

# G20 Africa Engagement Framework (AEF)

& AU G20 Continental Steering Mechanism

*Structure · Thematic Pillars · Stakeholder Collaboration*



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# Africa's Context: Why now?



**70%**

of sub-Saharan Africans  
are under 30



**2.5B**

projected population  
by 2050 (25% of world)



**\$200B**

annual financing gap  
for SDG infrastructure

## ◆ Opportunities

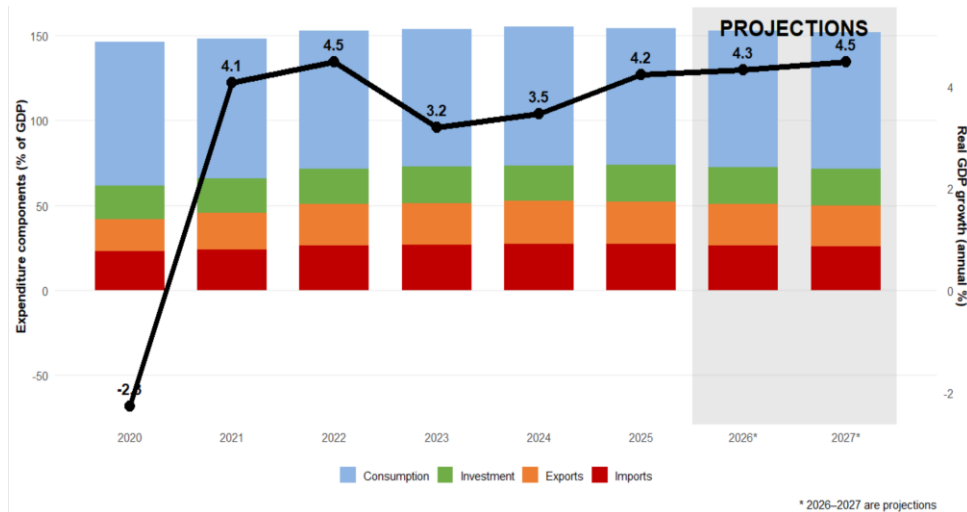
Demographic dividend • AfCFTA trade integration  
• Agenda 2063 targets (7% growth) • Critical minerals

## ◆ Impediments

Fiscal constraints • High debt servicing costs •  
\$100B annual infrastructure gap • Climate shocks

# Africa's Macroeconomic Outlook : Strong Foundations for Future Growth

Figure 1 : Africa Growth Performance and Demand-Side Composition, 2020-2027



Source: AUC staff using data from AFDB

**Africa's economic fundamentals remain strong; a coordinated Africa Engagement Framework can help unlock the continent's full growth and investment potential.**

- Africa's growth has rebounded strongly since the pandemic and is expected to remain resilient despite global uncertainty.
- Rising consumption, driven by demographic growth and urbanisation, continues to support economic expansion.
- Investment in infrastructure, energy and digitalisation is increasing, creating new opportunities for regional integration.
- Strong demand for Africa's natural resources and growing markets supports long-term growth prospects.

# What Is the Africa Engagement Framework?

*A structured, medium-term G20 Finance Track framework to engage with and support African countries from 2025 to 2030, proposed under the South African G20 Presidency and designed to be carried forward by successive G20 Presidencies.*



## **Time-Bound**

Multi-year framework  
2025 → end of 2030



## **No New Structures**

Works within existing  
Finance Track WGs



## **Presidency-Driven**

Each Presidency selects  
its own focal areas



## **Africa-Owned**

AU + SA coordinate;  
African priorities led

# How the AEF was built: A Five-Step Process

1

## Identify Impediments

IMF, World Bank, AIIB & AfDB prepared background papers on: Macroeconomic Vulnerabilities, Weak Institutions, Infrastructure & High Cost of Capital

May - Jun 2025

2

## Review WG Outputs

Reviewed Finance Track Working Group outputs from 2020 - 2024 to identify relevant past work to leverage

May - Jun 2025

3

## Consult Members & IOs

Engaged all G20 members and Finance Track Working Groups; International Organisations confirmed readiness to contribute

Aug 2025

4

## AU & WG Review

Framework, IFA and Infrastructure WGs unanimously supported. AU STC on Finance (Johannesburg) expressed overwhelming support

Sep–Oct 2025

5

## Deputies Approval

Finance & Central Bank Deputies unanimously endorsed the 5-year AEF and recommended its approval by Ministers

8 Oct 2025

# Five Policy Pillars

*The AEF organises G20 Finance Track engagement around five complementary pillars*

1



**Fiscal &  
Macroeconomic  
Challenges**

Lead: Framework  
Working Group (FWG)

2



**Institutional  
Governance**

Lead: Int. Finance  
Architecture Working  
Group (IFAWG)

3



**Infrastructure  
& AfCFTA /  
Agenda 2063**

Lead: Infrastructure  
Working Group (IWG)

4



**Reducing  
Cost of  
Capital**

Lead: Sustainable  
Finance Working Group /  
IFAWG

5



**Role of  
International  
Financial Insts.**

Lead: IFAWG

## 1.1 Fiscal Policy

- Prudent fiscal frameworks & spending efficiency
- Strengthening debt management & local markets
- Contingency planning for shocks

## 1.2 Monetary & Financial Policies

- Monetary & exchange rate stability
- Pan-African Payment & Settlement System (PAPSS)
- Financial stability & regulatory frameworks

## 1.3 Structural Reforms (Compact with Africa)

- Business environment & rule of law
- Domestic entrepreneurship & SME support
- Labour market & human capital reforms

## Public Sector Institutional Areas

- Public Financial Management (PFM) systems modernisation
- Debt management & fiscal risk frameworks
- Domestic Resource Mobilisation & Tax Administration
- Transparency & anti-corruption measures
- AML/CFT compliance & Justice / Rule of Law

## Mobilising the Private Sector

- Strengthening infrastructure management & PPPs
- Reducing regulatory uncertainty
- Digital & GovTech applications for governance
- Public sector personnel management
- Private sector mobilisation frameworks

3.1

## Infrastructure for Structural Transformation

Transport, Energy, Housing, Water & Sanitation

3.2

## Cross-Border Infrastructure & Trade Facilitation

Enabling environment, investable pipeline, environmental & social sustainability

3.3

## Leveraging Natural Resources (Critical Minerals, Agriculture)

Market access & value chains, green/grey integration, inclusion of women & youth

3.4

## Mobilising Resources to Finance Infrastructure

Investable pipeline, bankability, blended finance, MDB & climate finance leverage

## 4.1 Strengthen Domestic Financial Systems

DRM, capital market development, pension reform, long-term savings mobilisation

Financial Sector Issues / FWG

## 4.2 Data Transparency & Sovereign Governance Signalling

Timely, accurate economic data; structured public-private dialogue; national & regional data platforms

IFAWG

## 4.3 Expand Climate Finance & Risk-Sharing Tools

Concessional finance disbursement, guarantees, blended finance — AFDB  
Africa Risk Mitigation Agency

SFWG

## 4.4 Elevate African Debtor Voice

Strengthen Borrowers' Club & G20 consultations with borrower groups; improve debt restructuring processes

IFAWG

## 4.5 Credit Rating Agency Reform

Address sovereign rating biases, asymmetric actions; promote CRA dialogue with African sovereigns

IFAWG

5.1

## Adequate Grants & Concessional Resources

IMF (PRGT, GRA reforms) + IDA21 completion + AfDB financing – catalytic role of IFIs

5.5

## Address Debt Challenges Proactively

Common Framework improvements; efficient, timely debt restructuring; 3-pillar approach

5.2

## Mobilising Private Finance

Risk-sharing instruments, blended finance, guarantees for infrastructure, energy & climate

5.6

## CRA Modernisation & Trust-Rebuilding

Bias correction, broader development metrics, asymmetric action correction

5.3

## Expand Multilateral Development Bank Lending & Balance Sheets

Capital Adequacy Framework reforms + link MDBs with national development banks

5.7

## Policy Advice & Technical Assistance

Coordinated TA through Compact with Africa and IFAWG engagement

5.4

## Expand Capacity Development

Improve prioritisation, tailoring, sequencing & coordination of CD support

# AEF Governance: Roles & Responsibilities



## Incumbent G20 Presidency

- Sole driver of AEF in its year
- Selects 1+ policy pillars & focal areas
- Works with WGs to develop initiatives
- Full flexibility on own work programme



## South Africa (Coordinator)

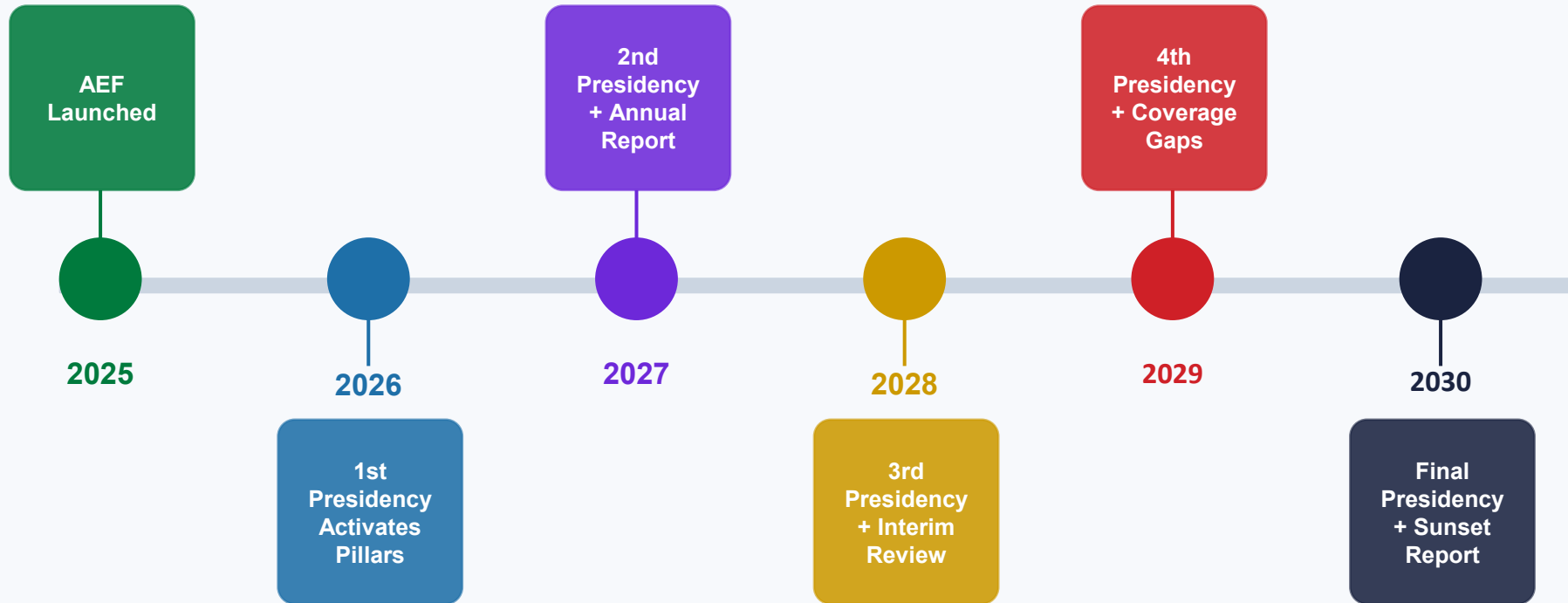
- 2 dedicated positions at SA National Treasury
- Annual consultative process with the AU
- Annual update report to G20 Ministers
- Interim review (2028) & final report (2030)



## African Union

- Co-leads continental priority consultation
- Hosts AU G20 Steering Mechanism
- Inputs to each Presidency's agenda
- Transfer of ownership of AEF initiatives

# AEF Implementation Timeline: 2025 – 2030



*Key Principle: At each Presidency's end, work is either sunset or continued – with ownership progressively transferred to African institutions and countries.*

# The Africa Expert Panel: Independent Advisory Voice

*An independent, high-level panel of African and global experts established by the South African G20 Presidency in 2025. It will produce a Plan for Action – practical G20 recommendations to address global financial challenges affecting Africa's development.*



## Critical Issues Report

Identifies most pressing challenges for African and other developing countries — cost of capital, debt, taxation, productive investment



## Plan for Action

Practical recommendations for G20 implementation: short-, medium- and long-term priorities relevant to the Finance Track



## Complement AEF Pillars

SA Presidency ensures Panel recommendations reinforce and enhance the 5 policy pillars



## Ongoing Advisory Role

Beyond 2025, the Panel continues to advise SA (coordination role) and the AU (agenda setting & implementation) through 2030

# AU G20 Continental Steering Mechanism

*Ensuring African ownership, coherence, and voice across the AEF's 5-year lifespan*

## Priority Setting

Annual consultation with African Finance Ministers to define continental priorities for incoming G20 Presidency



**AU G20  
Steering  
Mechanism**

## Coordination Hub

Bridges AU STC on Finance, Regional Economic Communities, and G20 Finance Track processes

## Input & Monitoring

Provides periodic inputs to each Presidency; tracks AEF progress and reports to AU member states

## Ownership Transfer

Works with SA and G20 to progressively transfer AEF initiative ownership to African institutions

# Avenues for Contribution & Collaboration

*How stakeholders can advance the AEF*



## AU Member States

Engage the AU G20 Steering Mechanism to articulate continental priorities; advocate for AEF pillars in national development frameworks



## International Organisations

Prepare targeted policy papers tailored to African challenges when requested by G20 Presidencies; provide TA & capacity development



## Private Sector & Finance

Mobilise blended finance & risk-sharing instruments; engage Compact with Africa reform process; invest in bankable project pipelines



## G20 Bilateral Partners

Find synergies between bilateral programmes and AEF focal areas; align ODA and concessional lending with Pillar priorities



## Civil Society & Think Tanks

Contribute to Africa Expert Panel evidence base; hold AEF to account through monitoring, research and independent evaluation



## AUC / ETTIM Department

Coordinate AUC's technical inputs across departments; ensure Agenda 2063 alignment in all AEF pillar deliverables



Agenda  
2063  
The Africa we Want



**Thank You • شكرا • Merci • Obrigado**