SPEAKING NOTES FOR BOITUMELO MOSAKO CEO OF DBSA FOR A KEYNOTE ADDRESS DURING THE FOURTH G20 DEVELOPMENT WORKING GROUP MEETING HELD ON 21 JULY 2025

Theme: "Financing Global Public Goods (GPG) for Sustainable Development: Role of Development Finance and Private Sector Participation" (10min)

Protocol

INTRODUCTION

The impact of climate events such as wildfires and flooding, pandemics, as was seen with COVID-19, and a lack of food, water and energy security, is felt across the globe. Less than one per cent of Earth's total water supply is readily available and safe for human use. Global Public goods, by nature, extend beyond the borders of individual countries and require collective action, cross-border coordination, and shared financing solutions. Their provision is crucial for achieving several Sustainable Development Goals (SDGs). With limited fiscal budget allocations by governments across the world and the steady shift in FDI flows away from low-income and developing countries, it is crucial that we collectively take on the responsibility of ensuring a shared global future that secures the well-being of people and the protection of scarce resources for generations to come.

GLOBAL PUBLIC GOODS

In an increasingly interconnected world, the line between domestic challenges and global responsibilities is growing thinner. Climate change, pandemic preparedness, biodiversity loss, food and energy security, digital access, and regional integration—are not just national issues. The facilitation of global public goods (GPGs) remains a cornerstone of the global sustainable development agenda. Their provision is crucial for achieving several Sustainable Development Goals, including those related to health (SDG 3), climate action (SDG 13), affordable and clean energy (SDG 7), and partnerships for the goals (SDG 17).

As the global community continues to pursue the SDGs, it is becoming increasingly clear that the current global financing architecture falls short of what is needed to meet the capital requirements for GPGs. This is particularly true in low-income and developing countries, where fiscal constraints, limited institutional capacity, and elevated sovereign risks hinder the ability to crowd in capital for cross-border and multi-sector investments.

WHY G20 CONVERSATION ON GLOBAL PUBLIC GOODS

Given its central role in global economic governance, the G20 — through the Development Working Group – Is uniquely positioned to convene and shape the strategic dialogue on Global Public Goods. It brings together in many instances, the custodians of Global Public Goods but also the Financiers of such goods. The effective provision of GPGs is not a substitute for national development priorities but rather a complement that enhances resilience, equity, and global solidarity. As such, it requires not only strategic alignment but also scalable financing solutions that leverage the comparative advantages of both DFIs and the private sector.

FINANCING OF GLOBAL PUBLIC GOODS

While global public goods (GPGs) benefit all of humanity, they are financed and delivered primarily at the national and regional levels. This creates a key implementation challenge: how do we translate global ambitions into locally executable and investable projects? There is an urgent need to bridge the financing gap through blended finance and other innovative instruments that draw in both development finance institutions (DFIs) and private capital. DFIs bring concessional capital, technical expertise, and a strong development mandate, while the private sector brings scale, agility, and balance sheet capacity. Aligning incentives between these actors is key to unlocking the multiplier effects necessary for GPGs. This initiative aligns with the UN’s Finance for Sustainable Development Report (April 2024) titled "Financing for Development at a Crossroads", which emphasizes seven key pillars:

- **Domestic Public Resource Mobilization:** Enhancing government revenue through effective taxation and policy reforms.
- **Private Sector Participation:** Engaging private capital and expertise to drive sustainable investments.
- **Development Cooperation:** Strengthening international collaboration among DFIs, MDBs, and donor agencies.
- **Debt Sustainability:** Promoting responsible borrowing and debt management strategies.
- **Trade as an Engine for Development:** Leveraging trade policies to drive sustainable economic growth.
- **Financial and Governance Systemic Issues:** Addressing regulatory challenges and improving governance frameworks.
- **Leveraging Technology and Innovation:** Utilizing digital solutions to enhance development outcomes.

ROLE OF DFIS AND MDBS

Development Finance Institutions (DFIs) and Multilateral Development Banks (MDBs) play a pivotal role in driving large-scale regional projects that are critical for achieving sustainable development goals (SDGs) and advancing Global Public Goods (GPG). Their strategic involvement in de-risking investments, providing concessional finance, and supporting innovative financing instruments is essential in addressing the complex challenges of regional integration and development. DFIs and MDB contribute through:

- **De-risking Investments**: DFIs and MDBs are uniquely positioned to absorb part of the risk in large, complex projects. By providing risk mitigation tools (such as guarantees or co-financing), they make it more attractive for private investors to participate in projects.

- **Providing Long-tenor, Concessional Finance**: For large-scale regional infrastructure and energy projects, DFIs and MDBs can offer concessional finance with long repayment periods.

- **Anchor Issuers or Sponsors for Innovative Financial Instruments**: DFIs and MDBs can serve as anchor issuers or sponsors for innovative financial products (such as green bonds or social impact bonds) that attract private capital.

- **Facilitating Project Preparation**: One of the critical challenges in regional integration projects is their complexity and the need for bankable proposals. DFIs and MDBs often provide project preparation facilities, offering technical expertise, advisory services, and early-stage financing to ensure that projects are well-designed and financially viable.

DFIs such as the DBSA serve as exemplary models in this context. Through the successful mobilization of **green bonds**, **syndicated loans**, and **thematic financing**, the DBSA has been able to support regional energy and infrastructure projects that not only contribute to the SDGs but also enhance the regional integration agenda. These financing mechanisms align with the GPG goals by addressing challenges such as energy access, climate change, and infrastructure development, ensuring that investments contribute to sustainable, inclusive growth.

REGIONAL INTEGRATION AS A GPG CATALYST

Africa's regional integration agenda plays a critical role in fostering Global Public Goods (GPG) by addressing challenges that transcend national borders. Projects under the African Continental Free Trade Area (AfCFTA) and regional corridor development, such as the North-South, Beira, and Maputo Corridors, exemplify this by driving progress on multiple Sustainable Development Goals (SDGs) while enhancing regional cooperation. These projects contribute to key GPG outcomes in the form of:

- **Food Security**: Improved transportation infrastructure facilitates cross-border trade, ensuring that food can move more freely and efficiently between countries. This not only stabilizes food prices but also strengthens resilience against regional food shortages, supporting SDG 2 (Zero Hunger).

- **Health Security**: Regional corridors enable better access to essential medical goods, including vaccines and health supplies. This improved logistics network ensures that countries are better equipped to respond to health crises, aligning with SDG 3 (Good Health and Well-Being).

- **Economic Stability**: By fostering increased intra-Africa trade, regional integration reduces supply chain vulnerabilities and dependence on external imports. This diversification strengthens economic resilience, contributing to SDG 8 (Decent Work and Economic Growth).

These projects, by their very nature, generate benefits that extend beyond national borders, making them prime candidates for public and private investments under the GPG framework. However, no single institution can drive this agenda alone. Governments, DFIs, MDBs, the private sector, and civil society each have a critical role to play in enabling cross-border infrastructure that advances inclusive development and delivers long-term public goods. Closer and more visible partnerships — through joint platforms for project preparation, de-risking, and investment alignment — are essential to achieve this vision.

From the DBSA's perspective, infrastructure is not only a driver of economic expansion but a key enabler of regional integration and GPG delivery. As a development finance institution committed to infrastructure-led development, DBSA is actively engaged in supporting the design, preparation, and financing of transboundary projects — from transport corridors and energy interconnectors to digital and water infrastructure.

Corridor-based investments present a unique opportunity to integrate multiple development priorities — including trade, climate resilience, public health, and food security — into scalable and bankable regional programs. These interventions not only deliver cross-border impact but also unlock crowding-in of capital by aligning infrastructure development with global sustainability outcomes.

NEXT STEPS AND BEYOND G20

As we look beyond South Africa's G20 Presidency, the imperative is clear: we must consolidate momentum and build a structured, collaborative platform for financing Global Public Goods (GPGs). To that end, we propose the following actionable steps:

- **Establish a G20-Endorsed Framework for GPGs**: This should include a shared definition, financing principles, and screening criteria for GPG-aligned investments. Such a framework would ensure consistency, accountability, and long-term alignment with the SDGs across countries and sectors.

- **Align GPG Investment Pipelines with SDG Delivery Priorities**: Development finance institutions, multilateral banks, and commercial banks should collaborate under G20 coordination to identify and co-develop bankable projects — especially those with regional impact — that directly address SDG and GPG-related gaps.
- **Invite Development Finance Partners of the G20 to Play a Visible, Collaborative Role**: The DBSA calls on its peer DFIs, MDBs, and commercial financial institutions to adopt a co-financing platform under the G20 framework — where we design and execute cross-border corridor investments that respond to the aspirations of people globally for a more inclusive and sustainable future.
- **Create a Results-Oriented Mechanism for Measuring Private Capital Multiplier Effects:** Through the G20, we can pilot and adopt common metrics to assess how public and concessional financing mobilises private capital for GPGs — ensuring transparency, replicability, and investor confidence.
- **Strengthen Technical and Financial Cooperation Between G20 and Non-G20 Countries**: This includes a structured dialogue and pooled investment vehicles aimed at addressing regional integration gaps, infrastructure bottlenecks, and financing inequalities — particularly in Africa and other developing regions in the world.

CONCLUSION

In closing – investing in Global Public Goods is not an act of charity, but a strategic investment in resilience, equity, and long-term global stability. It is a commitment to a future that is sustainable, inclusive, and secure for all.

And because we gather here united in the pursuit of development, we are not competitors. At the DBSA, we see all financiers — public, private, multilateral, and commercial — as partners. The complexity and scale of today's challenges demand that we move beyond narrow institutional boundaries and work collaboratively, with urgency and purpose.

On behalf of the DBSA, which has had the privilege of contributing to development-focused engagements under many South Africa's G20 Presidency working groups, including the Development Working Group, we echo the call for stronger and more visible partnerships among development finance institutions, multilateral development banks, and commercial financiers. We believe the time is ripe for the creation of joint platforms that focus on project preparation, risk mitigation, and coordinated investment — especially for initiatives that generate cross-border and regional benefits across the African continent and globally.

The DBSA remains fully committed to supporting this agenda well beyond South Africa's G20 chairship. We are open and ready to participate — in any form — in future presidencies, including through working groups focused on financing sustainable development. This mandate speaks directly to our institutional DNA and our commitment to long-term impact and inclusive growth.

Let us move forward together — not just to fund projects, but to build a shared and sustainable global future. Let us continue to collaborate boldly and intentionally. The DBSA stands ready to partner with all stakeholders to turn regional integration into a meaningful delivery mechanism for global public goods — one corridor, one region, one solution at a time.