

Cover Story

THE G20 IN SOUTH AFRICA: OUTCOMES AND ASSESSMENT

The 2025 G20 Summit under South Africa's presidency marked a pivotal moment in contemporary multilateralism, highlighting Africa's growing role in global governance. Building on successive Global South presidencies, the summit foregrounded debt distress, climate vulnerability, and critical mineral governance within a fragmented geopolitical context. While the adoption of a leaders' declaration demonstrated diplomatic success, outcomes remained largely incremental, with limited structural reform in global financial and trade architectures. The summit exposed a key paradox, normative recognition of developing country concerns without substantive redistribution. Ultimately, it underscored both the persistence of multilateralism and the need for deeper institutional transformation to address systemic inequalities.

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Introduction

The G20 Summit held on 22–23 November 2025 under the presidency of South Africa marked a significant moment in the evolution of contemporary multilateralism. As the first African country to host the G20, it also concluded an unprecedented sequence of Global South presidencies Indonesia (2022), India (2023), Brazil (2024), and South Africa (2025). This continuity elevated the visibility of Southern developmental concerns within a forum traditionally shaped by advanced industrial powers. South Africa's G20 presidency carried both symbolic and substantive significance: symbolically, it reflected Africa's enhanced institutional presence following the African Union's inclusion as a permanent G20 member; substantively, it offered an opportunity to consolidate the developmental and reform-oriented agenda advanced by earlier Global South presidencies.

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Held under the theme “Solidarity, Equality and Sustainability,” the summit foregrounded issues of distributive justice, developmental asymmetries, and climate vulnerability. These priorities unfolded within a deeply fractured global context shaped by the Russia–Ukraine war, the Gaza conflict, intensifying U.S.–China rivalry, mounting debt distress, climate-related disruptions, and widening inequality. Unlike the relatively cohesive period following the 2008 global financial crisis, the current geopolitical environment is marked by contestation, making consensus increasingly difficult within multilateral forums.

This fragmentation was reflected in the absence of several major leaders, including those from the United States, China, and Russia.¹ Yet, despite these constraints, the South African presidency secured a leaders’ declaration, demonstrating notable diplomatic management.² The summit thus highlighted a central paradox of contemporary multilateralism: while geopolitical divisions are deepening, institutional forums continue to endure as necessary platforms for negotiation, signalling, and limited coordination. Against this backdrop, South Africa advanced four key priorities, each closely aligned with Africa’s developmental needs and long-standing structural constraints.

Debt and Climate-Energy Resilience: Closing the Reform Gap

Among the most pressing priorities advanced by South Africa during its G20 presidency was debt sustainability, particularly for low-income and vulnerable economies, many of them in Africa. The urgency of this issue cannot be overstated. Africa’s external debt has crossed approximately US\$1.3 trillion, with nearly 40 percent owed to private creditors. Africa carries a relatively small share of global public debt less than 2 per cent despite being one of the regions most affected by debt vulnerabilities. However, this aggregate figure masks the severity of the burden at the country level. A significant proportion of African economies face elevated debt stress, with 23 countries in the region recording public debt levels above 60 per cent of GDP.³ Over the past decade, the composition of debt has shifted from concessional multilateral lending to commercial instruments such as Eurobonds, syndicated loans, and market-based financing. This structural shift has significantly increased borrowing costs and exposure to global interest rate volatility.

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Several interconnected factors have driven the current debt distress. First, many African economies remain heavily dependent on commodity exports. Revenue volatility caused by fluctuating global prices generates recurrent fiscal gaps, compelling governments to borrow at increasingly high rates. Second, the transition from Paris Club and multilateral financing toward private creditors, often hedge funds, pension funds, and asset managers has complicated restructuring efforts. Unlike traditional sovereign lenders, private bondholders are less amenable to coordinated relief mechanisms.⁴

African governments collectively spend ~ US\$90 billion annually on debt servicing alone, constraining investment in health, education, infrastructure and climate adaptation.

restructuring processes have exposed the inefficiency of current mechanisms. Zambia's drawn-out restructuring negotiations serve as a case in point.⁶

The South African declaration acknowledged debt as a structural constraint on development and endorsed instruments such as crisis resilience clauses and debt-for-climate swaps.

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Climate and energy resilience formed the other major pillar of the presidency. Africa contributes less than 4 percent of global greenhouse gas emissions yet bears a disproportionate burden of climate impacts droughts, floods, cyclones and food insecurity. The continent requires an estimated billion US\$143 to \$277 billion annually for mitigation and adaptation but receives only a fraction of that amount in climate finance.⁹

The declaration reaffirmed commitments to triple global renewable energy capacity, double energy efficiency gains, and support biodiversity frameworks such as the Kunming-Montreal Global Biodiversity Framework. Notably, it gave greater visibility to "loss and damage" financing, a long-standing demand of developing countries. However, once again, the financing architecture remained underspecified. Without predictable and scaled-up financial flows, climate commitments risk remaining rhetorical. The debt-climate nexus further complicates the picture. Climate shocks deepen fiscal vulnerabilities, while debt distress constrains adaptation capacity. Addressing one without reforming the other produces limited impact. South Africa's presidency succeeded in placing both issues centrally on the G20 agenda, but structural transformation of the global financial architecture remains elusive. The summit thus reflected a pattern of normative recognition without commensurate redistribution.

Africa's Resource Opportunity and Structural Risks

One of the more distinctive features of South Africa's G20 presidency was its attempt to connect critical minerals, industrialisation and resilience within a broader developmental framework. This was important because the current global transition toward green energy, digital technologies and advanced manufacturing has sharply increased demand for minerals such as cobalt, lithium, manganese, copper, graphite and rare earth elements. Africa occupies a central place in this emerging political economy. The continent holds nearly 30 percent of the world's known critical mineral reserves, making it indispensable to future supply chains.

Yet resource abundance has rarely translated into structural transformation in Africa. Historically, African economies have remained locked into the export of raw materials with limited domestic beneficiation, weak technological transfer and poor value addition. South Africa sought to address this challenge by pushing the G20 to acknowledge that producer countries must not remain mere extraction zones in the global green transition. The declaration recognised the developmental potential of critical minerals and introduced a voluntary framework that emphasised transparency, producer-country rights and community-centred governance. This was significant because it signalled a departure from viewing minerals only through the lens of supply security for advanced economies.

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However, the limitations are equally clear. The framework is non-binding, and its language remains general. It does not create enforceable obligations on technology sharing, local processing, downstream value addition or industrial finance. As a result, the risk remains that the present scramble for critical minerals may simply reproduce the older extractive model in a greener form. In this sense, South Africa's emphasis on industrialisation was politically important. Indeed, this was perhaps the first G20 summit to refer to industrialisation so explicitly. But the problem, as raised in the discussion around the summit, is that industrialisation cannot be achieved merely by naming it.

The central structural issue is that much of the Global South lacks the necessary policy space for industrialisation. Existing trade and investment rules through disciplines related to subsidies, local content requirements, technology transfer and investor-state dispute settlement limit the very tools that today's advanced economies historically used to industrialise. In practice, this means that while developed countries increasingly pursue state-led industrial strategies, as seen in measures such as the U.S. Inflation Reduction Act and CHIPS Act, developing countries are often expected to remain bound by restrictive rules inherited from the neoliberal era.¹⁰ This contradiction is why South Africa missed an opportunity to more emphatically revive elements of a New International Economic Order framework. Without reforming the global economic architecture, calls for African industrialisation risk becoming rhetorical.

This concern is reinforced by the enduring danger of Dutch disease. African economies have repeatedly experienced boom-and-bust cycles tied to commodities oil in Nigeria and Angola, copper in Zambia and the DRC, cocoa in Ghana and Côte d'Ivoire, and gas in Mozambique. Heavy dependence on one or two export sectors often generates currency appreciation, weakens manufacturing competitiveness and entrenches resource-led specialisation.¹¹ Critical minerals could become another chapter in this pattern unless they are integrated into broader industrial policy.

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South Africa also advanced disaster resilience and response as a priority, linking climate vulnerability to development and state capacity. The declaration's stronger language on early warning systems, post-disaster reconstruction, and loss-and-damage support was meaningful, especially for vulnerable African economies. Yet here too, the key deficit is financing. Resilience cannot be built through declarations alone. Thus, South Africa's presidency succeeded in reframing the developmental debate, but whether that reframing produces structural change remains uncertain.

India's Role, U.S. Uncertainty, and the Future of the G20

India's interventions during the South African summit reinforced its positioning as a bridge between the Global North and the Global South.

India's interventions during the South African summit reinforced its positioning as a bridge between the Global North and the Global South. Prime Minister Narendra Modi's six-point agenda including emphasis on Africa's inclusion, traditional knowledge systems, health cooperation, satellite data sharing, the link between terrorism and illicit financing, and critical minerals expanded the developmental lens of the G20. India's support for initiatives such as the International Solar Alliance and disaster-resilient infrastructure frameworks further illustrated how emerging powers can provide institutional anchors for Global South priorities.¹² In an environment marked by absenteeism from major powers, India's presence acquired greater symbolic weight, reinforcing its claim to constructive leadership within multilateral settings.

The most consequential uncertainty, however, concerns the forthcoming U.S. presidency. The tensions between Washington and Pretoria exacerbated by disagreements over geopolitical alignments, trade arrangements such as AGOA, and diplomatic signalling raise questions about how the United States will handle both procedural norms and substantive commitments. Public statements suggesting that South Africa might not be invited to the next summit introduce a troubling precedent.¹³ The G20 operates without veto powers and is formally based on consensus and equality among members. If a presidency were to unilaterally determine participation or reshape the forum around narrow bilateral agendas, it could erode the institution's foundational norms.

The broader structural concern is that multilateral forums are increasingly becoming arenas where geopolitical rivalry is projected rather than resolved. If major powers selectively engage, withdraw from climate frameworks, or instrumentalise summit platforms for bilateral leverage, the G20's ability to address systemic challenges debt, climate finance, supply chain fragmentation will diminish. For developing countries, especially in Africa, this would be consequential. Without coordinated global action, issues such as debt restructuring, equitable climate finance, and fair mineral value chains cannot be addressed through unilateral efforts alone.

Yet crisis can also create opportunity. The relative leadership vacuum within certain multilateral structures allows emerging powers greater scope to shape discourse. India, in particular, has consistently articulated its identity as a "bridge" between the West and the Global South. If managed carefully, this bridging role can help stabilise institutional continuity during periods of major power tension.

In conclusion, the South African G20 presidency achieved notable diplomatic success in securing consensus amid fragmentation and foregrounding African developmental concerns. However, structural reform of the global economic order remains incomplete. The forum now enters a delicate phase under U.S. stewardship. Whether the G20 evolves as an inclusive platform for coordinated economic governance or drifts further into geopolitical fragmentation will depend on the willingness of its leading members to prioritise collective stability over competitive signalling.

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 - ² G20 South Africa. 2025. *G20 Johannesburg Leaders' Declaration*. 22 November 2025. <https://www.g20.org.za/wp-content/uploads/2025/11/2025-G20-Summit-Declaration.pdf> (Accessed 19 December 2025)
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