



SOUTH AFRICA AND THE G20 IN A FRAGMENTED WORLD

Reflecting on topics for South Africa's G20 Presidency

BRIEFING NOTE
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INTRODUCTION

South Africa's G20 presidency comes at an important moment. To prepare effectively, the Policy and Research Services (PRS) branch of The Presidency partnered with the Policy Innovation Lab at Stellenbosch University to convene a dialogue with global experts on South Africa's G20 Presidency.

The dialogue brought together globally respected experts to explore how South Africa could navigate its G20 presidency amidst growing geopolitical fragmentation. Participants examined strategies to align South Africa's priorities with the G20's overarching mission, offering insights into the challenges and opportunities ahead.

The speakers at this event were Federico Bonaglia, Deputy Director at the OECD Development Centre; Pilar Garrido, Director of the OECD Development Co-operation Directorate; Sara Pantuliano, CEO of ODI Global; Elizabeth Sidiropoulos, CEO of SAIIA; and Alex Vines, Research Director for the Africa Programme at Chatham House.

This briefing summarises the key themes and recommendations arising from the dialogue.



A CONTEXT OF FRAGMENTATION AND RIVALRY

South Africa assumed the G20 presidency on 1 December 2024, becoming the first African nation to lead the forum.

This is an opportunity to influence global decision-making while championing a vision of solidarity, equality and sustainability. However, the global landscape is increasingly fractured. Geopolitical rivalries, economic instability, climate challenges and widening inequalities complicate the task ahead.

Speakers highlighted that great power competition could disrupt consensus-building. Concerns have been expressed about the possibility of a shift towards a less predictable US administration in the future, potentially adopting a more transactional approach to international cooperation. Such dynamics could present challenges to strengthening collaboration between South Africa and Washington, which is essential for fostering greater unity within the G20.



AN OPPORTUNITY FOR GLOBAL LEADERSHIP

The G20 is undergoing critical reforms in global financial systems, alongside increasing focus on sustainable development. South Africa has the chance to shape this trajectory.

Speakers agreed that South Africa could position itself as a pragmatic and inclusive leader, building on the legacies of India and Brazil, recent emerging market hosts of the G20. By advocating for an African perspective on global issues, South Africa can showcase the continent as a partner in solving global challenges, not merely a beneficiary of aid.



BALANCING REGIONAL AND GLOBAL AGENDAS

As the first African host of the G20 summit, South Africa has a platform to spotlight Africa's priorities, such as regional integration, industrialisation and removing systemic barriers to trade and investment. The African Union's full membership in the G20 strengthens this position, enabling alignment between regional and global agendas.

However, South Africa must also address global challenges, such as climate change and financial stability, while demonstrating Africa's capacity to contribute to global solutions. Striking this balance will be crucial to maintaining the G20's legitimacy and inclusivity under South Africa's leadership.



PRAGMATISM IN NEGOTIATIONS

A fragmented geopolitical landscape requires a pragmatic approach. Speakers emphasised the importance of focusing on achievable, broadly supported goals rather than overly ambitious proposals.

One innovative suggestion involved creating negotiation frameworks that allow progress without unanimous agreement on contentious issues. Engaging experienced Sherpas, particularly those familiar with challenging presidencies, will be critical.



ENSURING COST-EFFECTIVE DELIVERY

South Africa can learn from Brazil's streamlined approach, which focused on a few strategically located venues to reduce costs and logistical demands. By adopting a modest logistical framework, South Africa can allocate more resources to advancing substantive priorities.



TOPICS

Reforming Multilateral Development Banks (MDBs)

Reforming MDBs could be central to South Africa's agenda. Building on Brazil's MDB Roadmap, South Africa can push for expanding MDB lending capacities, improving governance to increase developing countries' representation, and integrating national development banks into MDB frameworks to harmonise standards and foster collaboration.

The February 2025 Finance in Common Summit in Cape Town offers an early opportunity to advance these reforms.

Promoting trade and industrialisation

Green industrialisation can drive sustainable growth, create jobs, and diversify economies. South Africa can push for policy flexibility to enable industrial transformation in developing countries while strengthening regional value chains through the African Continental Free Trade Area.

Tackling illicit financial flows (IFFs)

IFFs undermine fiscal sovereignty and exacerbate resource shortages in developing countries. South Africa has been a leading voice in this area and should use its presidency to promote transparency in financial transactions, including carbon markets and trade pricing, and strengthened global regulatory frameworks.

Addressing IFFs will help mobilise domestic resources and reduce dependence on external financing, aligning with broader development goals.

Championing climate financing

Achieving global climate goals requires innovative solutions. South Africa can advocate for mechanisms such as climate-debt swaps and nature-based financing, which align debt relief with environmental sustainability. Reforms in macroprudential regulations could also encourage private sector investment in sustainable projects.



CONCLUDING REMARKS

South Africa's G20 presidency is a historic moment to shape global governance and champion an agenda of solidarity, equality and sustainability. By focusing on pragmatic deliverables, fostering collaboration, and balancing regional and global priorities, South Africa can position itself as a leader in addressing pressing global challenges. Despite the complexities of a fragmented world, the presidency offers a transformative opportunity for Africa and the international community.