climate-related Financial Risks and welcome the related work by other international SSBs. G7 central banks are committed to addressing the implications of climate change that are relevant to their respective mandates. We affirm that price stability and financial stability are important prerequisites for orderly transition. We also commit to further improving our understanding of the near-term as well as long-term macroeconomic effects of climate change and different mitigation policies, including any cross-border and spillover effects that might arise from differing ambitions and approaches across countries. In doing so, we will take advantage of the network of our modelling experts and cooperate with the Network for Greening the Financial System (NGFS) and other international organizations, and take into consideration country-specific circumstances across the globe in climate change and transition pathways.

14. **We underscore the need to enhance international cooperation and coordination on climate change mitigation policies within the G7 and beyond, in particular with EMDEs.**

We reaffirm the potential of high integrity carbon markets and carbon pricing to foster cost-efficient reductions in emission levels, drive innovation and enable a transformation to net zero, through the optimal use of a range of policy levers to price carbon. At the same time, noting that policy mixes with carbon pricing and non-pricing mechanisms and incentives could vary reflecting country-specific circumstances, international cooperation requires thorough mapping and assessment of diverse mitigation policy instruments. We look forward to advancing the open, cooperative and inclusive Climate Club, established by G7 Leaders, in collaboration with international partners. We support the OECD’s Inclusive Forum on Carbon Mitigation Approaches (IFCMA) to deepen our understanding of the effectiveness of various policy tools on mitigating emissions. We also look forward to the future work by the IFCMA on exploring methodologies for measuring the carbon intensity of goods and sectors. We highlight the importance of actively engaging with EMDEs, especially the major emitting countries, in order to achieve net-zero globally by mid-century. In this regard, we support the efforts by the IFCMA to reach out to non-OECD member countries. We are committed to continuing efforts to swiftly advance Just Energy Transition Partnerships (JETPs) that will help partner countries pursue



accelerated and ambitious transitions, reflecting their specific circumstances.


15. **We will enhance our joint efforts to mobilize climate finance for addressing both mitigation and adaptation.** We reaffirm our strong commitment to the collective climate finance mobilization goal of 100 billion US dollars per year to developing countries from a wide variety of sources as soon as possible and through to 2025 in the context of meaningful mitigation action and transparency of implementation. We will engage in discussions under the framework of the Paris Agreement on a new collective quantified goal by the end of 2024, in close cooperation with other relevant G7 Tracks. In addition to our continued efforts, we underline the need to broaden the climate finance contributor base, and the importance of increasing the mobilization of private climate finance. We remain committed to supporting the implementation and monitoring of the G20 Sustainable Finance Roadmap, including the transition finance framework. Transition finance, in line with keeping a limit of 1.5°C temperature rise within reach, avoiding carbon lock-ins and based on effective emissions reduction, has a significant role in advancing the decarbonization of the economy as a whole. We encourage the public and private sectors to enhance availability and credibility of science-based, transition-related information, including through transition plans supported by credible pathways, which would help promote investment that is aligned with an orderly net-zero transition by enabling assessment of the progress on transition in a forward-looking manner and accounting for the trajectory of financed emissions that are associated with real economy emission reductions. Given increased frequency and severity of natural disasters that are exacerbated by climate change, enhanced coordination by the private and public sectors, especially for vulnerable countries, is critical in promoting disaster risk finance, including insurance, in order to narrow protection gaps. We support ongoing initiatives, such as the joint V20 and G7 initiative of a Global Shield against Climate Risks, regional catastrophe risk pools. We encourage more creditors to offer Climate-Resilient Debt Clauses for loan agreements. We welcome the technical note by the WBG on recent progress and new frontiers of financial resilience against climate shocks and disasters. We also look forward to a report by the International Association of Insurance Supervisors (IAIS), in collaboration with the OECD, on how to strengthen economic and financial resilience against natural disaster risks by the end of 2023. We also reaffirm our commitment to enhancing synergies between finance for climate and biodiversity and welcome the historic achievement of the adoption of the Kunming-Montreal Global Biodiversity Framework (GBF) at the 15th Conference of the Parties to the Convention on Biological Diversity (CBD-COP15) in December 2022.





## ***Economic Efficiency and Resilience***

16. **The importance of economic resilience has been brought into sharper focus amid the repercussions of the COVID-19 pandemic and Russia's war.** Cross-border economic activities are increasingly viewed through the lens of achieving both economic efficiency and resilience. Recalling the G7 Elmau Summit commitment to ongoing strategic coordination on economic security, we will work together both within as well as beyond the G7 to enhance economic resilience globally against various shocks, stand firm to protect our shared values, and preserve economic efficiency by upholding the free, fair and rules-based multilateral system. Our efforts to enhance economic resilience should also help accelerate social and economic transformation in our economies and globally by driving progress to achieve deep emission cuts and reach net zero greenhouse gas emissions by 2050 at the latest and by harnessing the benefits of digitalization.
  
17. **We commit to further strengthening collaboration among G7 members and beyond to enhance supply chain resilience.** Our “High-level Policy Guidance for Public Finance Tools to Build Resilient Supply Chains in the Era of Decarbonization” published in April, recognizes the urgent need to address existing vulnerabilities within the highly concentrated supply chains of important products for clean energy. Diversification of supply chains can contribute to safeguarding energy security and help us to maintain macroeconomic stability. To turn the guidance into specific actions, we are currently developing “Partnership for RISE (Resilient and Inclusive Supply-chain Enhancement)” with interested countries in collaboration with the WBG and relevant international organizations with the aim of its launch by the end of this year at the latest. Through mutually beneficial cooperation by combining finance, knowledge and partnerships, RISE aims to support low- and middle-income countries in playing bigger roles in the midstream and downstream in supply chains of clean energy products.
  
18. **We support EMDEs in their efforts to attract “more, better and safe” FDI and thereby achieve resilient growth.** FDI is an important enabler of global economic integration through its benefits such as job creation, local skills development, and technology transfer. In particular, it plays an important role in meeting the substantial infrastructure needs of EMDEs. At the same time, foreign investments in critical infrastructure may pose risks for economic sovereignty. We will contribute to the work on how to ensure that FDI goes where it is most needed, is of high quality and does not undermine the economic sovereignty of host countries. To this end, we welcome the implementation of the OECD's FDI Qualities Initiative, which aims at improving the investment climate to encourage more and better FDI into EMDEs with emphasis on productivity and innovation, job quality and skills, gender equality, and decarbonization. We also support the



OECD to expand and deepen its outreach with non-OECD members and assist them in strengthening their investment frameworks. We call on the OECD to develop a strategy to support these efforts.

### ***Financial Digitalization***

19. **We will continue policy deliberation on digital money to harness the benefits of innovation such as payment efficiency as well as financial inclusion while addressing potential risks to the stability, resilience and integrity of the monetary and financial system.** A reliable, stable, and transparent global payment system is a key foundation for our economic and financial activities, and Central Bank Digital Currencies (CBDCs) could have a substantial role to play in this context. We recall the Public Policy Principles for Retail CBDCs agreed in October 2021, stressing that any CBDC should be grounded in, amongst others, transparency, the rule of law, sound economic governance, cyber security and data protection. In light of increasing demand from EMDEs for policy guidance and capacity development, we welcome the IMF’s work on a “CBDC Handbook” to be taken forward in close cooperation with and drawing from the inputs of experts and stakeholders including other international organizations, standard setters and national authorities, and look forward to the first set of deliverables to be published by the 2023 WBG and IMF Annual Meetings.
  
20. **Effective monitoring, regulation and oversight are critical to addressing financial stability and integrity risks posed by crypto-asset activities and markets, while supporting responsible innovation.** We look forward to the FSB’s finalization of its high-level recommendations by July 2023. We commit to implementing effective regulatory and supervisory frameworks for crypto-asset activities and markets as well as stablecoin arrangements, which are consistent with the FSB’s recommendations and standards and guidance established by SSBs. We also encourage the FSB and SSBs to promote a consistent, effective and timely implementation of the recommendations globally to avoid regulatory arbitrage. We support the FSB and SSBs conducting follow-up work on decentralized finance (DeFi) and multifunction crypto-asset intermediaries. In light of the growing threats from illicit activities, in particular by state actors, including the theft of crypto-assets for proliferation financing, ransomware attacks, terrorist financing, and sanctions evasion, we support initiatives by the Financial Action Task Force (FATF) on accelerating global implementation of the FATF Standards on virtual assets, including the “travel rule”, and its work on emerging risks, including from DeFi arrangements and peer-to-peer transactions. We also look forward to the FATF’s fourth progress report on virtual assets and further work on these initiatives.



## ***Financial Sustainability and Integrity***

21. **We underline our commitment to consistent, comparable and reliable disclosure of information on sustainability including climate.** We welcome efforts to enhance the availability of sustainability information, which will help mobilize investments and unleash the potential for innovation, productivity gains and emission reduction. We support the International Sustainability Standards Board (ISSB) finalizing the standards for general reporting on sustainability and for climate-related disclosures and working toward achieving globally interoperable sustainability disclosure frameworks. We look forward to the ISSB's future work on disclosure on biodiversity and human capital, in line with its work plan consultation, which could enhance investors' ability to assess companies' value creation from activities related to biodiversity, investment in their workforce, and diversity, equity and inclusion. We look forward to the discussions at the International Organisation of Securities Commissions (IOSCO) on possible endorsement of the ISSB's two standards. We also look forward to the publication of the final Taskforce on Nature-related Financial Disclosures (TNFD) Framework in September 2023 and encourage the TNFD and the ISSB to continue their cooperation.
  
22. **Financial integrity is a cornerstone to preserve the resilience of the global economy and promote prosperity.** It is important to step-up global efforts to combat money laundering, terrorism financing, and proliferation financing. We commit to supporting the increasing role and resource needs of the FATF and its FATF Style Regional Bodies (FSRBs) in overseeing the implementation of the FATF standards across the global network, including in the context of the forthcoming 5<sup>th</sup> round of mutual evaluations. In this respect, we reiterate our commitment to providing additional expertise and funding to support this work, and call on the G20, all FATF members and the IMF and the WBG to also increase their support, and look forward to the IMF's AML strategy review and the WBG's anti-corruption strategy review. In addition to the issues on crypto assets mentioned above, we commit to the timely and effective implementation of the revised FATF standards on the transparency of beneficial ownership of legal persons and legal arrangements, which will improve countries' ability to identify and target illicit finance. We also support the ongoing work of the FATF to strengthen its standards to enhance global efforts to recover criminal proceeds. The FATF plays a vital role in protecting the integrity of the international financial system. In this context, we condemn Russia's actions, including its irresponsible nuclear rhetoric, which unacceptably run counter to the FATF's core principles. We fully support the decision by the FATF this year to suspend Russia's membership. We share the serious concerns with the threat posed by the DPRK's illicit activities related to the proliferation of weapons of mass destruction and its financing that enabled the DPRK's recent launches of an unprecedented number of ballistic missiles including ICBMs. We are deeply concerned with

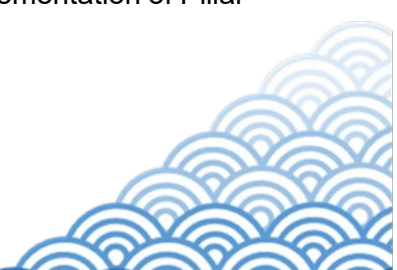



illicit financing risk emanating from Iran.

### ***Global Health***

23. **We reaffirm our strong commitment to strengthening the governance and finance of the global health architecture (GHA).** The global community should be better prepared for future pandemics and other health emergencies, including through strengthening health financing for moving towards Universal Health Coverage (UHC) and promoting a One Health approach. In this effort, we reiterate our commitment to further enhancing the finance-health coordination and gathering political momentum to further strengthen the G20 Joint Finance-Health Task Force (JFHTF), which is the most suitable platform with a broad-based membership and expected to help improve the GHA including by conducting successive gap assessments and monitoring emerging health threats. We also remain committed to strengthening pandemic prevention, preparedness, and response (PPR) financing. As a key milestone, we welcome the launch of the Pandemic Fund (PF), and look forward to the successful execution of its first call for proposals, focusing on strengthening country and regional capacities for surveillance, laboratories, and human resources/public health workforce. We encourage active participation and increasing contributions to the PF from a broader donor base. Despite this progress, financing for pandemic “response” requires particular attention. To this end, we agreed to work with the G20 JFHTF and our international partners to thoroughly assess how the existing financing sources, particularly untapped funding streams, can be used in pandemic “response” and to explore a “surge” financing framework that allows us to complement existing mechanisms through better coordination and deploy necessary funds quickly and efficiently in response to outbreaks without accumulating idle cash. In this context, we welcome the endorsement of the “G7 Shared Understanding on Enhanced Finance-Health Coordination and PPR Financing” in a joint session with G7 Health Ministers. We reaffirm our commitment to supporting antibiotic development and welcome the updated antimicrobial resistance (AMR) progress report by the World Health Organisation (WHO) and the Global AMR R&D Hub.

### ***International Taxation***

24. **We re-emphasize our strong political commitment towards the swift global implementation of the OECD/G20 Inclusive Framework Two-Pillar Solution** to address the tax challenges arising from globalization and the digitalization of the economy and to establish a more stable and fairer international tax system. We recognize significant progress in the negotiation of the Pillar 1 Multilateral Convention (MLC) and reaffirm our commitment to the swift completion of the negotiation so that the MLC can be ready for signature within the agreed timeline. We welcome the progresses in domestic legislation toward the implementation of Pillar
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2 and call upon the Inclusive Framework to work on further administrative guidance for a globally consistent implementation. We will further provide developing countries with support for strengthening their tax capacity to build sustainable tax revenue sources, highlighting the importance of assistance for the implementation of the Two-Pillar Solution. We welcome the OECD's "2023 Progress Report on Tax Co-operation for the 21st Century".

### **III. Economic Policies in Pursuit of Welfare**

25. **Our economic and social structures have undergone dynamic and fundamental transformation.** Digitalization, sustainability in particular climate change, inequality, and gender and diversity are just a few examples where important elements of welfare cannot be fully captured by a single aggregated indicator such as GDP. During our meeting, we revisited this important agenda through a dialogue with Professor Joseph E. Stiglitz, and underscored the multidimensional aspects of welfare.
  
26. **Policymakers need to follow multidimensional indicators for measuring welfare and explore operational tools to reflect such indicators in policymaking.** The UN's 2025 System of National Accounts is an ongoing effort to address measurement issues, including through better recording of consumption of free digital products, amongst others. Many authorities and institutions are increasingly utilizing complementary indicators for better assessment of economic welfare using an evidence-based approach. At the same time, we should also consider how such indicators can be brought into policymaking in a practical and effective manner, including through budget compilation and performance frameworks. We will continue to share best practices and deepen our policy deliberation in response to rapid economic and social transformation. These efforts will help preserve confidence in democracy and a market-based economy, which are the core values of the G7.





**ANNEX:**  
**Reports and Documents Received**

1. World Bank Group Report on Preliminary Findings from the G7 and Paris Club Countries Debt Data Sharing Exercise
2. World Bank Group Technical Note on Recent Progress and New Frontiers of Financial Resilience against Climate Shocks and Disasters
3. OECD Report on Strengthening Clean Energy Supply Chains for Decarbonization and Economic Security
4. OECD Note on FDI in Critical Infrastructure, Supporting EMDEs in Attracting More, Better and Safe FDI
5. World Bank Group Report on Changing FDI Dynamics and Policy Responses
6. WHO and the Global AMR R&D Hub Progress Report on Incentivising the Development of New Antibacterial Treatments
7. OECD 2023 Progress Report on Tax Co-operation for the 21st Century
8. OECD Report on Economic Policy Makings to Pursue Economic Welfare