



RECOMMENDATIONS

- The AU Commission should seek a mandate to operate as co-ordinating secretariat for the preparation of African positions on G-20 agenda items, drawing on other African institutions and the research community to inform those African representatives invited to the G-20 and using material fed directly into the preparatory processes by the AU Commission.
- Based on the success in preparing an African common position on aid effectiveness, a similar mechanism could be considered under the AU Commission. This could include broad-based consultation with stakeholders to draw on existing research and ensure co-ordination with relevant African plans and initiatives.
- South Africa should continue to work with the G-20 in outreach activities to other African countries on the agenda of the group, in particular those with a direct development impact. Lessons from BRICS' 2013 outreach to Africa are relevant, including on the timing of consultations and their impact on the agenda.

The G-20 and Development: Ensuring Greater African Participation

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EXECUTIVE SUMMARY

Although South Africa is the only African permanent member of the G-20 group of major economies, the G-20 regularly invites the chair of the African Union (AU) and a representative of the New Partnership for Africa's Development (NEPAD) – usually the chair of the Heads of State and Government Orientation Committee – to attend its meetings. So far their participation has been limited largely to attendance at G-20 Summits and they have made few contributions to other G-20 processes, including preparatory steps on the so-called sherpa and finance tracks. The G-20 agenda unquestionably has an impact on policies relevant to Africa's economic development. It is therefore important that Africa adopts a sustainable approach that will enable it to participate effectively in the workings of the group. It would be useful to define a clear role for the AU Commission in enhancing support for and co-ordination of African participation in the G-20. The method used to prepare Africa's common position on aid effectiveness could provide lessons in this regard. South Africa also set a useful precedent for engaging with other African countries during its hosting of the BRICS Summit in 2013.

G-20 DEVELOPMENT AGENDA

Detailed analysis of the G-20 agenda² shows that many issues under discussion in both the sherpa and finance tracks are relevant to Africa's development. These include specific references to regional integration, infrastructure financing and remittances that appear in the work of the G-20 Development Working Group. There is potential for the G-20 to assist Africa in achieving its development objectives, including those set

out in the AU's Agenda 2063.³ The G-20 agenda provides an opportunity to improve co-ordination among those of its members that have significant investment and development programmes in Africa.

South Africa's priorities on the G-20 agenda also provide some indication of issues relevant to Africa. These include infrastructure investment, tax and domestic resource mobilisation, sustainable development financing and the reform of global financial institutions. South Africa has acted as a leading G-20 member in several such areas, co-chairing the Development Working Group, the Working Group on International Monetary Fund (IMF) Reform, and arranging more informal discussions, such as those with France on sustainable debt levels.

African involvement with the G-20 can be broadly grouped into three areas: structure and representation; substantive focus; and performance. This policy briefing deals mainly with the first of these by considering ways in which Africa can improve its interactions with the G-20. In the other two areas there is significant overlap between African priorities and the focus of the G-20. Africa is of interest to the G-20 as an increasingly important pole of global growth. That does not, however, mean that G-20 commitments necessarily reflect all of Africa's priorities, a notable example being the development agenda aimed at industrialisation and increased productivity on the continent. It is important to keep expectations of the potential G-20 contribution to Africa's development at a realistic level. The G-20 struggles to achieve full implementation of its existing commitments and its real impact on the lives of Africans is questionable. That said, the group appears to be here to stay (at least in the short term) and therefore warrants greater attention from Africa.

G-20 MEMBERSHIP AND AFRICA

South Africa is a founder member of the G-20 and the only African permanent member of the group, despite its not being among the world's largest 20 economies and having been overtaken as Africa's biggest economy by Nigeria. While

South Africa is an active and generally well-respected G-20 member, its status as the sole African representative is unsatisfactory. Thanks to an approach adopted under its 2010 Korean chairmanship, since that year the chair of the AU (held by Mauritania in 2014) and a representative of NEPAD, usually the chair of the Heads of State and Government Orientation Committee, have been invited to participate in the G-20. This has seen five guests invited each year at the discretion of the G-20 chair; in recognition of the inadequacy of African representation in the group, for the past five years two of the five guests have been African.

The South African government has no mandate to represent the broader concerns of the African continent in the G-20, but it is active in pursuing opportunities to liaise with its neighbours on agenda issues of particular interest to the continent. For example, it has held briefing sessions for AU missions in Addis Ababa and sought to have the G-20 added as an agenda item for the African caucus of the board of governors of the African Development Bank (AfDB). Since 2011 the South African government has also participated in meetings with African researchers and think-tanks working on global economic governance.

AFRICAN PARTICIPATION IN THE G-20

Both South Africa and the UN Economic Commission for Africa (UNECA)⁴ have acknowledged that co-ordinating African representation at G-20 meetings has proved challenging. The recourse has been for South Africa and other participating African countries to meet informally at the margins of G-20 heads of state summits. One reason for this has been the high rotation of AU and NEPAD representatives. Given the consequent interrupted representation, even a seat at the table for two additional African participants has little impact and does not offer an effectively co-ordinated African voice.

The informal nature of the arrangement for AU and NEPAD participation is a continuing concern. It provides no incentive for putting in place

concrete, long-term co-ordination mechanisms for Africa's participation when compared, for example, with the recognition accorded the European Commission as a fully fledged G-20 member, as against the AU's observer status. The result is that South Africa to a certain extent has been saddled with a dual role in the G-20, taking on the burden of providing an African voice on certain issues as well as representing its own interests. This situation is far from ideal from both a mandating and a capacity perspective.

There has been some response from Africa to the challenge of effective participation in the G-20. For example, the creation in 2008 of the 'Committee of 10' group of African finance ministers and central bank governors was designed to promote information-sharing on the G-20 finance track between members of this small group. The AfDB and UNECA have also been invited to take part in a number of G-20 activities, in part by offering research and recommendations on the impact of particular initiatives on Africa. In 2014, dedicated regional consultations on the tax reform agenda of the G-20 included an African process.

LESSONS FROM AFRICAN CO-ORDINATION ON AID EFFECTIVENESS AND BRICS OUTREACH

In the lead-up to the 2011 Busan Fourth High Level Forum on Aid Effectiveness, African countries for the first time arrived at a common position on aid effectiveness and development. The so-called 'consensus position' was the result of extensive consultations culminating in a meeting in Addis Ababa in September 2011 held under AU auspices.⁵ The process involved the AU Commission, the NEPAD Agency, the UN Development Programme, UNECA, AU member states, civil society organisations and parliamentarians. The resultant position paper formed the basis for the African approach to the Busan negotiations and enabled the continent to present a co-ordinated front; having invested time and effort to prepare thoroughly for Busan, Africa was able to play a more effective role in

the discussions and see aspects of its common position reflected in the final outcomes.

Another relevant example of lessons that could be learned for G-20 participation is the African outreach undertaken by the BRICS group of countries when South Africa hosted its 2013 Summit in Durban; an initiative that enabled South Africa to align its position as a member of BRICS with the priority placed on its role as an African country. It was an opportunity for South Africa to share information about the BRICS agenda with its African colleagues and to learn of their specific issues of interest, such as infrastructure development. It defused possible tensions attending South Africa's position and constituted an informal mechanism that overcame problems of mandating and representation.

South Africa could consider more such outreach activities as part of its participation in the G-20. Efforts are already under way by South Africa to secure regular briefing slots at AU and AfDB meetings. In 2014 South Africa also worked closely with Australia (then holding the G-20 chair) to engage with other African countries through their missions in Addis Ababa and at events such as the IMF Africa Rising Conference in Mozambique.

There have been a number of other initiatives aimed at enhancing policy co-ordination in Africa that are relevant to the G-20, including the G-20 Financial Stability Board regional outreach efforts and the co-ordination of the African position on the post-2015 development agenda. These are worth further consideration for the possible lessons they hold that might foster effective G-20 participation.

INCREASING AFRICA'S VOICE IN THE G-20

Opportunities exist for African countries to be better represented at the G-20, but so far these have not been utilised effectively. To do so will involve dedicating some resources and developing high-quality human capacity for participation in the discussions. Some of the present capacity gaps could be addressed through the following activities.

- Collecting information about relevant issues on the G-20 agenda, developing an understanding about them among key players, and preparing clear African positions in line with the continent's overall development objectives.
- Co-ordinating African delegations participating in G-20 events. For example, at the Cannes Summit in 2011 the three African participants agreed on a designated speaker from the group who would put forward the broad views of the continent.
- Support for African representatives during the negotiating processes of the G-20 to promote their greater involvement in agenda setting and to have an impact on final outcomes in areas of priority interest.
- Continuous monitoring of the implementation of key G-20 commitments directly relevant to Africa, in order to ensure that their impact is assessed and to maintain pressure to achieve tangible results.

Exactly who should be responsible for these tasks in Africa is an important question. South Africa cannot do this on its own, given that it must first consider its own national interests and also that it has no official mandate from other African countries to play a broader role within the G-20. At a continental level the first, best solution would be for a designated secretariat or small unit within the AU Commission. This team could work closely with other African institutions that participate in G-20 activities – such as the AfDB and UNECA – and co-ordinate outreach and consultation with a range of stakeholders, including business, civil society and academics. It could draw on the work of African researchers and think tanks in order to bolster capacity to engage on the G-20 agenda, a process in which organisations such as the African Capacity Building Foundation can help. The secretariat would be responsible for briefing the AU and NEPAD representatives who attend G-20 summits and would ideally be designated to represent them

in the preparatory and working group meetings that take place in the lead up to the summits. Such an approach would be further bolstered if the AU Commission chair were to be invited to attend the G-20 as of right.

Although there are acknowledged capacity challenges within the AU Commission it is well placed to provide support at the global level for continental participation in a forum such as the G-20. It has access to the views of its membership and a proven track record in developing common agendas on key development issues. The AU is the recognised voice of the continent and is therefore mandated to pursue initiatives in support of priorities agreed by its members, such as those set out in Agenda 2063. With effective support from South Africa and other African institutions that are already engaging with the G-20, a G-20 co-ordinating unit within the AU Commission could prove a concrete step forward in improving the level of participation of Africa in global economic governance.

ENDNOTES

- 1 Professor Emmanuel Nnadozie is Executive Secretary of the African Capacity Building Foundation in Harare, Zimbabwe. Catherine Grant Makokera is a Research Associate of the South African Institute of International Affairs.
- 2 Bradlow D, 'The G-20 and Africa: A Critical Assessment', Occasional Paper 145. Johannesburg: South African Institute of International Affairs, 2013.
- 3 See AU 'Agenda 2063: The Africa We Want', http://agenda2063.au.int/en/sites/default/files/agenda2063_popular_version_05092014_EN.pdf.
- 4 Presentation by South African National Treasury representative and former UNECA official. Briefing session, SAIIA, Kigali, Rwanda, 21 May 2014.
- 5 See NEPAD, 'African leaders agree a common position on aid, development', <http://www.nepad.org/crosscuttingissues/news/2492/african-leaders-agree-common-position-aid-development>.

The Economic Diplomacy Programme is funded by the UK Department for International Development SAIIA gratefully acknowledges this support.

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