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Policy Brief

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Zoom Online Platform

SALO's Regional Civil Society Consultation on South Africa, the AU, and the G20

by Dr Tawanda Sachikonye, SALO Consultant

Speakers:

Ambassador Fébe Potgieter-Gqubule, Former Deputy Chief of Staff, AU
Commission, ANC Head of Policy and Research

Ambassador H.E. Xolisa Makaya, SA's Permanent Representative to the African
Union

Siviwe Rikhotso, Rosa Luxemburg Stiftung-Southern Africa

Alex Benkenstein, South African Institute of International Affairs (SAIIA) Programme
Head: Climate and Natural Resources Programme

Dr Gilad Isaacs, Executive Director at the Institute for Economic Justice (IEJ)

Ambassador Fébe Potgieter-Gqubule:



Provided a succinct and insightful overview of how the G20 operates. She described how the G20 Presidency (held by the country hosting the G20) plays a key role in “*determining the agenda of the [G20] Summit in a particular year*”. Furthermore, G20 engagement occurs at three main tiers: firstly, the Presidency (which facilitates the annual end-of-year G20 Summit); secondly, the Finance track; and thirdly, the Sherpa track. These three tiers of dialogue and consultation are then complemented by input and contributions from what Ambassador Potgieter-Gqubule termed “engagement groups” which encompass a broad and representative cross-section of civil society.

She went on to explain that recent and preceding G20 summits have been located and focused on the Global South. These have included summits in Indonesia, India and, currently, Brazil. Commenting on these summits, Ambassador Potgieter-Gqubule provided details of their thematic focuses, as well as the attendant priorities. She noted:

*“[The Summit in] Indonesia in 2022 under the theme, ‘**Recover Together, Recover Strongly**’. Of course, post-COVID, and the focus on a strong, inclusive and resilient global recovery and sustainable development that delivers jobs and growth. India last year [2023], ‘**One Earth, One Family, One Future**’, with a focus on the just energy transition, how it can contribute towards jobs, livelihoods and economic resilience, but making the point that no country should be forced to choose between fighting poverty and fighting for our planet ... Then, of course, Brazil this year in November, ‘**Building a Fair World and a Sustainable Planet**’. [Primarily focused on] those issues of inclusivity in the global system, as well as the challenges of climate change and*

a sustainable planet. Brazil has set three priorities: energy transition; fair, sustainable development, with emphasis on hunger; as well as poverty and inequality, [thereby] bringing to the forefront of the G20 the need for broader development issues and not just narrow macroeconomic issues”.

Ambassador Potgieter-Gqubule underlined a consistent issue which had underpinned all three summits pertaining to the reform of multilateral Bretton Woods Institutions such as the IMF and WTO.

The Ambassador explained that South Africa has consistently advocated for the “African Agenda”, as a core aspect of its foreign policy, and that this has been transmitted to South Africa’s advocacy within the G20 framework. She asserted:

“South Africa as the only African member of the G20 has always advocated for African issues and representation within the G20, and not just simply [its own] national interests”.

Ambassador Potgieter-Gqubule posited that the notion of the African Union as an official G20 member was formally proposed by President Ramaphosa in 2022. She went on to highlight how South Africa’s prioritisation of South-South cooperation and partnership is also reflected in its G20 engagement processes. However, she reiterated this is not a case of “either/or” in reference to South Africa having to choose between its Global South and Global North partners. This is because South Africa has also emphasised the importance of cooperation with the Global North as an important aspect of its international relations and foreign policy. The Ambassador provided the example of how South Africa, in the late 1990s and early 2000s, had championed the New Partnership for Africa’s Development (NEPAD) framework via its extensive cooperation with Global North partners in order to realise the operationalisation of NEPAD initiatives. South Africa has been at the forefront of strengthening and enhancing the AU, therefore the promotion of the AU and African concerns is an example of South Africa’s commitment to the African Agenda. Therefore, as she noted, South Africa is keen to support the AU’s effective integration into the G20 framework.

One of the key challenges South Africa will face when it hosts the G20 is to ensure what the Ambassador referred to as a “carry-over” of the issues which have been raised by fellow Global South compatriots, Indonesia, India and Brazil in preceding summits; to allow for continuity as the G20 moves back to the Western sphere in 2026. She presciently observed that next year, South Africa will have to highlight the Global South’s focus on climate, justice, public health, poverty, and digitisation, as opposed

to the Global North's emphasis on carbon emissions and investment (regarding development initiatives). In relation to the Global North's priorities, the Ambassador noted that the Global South still has to figure out issues of adaptation and infrastructure upgrading before addressing concerns related to carbon emissions.

A key point raised by Ambassador Potgieter-Gqubule was with regard to the SDGs, particularly as 2030 (set realisation date for the respective developmental goals) is a mere 5 years away as of 2025. This poses a moment for critical reflection on Africa's progress in terms of the realisation of the SDGs and what still needs to be done. The Ambassador stated:

"South Africa's hosting of the G20 also needs to take into consideration the fact that we will be five years from the end of the Sustainable Development Goals".

She underscored the importance of civil society in terms of the G20's processes and stressed that South African and African civil society should:

- ensure that South African and African issues are squarely placed on the G20 agenda;
- campaign for priority issues such as gender equality, food security and climate concerns;
- be actively involved in G20 deliberations, meaning that the Pan-African Parliament (PAP), the Economic, Social and Cultural Council (ECOSOCC), and NEPAD will have an important role during South Africa's G20 Presidency;
- enhance bonds with other G20 civil society actors, particularly around advocacy strategies.

The Ambassador went on to commend Brazil on how during its G20 Presidency it has diligently created an atmosphere where civil society groupings from think tanks to parliamentarians to NGOs can actively participate in G20 deliberations and contribute to the broader discussion. She concluded her presentation by propounding:

"... that the G20 certainly is a key part of our foreign policy approach as South Africa, but also part of the aspirations and objectives of the African Union. Part of the responsibility of those in government, civil society, and regional organisations is to ensure that we use these forums to better the lives of people of the Global South in general, but I think that more in particular, for African people. Now that the AU will be attending for the first time, and certainly, as the host, South Africa needs to ensure that the kind of issues that we put on the agenda, the kind of issues that we push for as government as well as civil society, indeed, make sure that we do create a better world".

Ambassador H.E. Xolisa Makaya:



Shared an insightful and revealing anecdote about how President Ramaphosa had felt until recently that South Africa was isolated as the only African G20 member. Therefore, the South African president felt that:

“... it was always cold for the South African delegation time South Africa attended the G20 meetings every because there was not a single African country that was part of those meetings”.

However, now that, as of 2023, the AU is a formal member of the G20, Ambassador Makaya believes that South Africa will feel more “warmth” in G20 meetings in light of the AU’s significant presence.

Ambassador Makaya asserted that as a consequence of the AU’s inclusion into the G20 framework, the African continent will be able to directly contribute towards international debates around global economic governance and development. He posited:

“The AU member states collectively have welcomed this seminal development and not only welcomed it but have committed themselves to contributing to the global economic discourse, addressing the challenges facing humanity. The admission of the AU as a permanent member of the G20 signifies the importance of the AU in the global arena”.

According to Ambassador Makaya, the AU’s main impetus and consideration in terms of joining the G20 is to:

“... solicit support for the implementation of the Agenda 2063 ... In this regard, with the G20 in particular, the AU’s strategic objective is to grow the African economy”.

The AU seeks to attain this strategic objective by leveraging the African Continental Free Trade Area (AfCFTA) and complementary objectives such as stimulating green industrialisation, increasing inter-African trade, and deepening continent-wide economic integration to *“achieve inclusive growth and sustainable development”*.

Ambassador Makaya provided an overview of how the AU will organise itself at the G20. He explained that within the G20 framework the AU’s representation will be spearheaded by:

- i) the Chair of the AU
- ii) the Chair of the AU Commission.

However, at the G20 ministerial meetings, the AU will be represented by technical committee heads. The Ambassador explained:

“At the technical ministerial meetings, colleagues would be aware that the AU has organised itself in terms of the specialised technical committees, whether it is a specialised technical committee on agriculture, trade, finance and so on. So, the Summit has resolved that the chairs of those specialised technical committees, assisted by the relevant commissioners, will then attend those meetings and speak on behalf of the AU”.

The AU G20 Sherpa is the current AU Commissioner for Economic Development, Trade, Tourism, Industry and Minerals (ETTIM)¹, whilst the AU G20 Sous-Sherpa will be appointed from Mauritania, the country which is currently Chairing the AU². The Ambassador emphasised that the AU, with a view to strengthening its G20 engagement, has decided to “establish knowledge partners”. He described these partners as:

“... Pan-African and UN institutions, including regional economic communities recognised by the AU, the AU agencies such as APRM, AUDA-NEPAD, and of relevance to this meeting, ECOSOCC. Of course, the United Nations Economic Commission for Africa will then form part of what we call the knowledge partners”.

¹ H.E. Ambassador Albert Muchanga.

² Dr Tah Ahmed Meouloud has been appointed the **G20 AU Sous Sherpa**. Dr Meouloud is the Advisor of the current AU President, H.E. Mr Mohamed Ould Cheikh AL-Ghazouani, President of the Islamic Republic of Mauritania.

The aforesaid “knowledge partners” will assist the AU with research capacity and knowledge-related tasks. Ambassador Makaya stated:

The role of the knowledge partners will be to carry out research on the issues that would then be discussed at the G20 and make recommendations to the AU. This is very important carrying out research on thematic issues and then making recommendations through ECOSOCC to the AU”.

The Ambassador indicated that ECOSOCC would be the AU’s main “interface” and contact with continental civil society. He stated:

“We are hoping that ECOSOCC leadership, which is based in Zambia, will then mobilise inputs from all civil society on the continent”.

He went on to caution:

“Unfortunately, it is only ECOSOCC that will interface with the AU. The AU is a member state-driven organisation, intergovernmental, so there are structures that have to be adhered to. So, ECOSOCC is one that would be playing that role”.

However, Ambassador Makaya also alluded that AU bodies such as the African Union Development Agency-NEPAD (AUDA-NEPAD), the African Peer Review Mechanism (APRM), and the AfCFTA Secretariat will also play a part in civil society engagement.

He highlighted that the South African government has been proactively engaging with the AU with regard to South Africa’s upcoming G20 Presidency. The Ambassador stated:

The South African government, mindful of the need for closer coordination, is in constant contact with the AU. South Africa has shared her experiences with the AU, and South Africa is looking forward to coordinating fully with the AU in pushing the agenda of the continent”.

Ambassador Makaya concluded his presentation by extolling civil society to actively engage with the G20 process. He proclaimed:

“We conclude, therefore, by indicating that civil society has a role to play. We encourage civil society to play its rightful role and advise, not only South Africa ... but advise the AU as a collective so that the AU makes a meaningful impact at the [G20 Summit]”.

Siviwe Rikhotso



Siviwe explained that Germany's Compact With Africa (CWA) G20 initiative was introduced in *"2017 under the German G20 Presidency with the intent of promoting and boosting private investment in Africa"*. He also provided a backdrop to the CWA regarding how it was conceptualised and formulated with concerns such as the significant levels of migration from Africa to Europe in mind. The idea is that ensuring the prosperity of African countries might be a means to directly address the issue of increasing migration from Africa. Siviwe posited:

"... there are some arguments as to the main reason why the Compact was initiated. The understanding here is that [at the time], the political context in Europe centred on immigration, and combating the cause and flight of migration was the 'elephant in the room' whenever discussions about economic development in Africa occurred".

The coordination of the CWA is "steered" by the G20 African Advisory Group (AAG), which is co-chaired by both Germany and South Africa *"along with multilateral finance institutions like the IMF, the World Bank Group and the African Development Bank"*. The CWA was essentially designed to facilitate economic reforms across the continent to attract and secure greater private-sector investment (primarily in terms of Foreign Direct Investment flows). As noted by Siviwe, the rationale was premised on the notion that reforms relating to macroeconomic policies and private-sector operations would attract increased levels of Foreign Direct Investment (FDI). Siviwe notes:

“The macroeconomic reforms stressed resilient macroeconomic policies with a focus on debt sustainability, investor-friendly domestic revenue mobilisation and sound public investment management, while reforms [oriented towards the private] sector were aimed at the reduction of risk through more reliable institutions and regulation, investor protection, insurance against political risk, better project preparation and standardised contracts”.

Reforms relating to the finance sector focused on reducing the cost and risk of providing finance especially via *“efficient risk mitigation instruments and domestic improvements in the areas of debt and institutional investor finance”*. Siviwe noted that there are currently 13 African countries which have formally signed up to the CWA, thereby consenting to the attendant reforms. These countries included Benin, Egypt, Ethiopia, Rwanda and Senegal. There is a noticeable dearth of SADC countries, as the DRC is the only SADC country which is a CWA member. Siviwe stated:

“Southern Africa seems to be missing in that equation, but there are other countries, like Angola, Kenya and Zambia, that displayed interest in joining the Compact, and I think in [2023] summit meetings on the Compact, countries like Nigeria also joined those meetings, displaying some interest to join the Compact”.

Early indications in terms of the performance of CWA formal members appear to show that the African countries that have signed up to the CWA have registered better economic indicators as compared to their continental counterparts. This was referred to by Siviwe when he remarked:

“The understanding is that CWA countries registered higher GDP growth rates and a surge in exports and foreign direct investment, with the latter being driven by investments in renewable energy in countries like Egypt and Morocco. CWA countries as a group had outperformed non-CWA countries in FDI, exports, domestic investments, and, as I said, GDP growth rates”.

However, it is still too early to conclusively or definitively evaluate the success of the CWA initiative. Although the initial findings seem to indicate the positive impact of CWA-related reforms. Siviwe explained:

“While it seems that the CWA countries are performing considerably well, it is difficult to prove that the reported economic growth in CWA countries is a direct result of the Compact reforms or due to other pre-existing programs”.

A key obstacle to the widespread adoption of the CWA and its related reforms relates to the lack of reform-minded champions who can effectively advocate for far-reaching

macroeconomic, private, and financial sector reforms. This is observed in that there appears to be an:

“... understanding that some countries in Africa are also suffering from the absence of reform culture custodians and institutions to the extent that it is difficult to initiate discussions and engagements about reforms when none of the institutions are strong enough to coordinate those processes”.

A key criticism of the CWA has been that it overlooks the importance of investments targeted at enhancing Africa’s key resource – human capital and the social infrastructure that is crucial to unlock the full potential of Africa’s youthful population. The CWA’s silence on key developmental aspects such as education and health is an oversight, particularly noting how they can be considered as *“essential complements to physical infrastructure and private investment”*.

The implementation and review of CWA-related programmes will require the broader participation of stakeholders other than the host governments, particularly with reference to key concerns such as human rights. Siviwe asserted:

“... it is important to mention that CWA investment guidelines have placed a significant burden on ensuring private investors’ observance of best practices and respect for human rights on host governments, rather than stakeholders at large, which include the private sector”.

Therefore, there is a critical and urgent role for civil society to play regarding the observance of human rights and ethical considerations in terms of CWA initiatives.

The CWA’s recommended policies also appear to have a largely orthodox orientation, which promotes typical liberalisation measures including: *“fiscal discipline, redirection of public expenditure, tax reform, financial liberalisation, elimination of barriers to FDI, privatisation of state-owned enterprises, deregulation of market entry and competition”*. This raises questions about the CWA’s complementarity with African countries’ developmental agendas and priorities. Siviwe spotlighted this issue when he stated:

“The [CWA] agenda itself does not adequately reflect major African challenges such as the lack of jobs, poverty, insufficiently integrated economies, as well as low levels of industrialisation. This is when some of the recommendations [were put forward underscoring that the] CWA itself and its frameworks and agendas need to align with the developmental agendas of the SDGs and the AU 2063 Agenda. That will allow ... host governments to effectively address their developmental issues as they occur on the ground”.

Furthermore, more work will need to be done to ensure that there is efficient and representative coordination of CWA-related policies at the national level. This is especially in reference to coordination between the private sector and host governments without also forgetting the importance of broader civil society participation in the process.

Alex Benkenstein:



Alex noted that SAIIA has been significantly involved with engagement around the G20 for an extended period over the preceding years. SAIIA is currently part of the Think 20 (T20) grouping which is supporting Brazil's G20 Presidency. The T20 is a formal G20 grouping of think tanks and research institutions, which seeks to support G20 policy processes. SAIIA has been *“formally invited to form part of the secretariat of the T20 under the South African G20 Presidency”*.

Alex posited that the G20's directive has expanded over the years from its initial mandate premised on effectively dealing with financial crises. He stated that *“one of the challenges when engaging with the G20 is precisely how broad and complex the agenda [has become]”*. A key aspect of the G20's contemporary priorities relates to the key “bridging role” the institution plays in terms of North-South dialogue.

South Africa's imminent G20 Presidency provides a unique opportunity for South Africa to consolidate the "Global South Agenda" before the G20 heads back into the cycle of Global North G20 presidencies. The United States is expected to hold the G20 Presidency in 2026.

Alex explained that it is important for NGOs and broader civil society to understand that there are two main G20 'tracks'. These are the *finance* and *sherpa* tracks, respectively; the former is coordinated by the South African Treasury (Ministry of Finance and the South African Reserve Bank), whilst the latter is overseen by the Department of International Relations and Cooperation (DIRCO). From these two dual dialogue tracks, G20 processes and initiatives are organised and divided into particular "working groups". For the finance track, there are 7 working groups, whilst the sherpa track is comprised of 15 working groups. However, these working groups are further broken down into either special initiative or task force groups. An example would be the task force group focused on climate change concerns.

Alex emphasised that the G20 does not have a permanent secretariat. Therefore, it is important for G20 host countries to maintain the momentum from prior G20 presidencies with respect to urgent or key agendas. The T20 is the most focused body within the G20 with regard to policy influence and tracking; it is comprised of knowledge or research-based academic and civil society stakeholders. The Civil 20 (C20) is also another notable civil society body within the G20, and it primarily focuses on connecting or linking grassroots civil society at the local and community levels to broader G20 processes. The task force groups, according to Alex, might serve as potential "entry points" through which NGOs can advocate for particular issues, with a view that such issues can be ultimately placed onto the G20 agenda.

Brazil's G20 and T20 webpages and interactive interface are very "well structured", therefore it is crucial for South Africa to develop a similarly efficient, accessible, as well as informative web portal during its G20 Presidency. Alex stated that the South African government seeks to ensure a significant measure of continuity and momentum from Brazil's G20 Presidency. He went on to elucidate that South Africa will have two main pillars which will underpin its G20 approach:

- i) Pillar 1: premised on the Global South Agenda and continuity from Brazil's G20 presidency.

- ii) Pillar 2: the African Union's priorities, as informed by South Africa's commitment to the African Agenda.
- iii) Pillar 3: South Africa's unique G20 thematic concerns and issues (which it wishes to champion).

Dr Gilad Isaacs



Dr Isaacs explained that the Institute for Economic Justice (IEJ) is involved in the C20 (under the Brazilian G20 Presidency) via its leadership body. Furthermore, the IEJ provides support to the Sherpa's team within DIRCO, in preparation for South Africa's upcoming G20 Presidency.

Dr Isaacs correctly anticipated that the South African government would adopt "solidarity, equity [as in addressing inequality] and sustainable development" as South Africa's G20 Presidency themes and priority areas. With regards to the AU's priorities, Dr Isaacs referred to the six priority areas listed at the 37th African Union Summit (held 18-19 February 2024). He noted:

*"The 37th AU Summit has come out with a set of priority areas. These **six areas** are:*

- *accelerating the implementation of the AU Agenda 2063,*
- *intensifying advocacy on the reform of the international financial architecture and debt restructuring,*
- *increasing agricultural outputs towards food security,*
- *advocating for the energy transition,*
- *enhancing trade,*
- *and improving credit ratings”.*

Dr Isaacs argued that South Africa might find it constructive to use its G20 Presidency to advocate for issues pertaining to improved representation of Global South countries within International Financial Institutions (IFIs) such as the World Bank and IMF; as well as a possible reform of the quota system in bodies such as the IMF. The G20 has initiated the Common Framework aimed at restructuring debt (primarily in what the G20 has termed low-income countries). African countries such as Zambia, Ghana and Ethiopia have signed up for the Common Framework initiative as a means of addressing their debt challenges. However, according to Dr Isaacs, the Common Framework does not seem to be adequately and effectively addressing the needs of developing countries. The AU has proposed recommendations relating to how the Common Framework operates. Dr Isaacs asserted:

“The AU, for instance, has proposed some high-level principles for the reformulation of [the Common Framework] and this is a potentially very important area for the upcoming presidency”.

Dr Isaacs highlighted key areas which South Africa and the AU could jointly advocate for during South Africa’s G20 Presidency. These include:

- ‘rechannelling’ of Special Drawing Rights to developing countries that are in urgent need of development finance, the rechannelling could be facilitated via development-oriented multilateral institutions such as the African Development Bank (AfDB).
- advocating for the G20’s prior proposal to provide increased funding for infrastructure, energy, and various socioeconomic needs. Particularly noting that *“there was a big push a few years ago within the G20 to have so-called bigger, better and bolder multilateral development banks. The initial projection was that this could see an extra \$500 billion US dollars mobilised annually by 2030”*. However, ministerial meetings during Brazil’s G20 Presidency indicate

that there has been a scaling back of proposed development funds as the revised target is approximately “\$357 billion between now and 2030”.

- mitigation of illicit financial flows from African countries. This urgently needs more attention
- realisation of a global redistributive tax, which gained traction during Brazil’s G20 Presidency. Such a tax could be used to potentially “finance climate transitions”. There is an interface between the G20 and the UN Global Tax Convention, and it might be in South Africa and the AU’s interest to secure broader G20 support for this.

Dr Isaacs concluded his presentation by highlighting some key “strategic considerations”:

“The first is that we should be engaging to support the capacity of the AU and the South African government to drive these issues forward. The second is that there is a need to secure alignment between the AU priorities and South African ones, in particular, to secure the ambition of the National Treasury to advance some of these topics”.

Key Policy Recommendations

- 1) South Africa’s G20 Presidency is highly important in that it provides **an opportunity to consolidate** the Global South’s (including Africa) coalescing agenda and priorities over the last eight years, especially as the G20 Presidency will be held by the US in 2026, thereby potentially marking a new cycle of the G20. Therefore, it is important for South African and African policymakers, as well as civil society, to ensure that they balance African interests with those of other emerging and developing countries, particularly noting the support for African issues over the last decade or so by states such as South Korea, China, Indonesia, India and Brazil.
- 2) There is a **fundamental role for the (Pan) African private sector** to play in terms of addressing a number of the challenges both South Africa and AU are engaging the G20 around. South Africa’s G20 Presidency must prioritise the participation and engagement of African business stakeholders, especially as they have a key role to play in terms of pressing priorities such as human capital

investments, infrastructure development, and alleviation of Africa's debt dependency.

3) The **Civil 20, Social 20 and Think 20 will be crucial to the success** of South Africa's G20, noting the key role(s) they play in:

- canvassing civil society and non-state actors' concerns,
- consolidation of the aforesaid concerns,
- provision of critical knowledge,
- and promotion of greater representation (in terms of non-state actors).

In this sense, the C20, S20, and T20 are integral for bridging *"the gap between the on-the-ground lived realities"* and formal G20 processes, including the identification and objective analysis of G20 initiatives and policy priorities. However, there needs to be clear clarification of the C20 and S20's respective roles and responsibilities.

The analysis and recommendations included in this brief do not necessarily reflect the view of SALO or any of the donors or conference participants, but rather draw upon the major strands of discussion put forward at the event. Participants neither reviewed nor approved this document. The contents of the report are the sole responsibility of SALO and can under no circumstances be regarded as reflecting the position of the donors who provided financial assistance for this policy dialogue session.

About the Southern African Liaison Office:



The Southern African Liaison Office (SALO) is a South African-based not-for-profit civil society organisation which, through advocacy, dialogue, policy consensus and in-depth research and analysis, influences the current thinking and debates on foreign policy especially regarding African crises and conflicts.

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