T20 SOUTH AFRICA 2025

G20 SOUTH AFRICA 2025

The T20 Communiqué

Convenors

Institute for Global Dialogue

South African Institute of International Affairs

Institute for Pan African Thought and Conversation

Contents

Acknowledgements

The development of this Communiqué was a collaborative effort, spearheaded by a consortium of South African host institutions: the Institute for Global Dialogue (IGD), the South African Institute of International Affairs (SAIIA) and the University of Johannesburg's Institute for Pan African Thought and Conversation (IPATC). We sincerely thank the T20 South Africa Task Forces for their invaluable, collective expertise which directly shaped its content.

Our gratitude is also extended to our sponsors and partners for their crucial support throughout the year. Furthermore, we extend our appreciation to T20 India and T20 Brazil for sharing the insights and working methods gained during their presidencies, thereby strengthening the spirit of South-South cooperation.

T20 SOUTH AFRICA 2025

G20 SOUTH AFRICA 2025

Preamble

The Think20 (T20) serves as an official engagement group of the G20, leveraging a dynamic network of leading research institutes and think tanks. Its primary mission is to provide evidence-based analysis and policy recommendations to the world's premier forum for international economic cooperation. South Africa's G20 presidency in 2025 is historic, following a powerful, consecutive cycle of leadership from fellow Global South nations: Indonesia, India and Brazil. This sequence has created a unique momentum to solidify progress on critical issues championed by the emerging world and to fundamentally reshape global governance discussions. The Institute for Global Dialogue associated with UNISA (IGD), the South African Institute of International Affairs (SAIIA) and the Institute for Pan African Thought and Conversation (IPTAC) at the University of Johannesburg were appointed by the Department of International Relations and Cooperation (DIRCO) to lead the T20 process.

Our work unfolded during a critical juncture defined by persistent challenges: deepening debt vulnerabilities, the escalating impacts of the climate and energy crisis and pervasive inequality.

This complex environment, compounded by evolving geopolitical dynamics, made our role as a consensus-builder paramount.

The T20 South Africa process was guided by the principles of solidarity, representativity and inclusivity. Our mandate, under the overarching South African G20 theme of "Solidarity, Equality and Sustainability," was to strive for a more just and sustainable future by fostering collaboration and bridging geopolitical divides. As the first G20 presidency hosted on African soil, we embraced the profound responsibility and privilege of amplifying pan-African interests and perspectives within global economic governance.

To develop solutions to contemporary and historical global challenges, the T20 invited 120 experts from a wide range of global institutions. We deliberately placed a strong emphasis on African and Global South voices, using this opportunity to amplify marginalised perspectives and elevate their priorities to the centre of global governance discussions. In steering the T20, we sought to develop high-impact, solutions-driven and implementation-focused policy recommendations.

To ensure timely inputs into G20 processes, the South African Secretariat adopted the approach of Brazil and other recent T20 presidencies: prioritising regular, direct contact between participating think tanks and policymakers across G20 structures and events.

This communiqué arrives at a time of profound global turbulence and weakening multilateral cooperation. Yet, it is precisely in such times that deliberate, cooperative problem-solving is critically needed.

The wide-ranging inputs from our five Task Forces include clear calls for the G20 to empower a reformed World Trade Organization (WTO) to preserve multilateralism, and to comprehensively address digital inequality and the infrastructure required for equitable data governance. It is our sincere hope that the suite of recommendations herein inform the deliberations of the G20 leaders and ultimately help shape a final G20 Summit declaration that moves us closer to a more stable, inclusive and sustainable world for all.

Philani Mthembu

Executive Director, IGD

Elizabeth Sidiropoulos

Chief Executive, SAIIA

Siphamandla Zondi

Director, IPATC

Task Forces

The T20 established five Task Forces to address the core priorities of South Africa's 2025 G20 presidency. Featuring experts from the Global South and North, these teams focused their efforts on:

01 Trade and Investment

02 Digital Transformation

03 Financing for Sustainable Development

04 Solidarity for the Achievement of the SDGs

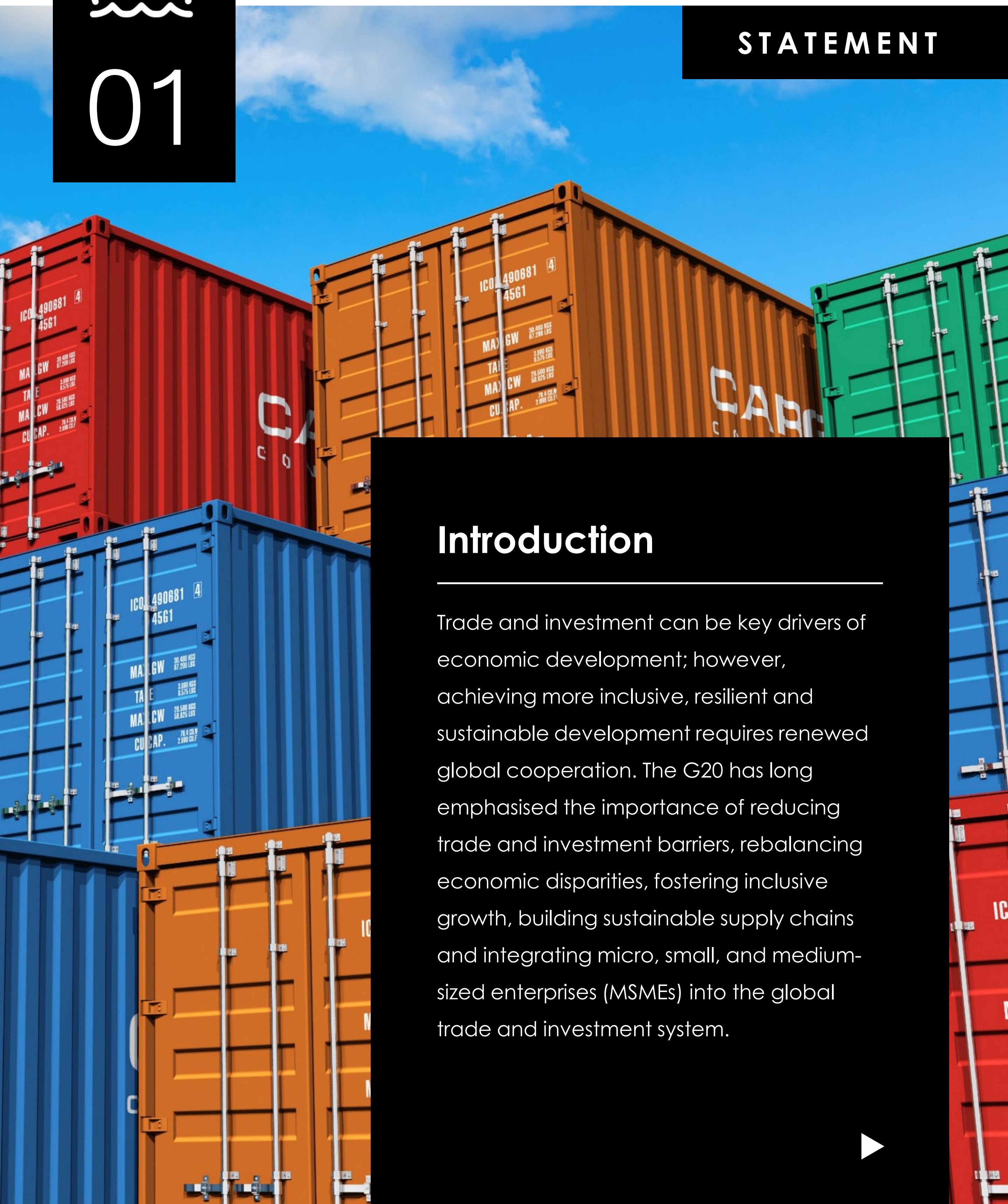
05 Accelerating Climate Action and the Just Energy Transition

TASK FORCE 1

Trade and Investment

01

STATEMENT



Introduction

Trade and investment can be key drivers of economic development; however, achieving more inclusive, resilient and sustainable development requires renewed global cooperation. The G20 has long emphasised the importance of reducing trade and investment barriers, rebalancing economic disparities, fostering inclusive growth, building sustainable supply chains and integrating micro, small, and medium-sized enterprises (MSMEs) into the global trade and investment system.

The G20 Principles on Trade and Sustainable Development (2024) reaffirm the role of trade in promoting poverty reduction and sustainable growth within a predictable, transparent and rules-based multilateral system centred on the World Trade Organization (WTO). These principles reflect the challenges of diverse levels of development and support progress through knowledge and technology exchange and international cooperation to achieve inclusive growth. G20 members must defend these principles, even as global trade and investment patterns are changing and trade and investment policy faces growing uncertainty due mainly to breaks with multilateral principles.

Given recent trade- and investment-related developments, the G20 plays an even more important role as a high-level forum for policy dialogue to promote mutual understanding and cooperation. It is in this context that the T20 Task Force on Trade and Investment focuses on three main areas:

WTO reform for modern, stable trade governance: Institutional, decision-making and trade dispute challenges, as well as emerging issues like digital trade, the increasing role of services in production and trade processes, industrial subsidies and environmental and other new forms of protection, must be addressed.

Inclusive investment for sustainable growth and industrialisation: Investment is critical to develop trade-related infrastructure and technology while empowering MSMEs and promoting human-centred, environmentally resilient growth.

Sustainable and inclusive global value chains: These are necessary to mitigate vulnerabilities for countries, firms and consumers. Key issues include promoting accessible standards compliance, reducing dependency bottlenecks and supporting MSMEs with appropriately designed regulation, technology, funding and research. More generally it is essential to improve value chain governance to counter illicit financial flows and trade-related malpractices driven by business.

Diagnosis of Main Problems

The current shocks to the international trading system are causing unprecedented uncertainty. Urgent and concerted action is required at a multilateral level. Prevailing trade rules and institutional arrangements must be reviewed and renewed, beyond what is currently on the WTO reform agenda. While it is true that trade has in recent decades lifted many millions out of poverty, it is also true that many are still left behind. A reminder of the challenges for trade policy and institutional reform is that 32 of the world's 44 least developed countries are now in Africa.

Business models are changing rapidly, reflecting the increased integration of services into production and trade processes, the 'servicification'[1] of global value chains (GVCs) and the growing importance of the digital economy. These shifts have been accelerated by the reconfiguration of value chains in response to the pandemic, climate change and evolving trade policies. Multinational firms are adapting their strategies, placing greater emphasis on services not only as inputs to production but also as key enablers of trade facilitation and competitiveness. In this context, value addition and beneficiation of critical minerals in developing countries, and the diversification of trade patterns in light of the potential effects of climate disasters and geopolitical tensions and wars, must be prioritised to build economic resilience and ensure more inclusive global integration.

The bifurcation of the global trading system – into trade that takes place under reciprocity and trade that falls under the WTO non-discrimination rules – calls for substantive reform of the international trade and investment system, especially of the WTO. The system must become more flexible and responsive to 21st-century realities. Its rule-making processes should be pragmatic and adaptable to accommodate the diverse membership of the WTO, as well as today's complex global challenges, including digital transformation, environmental crises and economic inequality. A reformed global trade and investment system must be built on principles of non-discrimination, fairness, inclusivity and sustainability. It should ensure that national security concerns are not exploited as a pretext for protectionism and that industrial subsidies do not trigger harmful subsidy wars or prevent developing countries from industrialising.

[1] 'Servicification' can be considered as the increasing integration of services into the manufacturing sector, both as inputs to production and as outputs sold with products.

While trade liberalisation and investment flows have often been promoted as universal pathways to development, an over-reliance on privatisation and external capital has failed to deliver structural transformation for many developing economies. Public goods – which include infrastructure, education, healthcare and digital access – cannot be sustainably delivered through market mechanisms alone. Development must be underpinned by strong, capable states with the policy space and fiscal tools to drive public investment and regulate markets in the national interest. Overdependence on foreign direct investment, conditional aid and profit-driven public–private partnerships (PPPs) risks undermining sovereignty, displacing local enterprise and entrenching inequalities.

The WTO system itself reflects asymmetries in power and influence. Advanced economies have historically shaped the rule-making process in ways that preserve their strategic advantages, particularly in areas such as agriculture, intellectual property and digital trade. Meanwhile, developing countries are often pressured to open markets without reciprocal access or sufficient support to build productive capacities. The rules-based order must not simply be rules-preserving; it must be fairness-enhancing.

To build resilient and inclusive trade systems, reforms must move beyond privatisation as the default policy tool. Instead, domestic resource mobilisation, public financing mechanisms and developmental state strategies should be central. This requires rebalancing trade governance to acknowledge historical inequities and actively support new development pathways.

The trading system should actively promote environmental sustainability while preventing environmental standards from becoming non-tariff barriers. It must foster the diffusion of technologies to close development gaps and leapfrog economic transformation in developing economies and regions. The WTO Secretariat must be adequately staffed and be especially sensitised for inclusion and empowerment so that benefits of trade and investment are shared more broadly and equitably across societies.

Trade and investment policy reform is essential. The G20 provides an opportunity for inclusive deliberation on reform of the multilateral trade system towards realising more equitable trade relations and investment policy that supports environmental goals and enhances the capacity, especially of least developed countries (LDCs), to competitively produce tradeable goods services and digital products and services.

The trade-related discussions during South Africa's G20 presidency should help to build consensus and momentum with regard to the 14th Ministerial Conference of the WTO (MC14). The MC14, convening in Cameroon in March 2026, offers a singular opportunity to facilitate the WTO reform process and articulate a development-focused agenda that also highlights Africa's trade and integration ambition.

Recommendations

1

Commit to urgently reforming the WTO for operable change that allows members to navigate new trends through the review of agreements on agriculture, subsidies, services, intellectual property and investment and existing regulatory environments like the dispute settlement mechanism and supportive mechanisms like plurilaterals

The central recommendation is the urgent reform of the WTO. Members, including those that are part of the G20, should be committed to work towards necessary reform of the WTO Secretariat to improve all its functions and acknowledge the progress made in this regard in the Abu Dhabi Ministerial Declaration in March 2024. With trade-environmental linkages, new global industrial organisations, the proliferation of new technologies in global value chains and digital trade and the increasing share of services in global trade, a clear consideration of the development dimension (including the review of special and differential treatment) is required. So is a close monitoring of the impact of mega-regional agreements into which developing countries may enter and need support. The restoration of the dispute settlement system must inform the renewed WTO agenda.

Operational efficiency of the WTO needs to be provided in decision-making, dispute settlement and institutional structuring. All countries should explicitly offer their positions on reform of the system without rhetoric. For example, reform of the decision-making process – especially through plurilateral agreements and the Multi-Party Interim Appeal Arbitration Arrangement (MPIA) – and their integration into the WTO legal system may support a more flexible and inclusive approach to rulemaking and dispute resolution, particularly in areas of regulatory cooperation. G20 members should also promote a review of the agreements on agriculture, subsidies, services, intellectual property and investment. Industrial subsidies should not be implemented to create unfair advantages. In the area of services, the General Agreement on Trade in Services (GATS) should be further developed to consider the developments in GVCs.

The Investment Facilitation for Development (IFD) Agreement, supported by more than 120 WTO members, must move beyond promises and actively support lower- and middle-income countries (LMICs) in their efforts to improve regulatory environments to attract foreign investments. The agreement's comprehensive development dimension includes a process to assess the needs of members in terms of technical assistance and capacity development. As such, it is critical to proceed with the legal integration of the finalised plurilaterals on investment facilitation and on e-commerce etc. into the WTO framework.

G20 members can set up a working group to narrow down the divergence of views on WTO reform in order to facilitate further discussions and consultations before and after the 14th WTO Ministerial Conference.

The G20 Trade and Investment Working Group should be encouraged to pursue more structured engagement with stakeholders, including think tanks, the private sector, labour and academia. G20 members should consider that the WTO's financial capacity is vital and it needs sufficient financial resources through different means to achieve its objectives.

2 Promote a coordinated approach across regional trade that harmonises physical and digital infrastructures and promotes interoperability of trade systems, especially in Africa

The G20 should support coordination across its working groups through strengthened regional integration initiatives as a potential source of productive competitiveness, especially those focused on intra-African trade. It should support African efforts to promote broader trade system interoperability – including customs systems, standards recognition, logistics frameworks, trade facilitation protocols and digital platforms. It should also support a unified digital public infrastructure for trade across Africa and effective implementation of the AfCFTA Protocol on Digital Trade. It is important to support investment financing for trade-related physical infrastructure, especially for transport corridors, to ease trade bottlenecks and support trade facilitation and connectivity.

3 Incorporate rules of trade and investment that provide space for countries to pursue industrial and service promotion policies

All countries should have the opportunity to implement industrial development and services promotion policies in line with their stage of development. The rules of trade and investment should, therefore, provide space for countries to pursue value-addition and technology transfer strategies through the use of incentives, trade measures and regulatory policy instruments. However, these instruments should be time-limited and benchmarked to ensure the efficiency of public resources use, monitoring and proactive adjustments.

The G20 should promote the creation of shared data and traceability systems to guarantee consistency and transparency across supply chains. G20 members should uphold their commitments not to use subsidies for the purposes other than those set out in WTO agreements and not harm the development objectives of others.

4 Promote sustainable industrial policies that counter trade-distorting effects

The G20 should support international cooperation to enhance the positive benefits of sustainable industrial policies, with emphasis on their distributive impacts on different countries and countering trade-distorting effects. In addition, it should support the establishment of sectors capable of enhancing the capacity of the local industries to participate in regional and global value chains. Support is also needed for enhancing traceability, transparency and accountability, especially along the critical mineral value chain.

The G20 could work on the development of common international standards concerning the digital transformation and sustainability of global supply chains. Technical assistance and capacity building, including technical training, resource sharing and reinforcement of local institutional competencies, are necessary to help developing countries respond to unilateral environmental measures. International cooperation in the context of subsidies, government procurement, investment and new digital technologies such as AI-related developments must be prioritised.

5 Support an inclusive trade and investment policy agenda through the collection of data, exchange of experiences and good practices and strengthened monitoring and review mechanisms.

Trade and investment policies can play a pivotal role in shaping the global economic landscape, positively impacting the lives of those who are marginalised or vulnerable, including women, youth-owned businesses, MSMEs, indigenous communities, persons with disabilities and workers in the informal economy. Inclusive trade and investment policy is about protecting those who need economic protection and empowering all. Inclusive trade and investment policy goes beyond simply opening markets; it involves actively protecting those who require economic safeguards and empowering all actors to participate meaningfully in economic growth.

This means addressing structural inequalities, promoting fair labour conditions, enabling access to finance and infrastructure and supporting entrepreneurship in underserved communities. The G20 should support inclusive trade and investment policy through enhanced statistical systems for collecting data, exchanging experiences and good practices, expanding trade finance facilities and strengthening monitoring and review mechanisms.

6 Reform trade preference systems to provide predictable, longer-term market access for both goods and services from LDCs

Trade preference systems have been in place for more than 50 years, yet the number of LDCs has increased since these systems were first introduced. This means that these preferences have not contributed effectively to the structural transformation and development of the productive capacity of LDCs. The Generalised System of Preferences must provide predictable, longer-term market access for both goods and services from LDCs. Rules of origin must reflect current production realities and not become non-tariff barriers. The G20 should support a thorough review and revamp of trade preference systems that is consistent with the reform of the special and differential treatment dispensation in the WTO.

7

The G20 should support a paradigm shift away from trade and investment strategies that rely heavily on privatisation, externalisation and extractive capital flows. Instead, it should:

- Promote domestic resource mobilisation, including progressive taxation, anti-illicit financial flow measures and improved public financial management, to fund trade-enabling infrastructure and industrial policy;

- Strengthen the capacity of developmental states to lead inclusive industrialisation, regulate markets and deliver essential public goods;

- Reorient development cooperation away from conditionalities that enforce market-first solutions, especially in sectors essential to sovereignty, wellbeing and ecological resilience;

- Prioritise public and community-led solutions in trade-related services like logistics, digital infrastructure and rural connectivity; and

- Reaffirm the right of countries – especially those in the Global South – to strategically manage capital flows, protect infant industries and design policies for equitable growth.

The G20 should call for greater equity within the WTO, including reforms to ensure that LMICs and LDCs can meaningfully shape agendas, negotiate fair outcomes and secure binding commitments in their favour. This includes addressing structural imbalances in voting power, agenda-setting and dispute resolution processes.

Task Force members

Co-chairs

Axel Berger, Deputy Director
German Institute of Development and Sustainability

Rose Ngugi, Chairperson of the Steering Committee
Southern Voice

Mohammed Javed, Professor
University of Johannesburg

Trudi Hartzenberg, Executive Director
Trade Law Centre

Co-leads

Africa Kiiza, Research Fellow
Southern and Eastern Africa Trade Information and Negotiations Institute

Amrita Bahri, Associate Professor of Law
Instituto Tecnológico Autónomo de Mexico

Sait Akman, Director: G20 Studies Centre
The Economic Policy Research Foundation of Turkey

Maarten Smeets, Senior Non-Resident Fellow
World Trade Institute

Renato Baumann, Senior Researcher
Instituto de Pesquisa Econômica Aplicada

Oleg Barabanov, Programme Director
Valdai Club

Manjeet Kripalani, Executive Director
Gateway House

Douglas Lippoldt, Senior Fellow
Centre for International Governance Innovation

Zaffar Hussain, Project Lead
Agora Industry

Lebohang Liepollo Pheko, Senior Research Fellow
Trade Collective Think Tank

Sherry Stephenson, Services Convenor
Pacific Economic Cooperation Council

Christina Caffara, Honorary Professor
Centre for Economic Policy Research

D Lakshimi Sai Kumar, Founder
Global Economic Impact Forum

Florencia Rubiolo, Researcher and Director
Insight 21, Universidad Siglo 21

Vera Thorstensen, Head
Centre on International Trade, Fundação Getulio Vargas

Task Force support

Arina Muresan, Senior Researcher
Institute for Global Dialogue

TASK FORCE 2

Digital Transformation

02

STATEMENT

Introduction

The digital economy presents both unprecedented opportunities and deepening inequalities across the globe. As digital technologies have become increasingly concentrated among a handful of powerful actors, socio-economic disparities are widening within and between countries. While there are options for leveraging the digital economy for the greater good, this concentration is also undermining the transformative potential of digitalisation for sustainable development.

Building on India's and Brazil's G20 presidencies, Africa's first G20 presidency in South Africa offers an opportunity to advance a truly transformative digital agenda that enhances public and local value creation, redresses the uneven distribution of digital opportunities and accelerates progress towards the Sustainable Development Goals (SDGs).

Furthering the foundational work of Brazil's T20 presidency, which emphasised the need for a human-centred digital economy grounded in rights and international cooperation, this Task Force addresses the urgent question: How can we use aspects of digital and data ecosystems to transform economies and to redress digital inequality while building a shared vision of equitable, inclusive, just and sustainable development?

The policy briefs submitted to this Task Force, along with the work on digital inclusion in the South African G20 Digital Economy Working Group, reveal that equitable digital inclusion is possible and extends far beyond connectivity and questions of infrastructure deficits. The identification of several factors – including quality of service and digital skills beyond basic, affordable access – in the concept and measurement of 'meaningful connectivity' by Brazil's Digital Economy Working Group recognises the diversity of experiences and opportunities associated with being connected. While supply-side challenges persist across the Global South, the limited evidence that is available for Africa demonstrates that it is increasingly demand-side challenges that prevent the global majority from coming online and using technologies productively. Demand-side barriers include affordability and digital literacy, which are relevant in terms of local language and content.

Overcoming these obstacles is primarily determined by education and socio-economic status, as reflected in income. These foundational inequalities impact all priority areas of the Task Force, undermining the potential of data and technology to address some of the most intractable developmental challenges.

Diagnosis of Main Problems

1 Equitable digital inclusion

The problems in realising equitable digital inclusion are multifold and complex. One of the major challenges in identifying the precise points of policy interventions to redress digital inequality is the lack of basic digital public statistics and analysis necessary for context-specific policy formulation. Relatedly, such statistics are necessary to determine our (lack of) progress toward meeting the SDGs.

With this dearth of evidence, an additional problem arises from the policy interventions to address digital exclusion, which are often exclusively supply-side and mainly infrastructural. In contrast, the evidence increasingly points to demand-side constraints, such as affordability, digital illiteracy, low education levels and language barriers. Addressing these constraints cannot be met by sectoral regulation alone. It requires transversal policies that address the underlying inequalities, as well as digital regulation and governance that enable integration across the public sector and coordination between the public and private sectors. These efforts could help to better position local players in an increasingly competitive global environment, seeking alignment with and cooperation in regional and global governance.

2 Digital Public Infrastructure (DPI)

DPI is being extended to diverse country contexts, specific sectors and new areas of technology, including artificial intelligence (AI). Previous G20 presidencies have recognised the potential for DPI to accelerate the SDGs and support inclusion of marginalised populations. However, challenges persist. In the context of uneven digital infrastructure, insufficient digital literacy and lack of tailored design, DPI systems can exacerbate economic and social inequalities.

Enabling inclusive DPI in a Global South context requires attention to the lack of foundational infrastructure for DPI, such as broadband, data and data systems for data exchange. It also requires attention to governance and institutions. This includes, first, prioritising rights-promoting and participatory governance that enables localisation, as well as multilingual, offline and assisted options. Second, institutional capabilities are required to counter potential anti-competitive behaviour and extractive practices. Information regulators must create trusted environments for the exchange of information, such as alternative forms of data stewardship (eg, data trusts). Third, transformational DPI must be underpinned by data policies that are driven, and governed, by public interest. Additionally, there is a need for research and evidence on the implementation and impact of DPI; the lack of this limits evidence-informed decision-making about DPI within local contexts.

3 Emerging technologies

Emerging technologies, including AI, digital currencies and quantum computing, as well as new labour platforms, risk deepening existing global inequalities, particularly in terms of income and access to education. The capitalisation of investment in AI and emerging technologies is concentrated among a few dominant actors and countries, while countries of the Global Majority face structural barriers. Addressing the uneven and unequal global realities of the investment, development and use of emerging technologies requires attention to the full value chain, from mining and mineral extraction to the distribution of production and labour. Current global governance remains insufficient for enabling inclusive, sustainable and equitable benefits from emerging technologies; it is fragmented, with weak accountability mechanisms, insufficient protection for workers and marginalised communities.

The G20 must ensure a global lens on the challenges and opportunities of emerging technologies, ensuring the diverse contexts are at the centre of global discussions. Equitable access to and participation in digital innovations will require attention to public financing models, meaningful accountability frameworks and the development of equitable rather than merely ‘open’ systems. Finally, inclusive participation in the development and benefits of emerging technologies requires complementing risk-based approaches with attention to rights and supporting broader human development initiatives that ensure people can exercise those rights.

Recommendations

1 **The G20 must drive efforts to fund the production of digital statistics and analysis necessary for evidence-based policy, which is crucial for addressing foundational digital inequalities**

Such inequality undermines the potential of emerging technologies (such as AI systems) to address planetary problems. The collection of digital public statistics is the foundation for countries to exercise their sovereignty effectively in a data-driven economy. Yet most African countries do not have the basic indicators required by the UN Statistical System to measure their progress towards achieving the information and communications technology (ICT) targets of the SDGs. Without this, they do not have the evidence base to redress foundational digital inequality, enable digital development and innovation or inform sovereign agency to create public and local private value and manage cross-border data flows.

2 **The G20 must support the development of integrated data governance frameworks at national and regional levels that are holistic, rights-promoting, equitable and just**

Data governance is a cross-cutting issue that will require the review of existing institutional arrangements that are not fit-for-purpose for this dynamic and complex environment. Data governance is required not only to safeguard citizens from harms associated largely with privacy protection and personal data but also to redress the uneven distribution of opportunities associated with advanced data-driven technologies and systems and in the deployment of DPI to enable more equitable digital inclusion. Governance efforts should extend across AI value chains, ensuring that benefits are distributed to the range of actors involved in digital work and that highly concentrated platforms and AI markets are accountable for negative environmental impacts of exponential increases in demand for energy.

3 **The G20 must extend earlier G20 endorsements of the role of DPI in development with commitments to ensuring a 'people-first' and whole-of-society approach to digital public infrastructure and emerging technologies**

The design and implementation of technologies remain uneven, exclusionary and unequal. This includes a shift in process towards realising more participatory data governance and incorporating offline, multilingual and assisted options.

4 **The G20 must work with multilateral organisations to strengthen platform worker protections, including the extension of basic labour rights**

These include minimum wages and collective bargaining rights, but also specific data rights (eg, privacy and governance) that ensure portability of data from employment platforms and transparency of the algorithms deployed by them to monitor workers.

5 **The G20 must develop harmonised governance for the creation, use and regulation of digital currencies**

These include central bank digital currencies and cryptocurrencies, to ensure financial stability and consumer protection and to address risks associated with digital currency, while fostering local innovation and alternatives to Big Tech, particularly to reduce international technology and application dependencies.

Task Force members

Co-chairs

Alison Gillwald, Founding Director
Research ICT Africa

Teki Akuetteh, Co-founder and Executive Director
Africa Digital Rights Hub

Stephanie Diepeveen, Senior Research Associate
ODI Global

Co-leads

Anita Gurumurthy, Executive Director
IT for Change

Carolina Rossini, Co-founder and Director
Policy and Research, Datasphere Initiative

Bhaso Ndzenze, Senior Lecturer and Head of Department
Department of Politics and International Relations, University of Johannesburg

Rob Floyd, Director
Innovation and Digital Policy, African Center for Economic Transformation

Jaqueline Pigatto, Coordinator
Governance and Regulation, Data Privacy Brasil

Lishan Adam, Professor
Addis Ababa University

Doubell Chamberlain, Founder and Managing Director
Centre for Financial Regulation and Inclusion

Anita Prakash, Director (Partnership)
Economic Research Institute for ASEAN and East Asia

Deepak Mishra, Former Director and Chief Executive
Indian Council for Research on International Economic Relations

Alexandre Barbosa, Head
Regional Centre for Studies on the Development of the Information Society

Hector Cardenas, President
Mexican Council on Foreign Relations (COMEXI)

Shen Yi, Assistant Dean
School of International Relations and Public Affairs, Fudan University

Suhono Harsa Supangkat, Director
Smart Cities and Communities Innovation Centre, Bandung Institute of Technology

Stephanie Ifayemi, Senior Managing Director of Policy
Partnership on AI

Task Force support

Ashraf Patel, Research Associate
Institute for Global Dialogue

Mikatekiso Kubayi, Senior Researcher
Institute for Global Dialogue

Tlhompho Shikwambane, Research Assistant
Institute for Global Dialogue

03

TASK FORCE 3

Financing for Sustainable Development

STATEMENT

Introduction

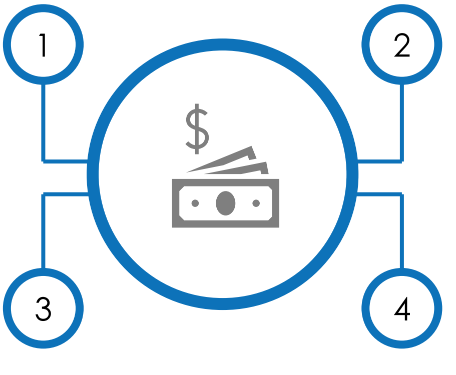
The existing international financial architecture (IFA) is increasingly obsolete and ineffective in addressing evolving development challenges. Initially designed by and for developed countries, the system now struggles with issues such as climate change, social inequality, achievement of the SDGs and systemic crises. Today's IFA must also contend with interconnected financial markets that are failing to effectively and efficiently allocate funds to finance sustainable and inclusive development, rapid demographic and technological changes, global interest rate hikes and increased risks to financial stability.

The system is riddled with market failures and asymmetric information. Fundamental reforms are necessary to address these structural deficiencies and new challenges. The current system fails to meet the needs arising from escalating climate risks, geopolitical tensions, income and wealth disparities and entrenched gender and racial biases. A reformed global financial system must change to prioritise the needs of people and planet and must promote affordable and predictable flows of funds to developing countries.

As representatives of the world's major developed and developing economies, as well as majority shareholders of most of the world's existing financial institutions, G20 leaders have a special responsibility to address the challenges confronting the current international financial architecture.

Furthermore, taking place on African soil for the first time, the G20 Summit has an opportunity to focus its actions on primarily benefitting African countries. To do so, in addition to receiving guidance from the relevant working groups, G20 leaders should specifically review the outcomes related to finance and development from African leaders, such as the AU Debt Conference held in May 2025 in Lomé, Togo and the forthcoming report of the G20 Africa Expert Panel.

The T20, composed of experts and academics from think tanks, international organisations and universities in different countries, seeks to support the work of the G20 in discussing and effectively reforming the international financial architecture to meet the SDGs. It has worked in developing diagnoses and recommendations on the following issues:



1. Financial system rules and regulations and global finance safety nets to promote development, stability, sustainability, and equity.
2. IMF and Multilateral Development Bank (MDB) reform towards better, bigger and more effective development financing, especially through concessional finance.
3. Addressing the debt burden of developing countries and facilitating their access to concessional resources.
4. Ensuring a fairer global tax architecture that facilitates domestic and international resource mobilisation.

Diagnosis of Main Problems

The IFA has responded to major economic shocks in the past – most recently the COVID-19 pandemic – and geopolitical conflicts disrupting regional and global supply chains, among others. Despite some successes in bailing out affected economies in the short term, the IFA has been found wanting when it comes to improving the domestic conditions in many LMICs so that they can meet the SDGs or effectively manage experiencing financial or balance of payment crises. Moreover, the cost of development financing is increasing, due both to high interest rates, volatile capital flows and exchange rate fluctuations (exacerbated by dependence on the dollar) and to declining official financing, whether concessional or non-concessional.

Many G20 countries have gradually been cutting official development assistance (ODA), especially grants. According to the OECD, in 2024 the total flow of ODA fell by 7% and forecasts for 2025 spend are for a further cut of between 9% and 15%. Moreover, the US has announced it reducing its contribution to the African Development Fund's 17th replenishment. For the first time in 2023, net transfers on external debt turned negative for LMICs.

As a result of these developments, countries are diversifying their sources of external financing to meet their development goals, as well as becoming more dependent on MDBs. However, despite the ambitious G20 agenda to make MDBs 'better, bolder and bigger', it will take a long time to implement the suggested reforms. First, the scaling up of MDBs is still too slow and limited, and their concessional instruments have become more inflexible over time and insufficient to meet the needs of LMICs. Second, MDB funding is usually made available in foreign exchange. LMICs have limited capacity to hedge the resulting risk, which could make such lending more costly despite lower interest rates. MDBs' aversion to currency risk, driven by legal and shareholder requirements, and the added cost of hedging further complicate the issue. Therefore, strategies must aim to reduce currency risks and hedging costs.

To manage a more volatile global financial system, a strong and resilient financial safety net is necessary. This is impossible to achieve with the current IMF formula. The fact that IMF quotas are limited when it comes to the countries that are most vulnerable means it is these countries primarily that must endure significant and onerous conditions in order to borrow from the IMF.

Hence, although donors have made more commitments to the IMF in past years, including reallocated special drawing rights (SDRs), take-up is limited. These issues undermine the IMF's role in stabilising global finance and assisting distressed economies. Second, the IMF's role in dealing with sovereign debtors creates challenges, since it is also a creditor. Third, the IMF's debt sustainability framework needs to be more transparent, account for the assets as well as the liabilities created by debt, including how these are responsive to the climate and development challenges member states face. The G20 should ensure that the IMF addresses these fundamental operational challenges in its quota reform and review of the debt sustainability framework for low-income countries.

Regional financial arrangements (RFAs) emerged as an additional line of defence in the safety net to help safeguard financial and economic stability. However, RFA institutions do not cover most of Africa, including sub-Saharan Africa, as well as significant parts of Eurasia and Latin America, while all of these regions and sub-regions are prone to sizeable shocks. This creates regional imbalances. For instance, the absence of this financial stability mechanism leaves indebted African countries to struggle with debt distress and other challenges with less capacity than other regions.

Failing to resolve the issue of uneven geographical coverage may lead to a shortfall in inclusive stabilisation, failure to address macro stabilisation and other emerging issues, such as climate, in many lower-middle- and low-income economies. Moreover, the international financial markets pose a particular problem for sovereign debtors in difficulty. Evidence is mounting that there is a systematic bias against African debtors.

Access to much private sector funding – especially Eurobonds – is limited to selected countries and the terms of the debt are expensive. This type of financing is not always appropriate, given that for many purposes developing countries need long-term patient capital. In addition, current sovereign debt negotiations under the G20 Common Framework focus almost exclusively on creditors' perspectives, their concerns about moral hazard and contractual rights, neglecting the debtor's perspectives, original expectations and aspirations from debt, as well as unavoidable debtor obligations arising from their own constitutions and laws and the human rights, or environmental treaties that they have signed and ratified.

This approach is contrary to the approach in corporate settings that pays attention to all the debtors' obligations and seeks to help the debtor make a fresh start. As a result, countries are often hesitant to enter the framework, even if they are eligible for it. They expect to be punished by creditors and the markets – despite default almost always being a last resort. The G20 Common Framework has further significant shortcomings: it excludes middle-income countries, does not compel all creditors to negotiate and can stimulate a 'race to the bottom'.

Last, to combat tax evasion and avoidance and address the imbalance in taxing rights between developed and developing countries, the international tax cooperation architecture needs strengthening. Wealthy individuals and multinational corporations exploit loopholes, shifting profits to low- or no-tax jurisdictions. The system is also hampered by bank secrecy, increasing digitalisation and a lack of tax transparency. The OECD/G20 Base Erosion and Profit Shifting (BEPS) framework prioritises developed countries' interests, limiting developing countries' participation. The UN is better suited to represent both developed and developing countries inclusively.

Recommendations

1 The G20 should facilitate an overhaul of the IMF's governance model

The IMF's current governance and allocation model conceived in Bretton Woods after World War 2 does not match current global economic realities. Reforms introduced to the IMF functioning model over the years have been slow, piecemeal and selective rather than focusing on a comprehensive overhauling of operations and resolution frameworks. While politically difficult, much can be gained by finding a global agreement on quotas with radical progress in the next review. In particular, no individual country should have veto power. This is not only about governance but also about the efficiency of global financial safety nets. Although the current quota formula takes into account potential financial vulnerability through the use of 'variability', the existing indicator for variability is not well-enough correlated to actual needs for future IMF support. The G20 should support reducing or eliminating variability from the quota formula, opening space to increase the weight of a blended GDP variable.

In addition, the reform should transform SDRs to become a central pillar of a revived global financial safety net, providing liquidity to countries in need rather than in strict proportion of their economic size. The G20 should support decoupling SDRs from quotas. To protect against more frequent and larger economic shocks, the G20 should support the creation and strengthening of RFAs, in particular mechanisms like the African Monetary Fund (AMF) and the African Financial Stability Mechanism (AFSM).

2 The G20 should take actions to bring down the cost of capital

The IMF Debt Sustainability Frameworks (jointly with the World Bank in the case of the framework for low-income countries) are a major instrument in surveillance, to determine terms of concessional lending and in setting the parameters in debt restructurings.

The current frameworks are selective (ie, certain methodologies only apply to certain countries) and therefore create a 'market for lemons' effect; do not account for assets created by debt; underestimate the costs of climate change and biodiversity collapse; and do not account for policy actions and investments to mitigate those vulnerabilities.

Reducing vulnerabilities improves fiscal sustainability in the long run, and those models should be guides for sounder economic policies. Similarly, credit rating agencies (CRAs) are too focused on short-term horizons, do not take enough into account the long-term effects of investments and, in the case of African countries, are not informed enough about their economies to make unbiased ratings.

This means LMICs – particularly in Africa – tend to pay higher premiums for similar fundamentals, including governance. Hence, the G20 should support a multifaceted set of actions to deal with the cost of capital, including finding ways to increase concessionality in MDBs (eg, more grant donations, extending maturities to 50 years, grace periods to at least 10 years, etc.), encouraging all MDBs to revise their DSA methodologies, compelling CRAs to revise their rating models and localise through legislation, and investing into the new African Credit Rating Agency. In this regard, it will be important for the G20 to continue assessing progress with the implementation of the recommendations of the Independent Panel for Review of MDBs' Capital Adequacy Framework set up under the Italian presidency in 2021 and relevant review mandates from succeeding presidencies.

3 The G20 should take proactive measures to enable predictable and fast debt resolution

As per the International Debt Report 2024 by the World Bank, LMICs accumulated a significant level of debt during the COVID and post-COVID years. Overall, LMICs' debt stands at $8.8 trillion. Much of this debt has been spent by LMICs on productive development outcomes. Nevertheless, there are countries that are facing significant fiscal pressures, especially due to the continuously rising cost of capital and need to restructure their debt. The current G20 debt framework is structured in such a way that it does not offer countries a fresh start.

As a result, G20 countries should promote and utilise, both in their own debt contracts and those of MDBs, short-term instruments that help countries deal with liquidity challenges (such as climate and other force-majeure debt pauses and debt swaps). The G20 should also enable and support LMICs to coordinate with one another to exchange information and experiences, learn from each other and drive performance up in terms of the best debt terms from different creditors, for example through 'borrowers clubs'. However, the G20 should not stop here. It should also commission an independent feasibility study for a new debt architecture to replace the G20 Common Framework that is akin to a bankruptcy court, to enable fresh starts, also accounting for agreements on this issue during the FfD4 in Seville, Spain.

4 The G20 should expedite work on the UN Framework Convention on International Tax Cooperation (UNFCITC)

The OECD's tax reform efforts have not been effective in supporting developing countries to deal with their need either to raise more tax revenues or to reduce the substantial amounts that they lose through illicit financial flows. This, in part, is due to the fact that the OECD did not include many developing countries in its tax negotiations. As a result, its two-pillar approach does not adequately incorporate the concerns of developing countries. This suggests that the G20 should support efforts to promote tax discussions in the UN, which is a more democratic and inclusive governance architecture.

It must ensure that it is able to effectively address current and future international tax challenges, in particular the taxation of cross-border transactions and high-net-worth individuals, and dealing with illicit financing flows, with the aim of making international tax rules fairer, simpler and more predictable for all stakeholders. The G20 should further support efforts to build trust by ensuring the creation of effective dispute prevention and resolution mechanisms to make for a more balanced and functional international tax system.

G20 members need to expand the scope of existing information exchange efforts and significantly improve tax transparency, in particular public country-by-country reporting. It is necessary to advance measures to exchange information on different classes of assets and to advance the creation of a public Global Asset Register within the UNFCITC. G20 members must support, within the UNFCITC, the creation of a global minimum tax on wealthy individuals and families, with political guarantees that the resources raised through this mechanism will be used for the realisation of human rights, particularly in impoverished countries of the Global South.

5 The G20 should promote efforts to build a multi-currency IFA

The IFA, which is essentially based on one single national currency, contributes to global financial instability and structural inequalities. This overreliance leaves countries in the Global South more exposed to external shocks, currency mismatches and debt crises. The G20 should support actions aimed at diversifying the IFA by promoting the use of local currencies at the international level in trade and finance. This would help to reduce systemic risks, lower transaction costs and strengthen global financial resilience in case of crises related to one specific currency.

This includes support for the development of multi-currency cross-border payment systems, swap lines between diverse countries, loans from MDBs in local currencies and regional arrangements for payments in local currencies. Cooperation on the development of interoperable multi-central bank digital currencies and related regional cross-border payment systems could play a key role in fostering a more inclusive and resilient pluri-monetary IFA.

Task Force members

Co-chairs

Daniel Bradlow, Professor and Senior Research Fellow
University of Pretoria and South African Institute of International Affairs

Hannah Ryder, Chief Executive Officer
Development Reimagined

Martin Kessler, Executive Director
Finance for Development Lab

Co-leads

Antonio Villafranca, Vice President
Italian Institute for International Political Studies (ISPI)

Ilke Toygür, Director and Professor
Global Policy Centre IE University

Bruno de Conti, Senior Researcher and Associate Professor
Positive Money (Europe and UK) and University of Campinas

Priyadarshi Dash, Associate Professor
Research and Information System for Developing Countries (RIS)

Gülbin Sahinbeyoglu, Director
Economic Policy Research Foundation of Turkey (TEPAV)

Haihong Gao, Professor and Director
Institute of World Economics and Politics, CASS

Marina Larionova, Head
Center for International Institutions Research, HSE University

Marina Zucker Marques, Senior Academic Researcher
Global Development Policy Center, Boston University

Marta Moreno, Associate Professor
BRICS Policy Centre

Maura Leary, former Director of Communications
African Center for Economic Transformation

Miguel Otero, Senior Fellow
Elcano Royal Institute and IE School of Global and Public Affairs

Naoyuki Yoshino, Professor Emeritus
Keio University

Nara Monkam, Associate Professor
University of Pretoria

Nicolas Buchoud, Advisor to the Dean
Asian Development Bank Institute

Ana Gracia, General Coordinator
BRICS Policy Centre

Jason Braganza, Executive Director
African Forum and Network on Debt and Development

Garth le Pere, Professor
University of Pretoria

Luis de Lossada i Gallart, Project Manager and Research Assistant
Global Policy Centre IE University

Shairee Malhortra, Deputy Director
Strategic Studies Programme, ORF

Gladys Lechini, Senior Researcher
And National Scientific and Techincal Research Council (CONICET)

Artem Levenkov, Head: Development Financing Analysis
Eurasian Fund for Stabilisation and Development (Regional)

San Bilal, Executive Director
European Centre for Development Policy Management

Task Force support

Siphumelele Duma, Senior Postdoctoral Research Fellow
Institute for Pan African Thought and Conversation, University of Johannesburg

Nompumelelo Ndawonde, Project Coordinator
Institute for Pan African Thought and Conversation, University of Johannesburg

TASK FORCE 4

Solidarity for the Achievement of the SDGs

04

STATEMENT

Introduction

In a time of growing global uncertainty, mounting geopolitical tensions and an increasingly fragmented multilateral system, G20 countries face a range of complex and interconnected challenges. In line with the South African G20 presidency's Ubuntu motto – and reflecting the central focus of this Task Force – solidarity must be seen not as an act of goodwill but as a structural imperative for advancing shared development goals.

Task Force Priorities

Accelerating SDG enablers and reducing negative spillovers

The G20 remains behind on aid, fair trade and technology transfer commitments, deepening global disparities. Climate adaptation and mitigation finance for the Global South as well as ODA remain insufficient, thereby stalling SDG enablers. Aligning global financial flows with SDG priorities and ensuring accountability for harmful cross-border impacts – especially from unfair trade and fragmented policies – must be urgently addressed.

Reducing inequalities

Despite growth, G20 countries face entrenched inequalities based on gender, education, health, energy, digital access and decent work. Unfair trade rules, debt burdens and tax avoidance create negative spillovers that hinder Global South development. G20 efforts must prioritise inclusion and participation across all regions to shift global norms toward more equitable and participatory development cooperation standards.

Food security through sustainable food systems

Food security is threatened by climate shocks, conflict and trade policies that fuel price volatility, while G20 implementation of the Deccan High-Level Principles has remained slow. A global food systems transformation must be inclusive and coordinated, linking local efforts with global decision-making. Greater investment is needed in smallholder resilience, agroecological practices and equitable value chains that empower low-income countries and ensure shared benefits.

Diagnosis of Main Problems

With the 2030 deadline for the SDGs fast approaching, progress remains dangerously off track: only 17% of the goals are on target, while 35% are stagnating or regressing.[2] This stark reality demands urgent, coordinated and transformative action aligned with the ambitions of the Pact for the Future and the priorities of the South African G20 presidency, which calls for a renewed global commitment grounded in solidarity, equality and sustainability.

At the core of this stagnation is the persistence – or, in some cases, worsening – of inequalities between and within countries. These disparities, spanning income, access to services and resilience to shocks, threaten social cohesion and development outcomes. The South African G20 presidency rightly emphasises that addressing inequality must be central to G20 economic policy, given its implications for global stability and prosperity.

Inequality manifests most acutely in the failure to meet foundational SDG targets such as ending poverty and hunger (SDGs 1 and 2), reducing inequality (SDG 10) and achieving gender equality (SDG 5). Gender-based inequality continues to be a major obstacle to inclusive development. Women and girls are disproportionately affected by poverty, underrepresentation in decision-making and unpaid care and domestic work. The underinvestment in the care economy perpetuates both gender gaps in labour force participation and intergenerational cycles of disadvantage. Ensuring gender-responsive fiscal and social policies is thus essential to realising the full potential of the SDGs.

Food insecurity starkly illustrates these intersecting inequalities. According to the 2024 State of Food Security and Nutrition in the World (SOFI) report, around 733 million people were chronically hungry in 2023 – approximately one in 11 globally, and one in five in Africa. Over 2.3 billion people experienced moderate or severe food insecurity, including 864 million facing severe levels, with women bearing a disproportionate burden. Price volatility has compounded these challenges: the FAO Food Price Index, though easing from its mid-2022 peak, remained nearly 25% above pre-COVID levels in early 2024. Contributing factors include supply chain disruptions, climate shocks, fertiliser shortages, speculation and macroeconomic instability, particularly in LMICs.

[2] https://unstats.un.org/sdgs/report/2024/

These dynamics reduce economic productivity, strain social systems and deepen vulnerabilities – especially for women, children and marginalised communities. Meanwhile, conflict and war continue to exacerbate displacement, hunger and institutional fragility, hindering progress on SDGs 10, 16 and 17.

Addressing food insecurity requires scaling up proven interventions, including universal social protection systems. Social protection – such as cash transfers, school feeding programmes and child benefits – has shown strong potential to mitigate hunger, stabilise incomes and promote human development. These programmes are critical SDG enablers that can break intergenerational poverty cycles while building resilience to shocks, particularly when designed to reach women and marginalised groups.

Finally, the inadequacy of the IFA undermines the SDG agenda. The 2025 Fourth International Conference on Financing for Development (FfD4) represents a critical moment to mobilise equitable and predictable financing at scale.

The SDG crisis is not a failure of ambition but of implementation. Tackling structural inequalities – including gender gaps – accelerating enablers like social protection and food systems transformation and reforming global systems are essential to realign the world with the 2030 Agenda. This diagnosis informs the strategic direction of Task Force 4's policy recommendations.

Recommendations

1 Reform the global financial system to tackle inequality and align SDG financing efforts

G20 leaders must spearhead urgent reform of the IFA to address structural inequalities and bridge the SDG financing gap. This includes aligning efforts with the UN Department of Economic and Social Affairs (UN DESA) in the aftermath of the FfD4 through a joint G20–FfD4 follow-up mechanism and mandating SDG impact assessments of finance flows. Development finance must be directly linked to national SDG investment plans, prioritising hunger, poverty and gender inequality. Reforming multilateral development banks and financial institutions is critical to improving access for vulnerable countries and reducing harmful global spillovers. The G20 should also act decisively on tax cooperation, corporate accountability and climate commitments that do not penalise development pathways in low-income countries, including those reliant on fossil fuels in the short term. Without coordinated reform, financing for the 2030 Agenda will remain fragmented and insufficient, and the ambition of shared prosperity will be out of reach.

2 Operationalise the Global Alliance Against Hunger and Poverty as a platform for SDG delivery

The G20 must monitor and evaluate the operationalisation of the Global Alliance, which involves mobilising all countries to join the Alliance and support the development and implementation of concrete national action plans with clear, measurable milestones, especially in LMICs, so that it becomes a platform that enables systemic SDG progress. Key enablers such as digital inclusion, decent work, energy access and climate resilience must be scaled through pooled investment frameworks, concessional finance and technical assistance. Support for smallholder farmers, secure land tenure and inclusive participation in food value chains is essential for building food security and economic resilience. The Alliance should mainstream gender equity and climate adaptation, ensuring that policy responses are inclusive and forward-looking. Critically, these efforts must be underpinned by accountability mechanisms and strong participation from LDCs. Together, these actions would drive a coherent, inclusive response to intersecting global challenges, moving from fragmented aid efforts to integrated, country-owned solutions that leave no one behind.

3 Promote progressive fiscal policies to combat poverty, inequality and exclusion

The G20 should coordinate actions to curb income and wealth concentration – particularly through the implementation of a global wealth tax and its inclusion in the UN Tax Convention – and champion reform of MDBs and other financial institutions to improve the access of vulnerable countries to finance and to reduce harmful global spillovers. This can be done by focusing on the prioritisation of comprehensive debt relief, including debt-for-SDGs, debt-for-nature and debt-for-social investment swaps. National governments should expand fiscal space through progressive taxation to strengthen public investment in sustainable development and develop a model legislative framework for parliamentary oversight. Fiscal policy and public budgeting must align with human rights principles and advance gender, racial and ethnic equity, while also addressing environmental challenges. For this, tax systems should be gender-responsive and respond to a climate-just lens, while acknowledging racial and ethnic diversity and accounting for social groups that are disproportionately affected by extreme climate events, armed conflicts, external shocks and the unequal distribution of unpaid care work. The G20 should also launch a Security Sector Anti-Corruption Initiative to ensure that the security sector supports rather than hinders development and stability.

4 Strengthen social protection systems to reduce inequalities

The G20 should, through knowledge sharing and international cooperation (including delivery of the Second World Social Development Summit action plan), promote a comprehensive restructuring of social protection systems, including social protection floors. These should ensure universal access to social services, healthcare, education, early childhood development, gender- and age-responsive care and support systems, and continuous education and technologies to respond to the challenges, as well as seize the opportunities brought about by digitalisation and climate action. These programmes need to target the bottom 40% households, and older adults should receive a universal income regardless of their work history. Fostering decent jobs and increasing productivity with skilling and reskilling programmes are crucial to seize the demographic bonus.

Universal health systems should be reinforced to respond to emergencies and deliver long-term care in the context of ageing populations. Health systems should also be prepared for future pandemics, for which it is key to promote technology transfer and invest in research and development to build strong national data systems – especially in low-income countries – and develop shared digital infrastructure for coordinated action, including the use of emerging tools like AI. Social protection must also support populations exposed to environmental risks and armed conflicts, aligning with just transition goals.

5 Build equitable food systems

To uphold the fundamental human right to food for all, the G20 must exercise its collective economic and political influence to address the inequitable distribution of food and the means to access food, as well as inequitable food systems that are unable to promote health and sustainability. This must be tackled at local, national, regional and global levels by leveraging existing mechanisms where possible and creating effective new platforms where needed to implement meaningful, equity-driven reforms. These should include specific measures to tackle food price volatility and curb market concentration, the financialisation of food and agriculture, food consumption concentration in a few crops (dietary monotony), ultra-processed consumption, overuse of antibiotics in livestock production and soil degradation. They should also advance global market regulation and inclusive trade negotiations. One innovative model that could inspire global regulation is the EU's Supply Chain Act, which holds multinational corporations accountable for compliance with human rights throughout their supply chains, including for smallholder farmers and farm workers in LMICs. At the national level, taxation and labelling should be used to foster healthy diets as well as to reduce the use of antibiotics in livestock. Likewise, governments may incentivise the production and consumption of more diversified and nutritious crops.

The G20's promotion of millet is an interesting example that can be applied to other crops worldwide. At the local level, the G20 PLIC (G20 Platform on SDG Localization and Intermediary Cities) could support knowledge-sharing initiatives around the transformation of urban and peri-urban food systems through investments in local food governance, infrastructure and market-oriented urban agriculture initiatives that empower small-scale and marginalised producers. Policies must extend beyond production to strengthen municipal government capacity, integrate informal and traditional actors into value chains and incentivise healthy, sustainable food environments.

Task Force members

Co-chairs

Fabio Veras Soares, Researcher
International Policy Centre for Inclusive Development (IPCID), Department of International Studies at the Institute for Applied Economic Research (IPEA)

Gala Díaz Langou, Executive Director
Center for the Implementation of Public Policies Promoting Equity and Growth (CIPPEC)

Sithembile Mbete
Executive Director, Public Affairs Research Institute

Zamiyat Abubakar, Network Engagement Officer
Southern Voice (Global)

Co-leads

Cecilia D'Alessandro, Policy Analyst
European Centre for Development Policy Management

Chuanhong Zhang, Associate Professor
China Agricultural University

Daryl Swanepoel, Chief Executive Officer
Inclusive Society Institute

Hesphina Rukato, Former Deputy Chief Executive Officer
New Partnership for Africa's Development

Ignacio Lara, Coordinator of Environmental Democracy and Global South
Asuntos del Sur

Matias Bianchi, Executive Director
Asuntos del Sur

Jorge Chediek, Visiting Professor
Catholic University of Argentina

Máximo Torero Cullen, Chief Economist
Food and Agriculture Organization of the UN

Pamla Gopaul, Senior Programme Officer
And Unit Lead Economic Analysis and Foresight, AU Development Agency-NEPAD

Stephen Devereux, Professorial Fellow
Institute of Development Studies

Tinuade Ojo, Director
Centre for Race, Gender and Class, University of Johannesburg

Vidisha Mishra, Director
Global Outreach & Policy, Global Solutions Initiative

Xiaoshun Qin, Professor
The University of South Africa

Task Force support

Nompumelelo Ndawonde, Project Coordinator
Institute for Pan African Thought and Conversation, University of Johannesburg

Siphumelele Duma, Senior Postdoctoral Research Fellow
Institute for Pan African Thought and Conversation, University of Johannesburg

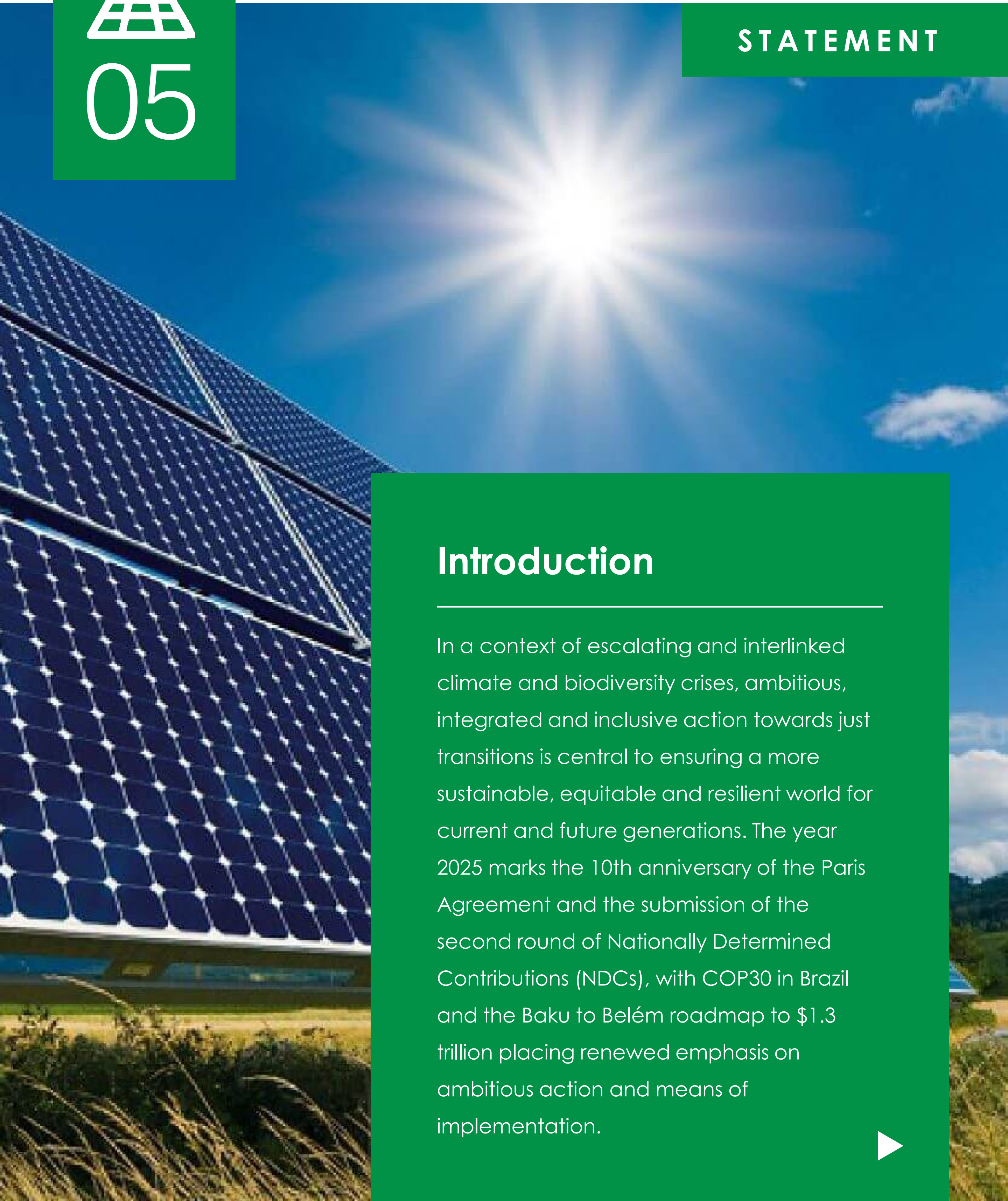
Sofia Fernández Crespo, Coordinator
Executive Direction, Center for the Implementation of Public Policies for Equity and Growth (CIPPEC)

05

TASK FORCE 5

Accelerating Climate Action and the Just Energy Transition

STATEMENT



Introduction

In a context of escalating and interlinked climate and biodiversity crises, ambitious, integrated and inclusive action towards just transitions is central to ensuring a more sustainable, equitable and resilient world for current and future generations. The year 2025 marks the 10th anniversary of the Paris Agreement and the submission of the second round of Nationally Determined Contributions (NDCs), with COP30 in Brazil and the Baku to Belém roadmap to $1.3 trillion placing renewed emphasis on ambitious action and means of implementation.

All of this unfolds against a backdrop of mounting geopolitical competition and concern over the rapidly narrowing window to keep the crucial 1.5°C goal within reach. At the same time, unequal access to finance and technology – along with the persistence of economic, trade and power models that deepen social inequalities and cause continued harm to biodiversity and ecosystems – threatens to undermine progress in advancing the implementation of the SDGs and promoting climate action. This includes tripling renewable energy capacity, doubling energy efficiency and transitioning away from fossil fuels in a just, orderly and equitable manner, in line with the outcomes of the Paris Agreement's First Global Stocktake.

As South Africa's G20 presidency underscores, disparities in wealth and development, within and between countries, require a paradigm shift that places solidarity, equality and sustainability at the core. Given its economic and political weight and its significant contribution to global greenhouse gas emissions, the G20 must exercise leadership in promoting global transitions that are ambitious, equitable and just for all. The group is uniquely positioned to foster international partnerships that expand and improve access to climate finance, support countries in pursuing just transitions and promote inclusive industrial development through equitable and cooperative critical mineral value chains – generating added value while upholding sustainable economic, technological and environmental practices.

Guided by the spirit of Ubuntu, 'I am because we are', Task Force 5 of the T20 seeks to advance solutions to enhance G20 action and international cooperation towards inclusive, sustainable development around the following four priorities:

Promoting sustainable and equitable critical mineral value chains

Scaling adaptation finance

Supporting inclusive, just energy transitions

Focusing on the biodiversity–climate–development nexus

Diagnosis of Main Problems

Global climate action remains vastly insufficient, in both scale and speed, to drive a sustainable transition toward low-carbon, climate-resilient and inclusive societies. Furthermore, these efforts are unfolding in a context marked by deep structural inequalities, where the burdens of the climate crisis, as well as the environmental and social impacts of transition activities, fall disproportionately on those who have contributed least to the problem, particularly in developing and low-income countries, notably in Africa. Meanwhile, the economic gains – whether from global value chains, critical minerals or clean energy technologies – are largely concentrated in already industrialised nations. This inequitable distribution of benefits and burdens continues to undermine both justice and effectiveness in global transitions.

A central challenge lies in the persistent asymmetries embedded in the global economic system. Restrictive trade regimes, intellectual property barriers, the cost of capital and investment concentration in high-value segments of clean energy and critical minerals limit the ability of LMICs to build domestic industrial capacity. Despite their wealth of natural resources and biodiversity, many developing countries remain locked into primarily extractive roles within the global economy – a consequence of a political-economic order shaped in the mid-20th century and perpetuated by outdated and unfair global rules and trade patterns. These structural barriers continue to prevent them from fully participating in value-added stages of production and reaping the socio-economic benefits of the transition.

Biodiversity loss, land conflict and community displacement already accompany many transition-related projects, particularly in extractive sectors. These challenges are further compounded by limited access to truly concessional, affordable and long-term finance, as well as significant fiscal constraints, with many governments forced to make a false choice between delivering basic services and meeting climate priorities.

Where financing mechanisms do exist – such as Just Energy Transition Partnerships – they add to the debt and remain disproportionately focused on mitigation, often lacking transparency, predictability and direct accessibility. Funds such as those provided by the Global Environment Facility and the Green Climate Fund are frequently heavily intermediated and slow to disburse, while failing to reach the local level or support context-specific, locally led strategies. Adaptation finance, in particular, remains severely underfunded, leaving frontline communities without the resources needed to build resilience.

Without a change of course, the transition risks reinforcing patterns of vulnerability, ecological degradation and social exclusion. Despite significant geopolitical challenges, it is imperative to transform the multilateral system to drive structural transformation and catch-up strategies in LMICs, while addressing the global urgency of decarbonisation and resilience. This must be complemented by transformative shifts in high-income countries, including reducing their material and ecological footprints.

All of this demands strong leadership by states and a transformational reform of the international financial architecture, along with a strategic, developmental partnership with the private sector, to facilitate and direct economic development and social progress on a global scale. International cooperation between G20 countries is crucial to steer away from an economic, social and environmental ‘race to the bottom’ and initiate real pathways towards sustainable development for all.

Recommendations

1 **The G20 Critical Minerals Governance Framework should promote value addition and fair benefit-sharing in critical mineral value chains for equitable green industrialisation, making partnership agreements related to critical minerals publicly available, endorsing a credible global mining standard and capacitating producer countries for implementation and monitoring, including consideration of social and environmental monitoring and safeguards**

The G20 should adopt shared rules for equitable critical mineral value chains that prioritise fair benefit-sharing, transparency, community participation, environmental sustainability and socioeconomic upgrading in producing countries. This includes upholding the G20 Principles for Just and Inclusive Energy Transitions and ensuring that the proposed G20 High-Level Principles on Green Industrial Policy and the G20 Critical Minerals Framework firmly anchor green industrialisation and the development of critical mineral value chains within broader inclusive, sustainable socio-economic strategies in developing economies. This should support the rebalancing of supplier–consumer relationships towards mutually beneficial, inclusive partnerships – bridging the gap between long-term security of supply and local, equitable development.

To actively foster sustainable, inclusive value addition and economic diversification compatible with climate action and biodiversity protection, the G20 should ensure equitable access to fit-for-purpose technologies, skills and finance, while upholding decent working conditions and human rights obligations as per International Labor Organization standards. It should mandate the appropriate ex *ante* consideration of social and environmental impacts and safeguards and their monitoring, as well as promote private sector compliance, transparent supply chains and robust traceability mechanisms. This mandate can be advanced by making partnership agreements related to critical minerals publicly available, endorsing a credible global mining standard and capacitating producer countries to capture value from their mineral endowment, as well as for implementation and monitoring.

2 Champion comprehensive 'whole-of society, whole-of-economy' just transition taxonomies and exercise political leadership in UN Framework Convention on Climate Change (UNFCCC) negotiations to secure concrete outcomes and the means of implementation for just transitions at global and local levels

The G20 should lead on local, national, regional and international just transition policies and taxonomies – in line with a 'whole-of-government, whole-of-society' approach – that pursue, among others, poverty alleviation, social equity and resilience, gender equality and economic empowerment. Acknowledging that just transitions are heavily conditional on the transformation of existing international norms and structures, the G20 should commit to helping build consensus within the UNFCCC around an equitable approach to just transition, in line with its own Principles for Just and Inclusive Energy Transitions. It should exercise political leadership to help overcome the current impasse and revitalise the Just Transition Work Programme, enabling it to deliver concrete, outcome-oriented progress focused on delivering the means of implementation for just transitions.

To foster the delivery of concrete, outcome-oriented progress, the G20 should also promote the use of practical, data-driven and implementation-orientated monitoring frameworks. In addition, strengthened South–South and North–South collaboration, alongside enhanced regional integration, should underpin inclusive governance frameworks for just transitions, particularly by supporting skills development, capacity building and the transfer and co-development of technology.

3 The G20 should significantly increase and accelerate climate adaptation and just transition finance. This should include enhancing the availability and affordability of insurance, including reinsurance, to address disaster protection gaps, including through the development of climate risk templates and methodologies and capacity building on risk modelling

The G20 should adopt measures to improve both the quality and scale of climate adaptation and just transition finance, prioritising grants and concessional resources that avoid worsening fiscal distress, while positioning climate finance as a driver of decarbonisation and technological advancement.

It should support the incorporation of specific pathways to strengthen adaptation and just transition finance within the Baku to Belém roadmap to $1.3 trillion, while advancing the swift implementation of the G20 Roadmap Towards Better, Bigger, and More Effective MDBs and the recommendations of the Independent High-Level Expert Group Review of the Vertical Climate and Environmental Funds and of the Expert Review on Debt, Nature and Climate. Particular attention should be paid to mainstreaming nature and climate considerations into macro-economic and fiscal analysis, streamlining accreditation processes, accelerating direct disbursements to local communities and harmonising procedures to reduce transaction costs.

The G20 should also support country-led investment platforms and locally driven adaptation and transition strategies, anchored in national and community priorities, especially to make developing countries socially resilient and economically competitive. The G20 should support context-specific, fit-for-purpose innovations, especially in highly vulnerable regions such as low-lying areas, water-stressed countries and low-income societies. In parallel, it must adopt practical measures to enhance the availability and affordability of insurance, including reinsurance, to address natural catastrophe protection gaps, including through the development of climate risk templates and methodologies and capacity building on risk modelling.

4 Integrate climate and biodiversity nexus solutions with bioeconomy principles within the G20 agendas on sustainable finance, food systems and energy transitions. This should include concrete implementation pathways; financing that is new, additional and complementary; and the integration of multilateral commitments, monitoring and reporting

The G20 should champion concrete measures to strengthen synergies between climate action and the conservation, use and restoration of biodiversity. This includes supporting the establishment of a Joint Work Programme among the three Rio conventions; enhancing collaboration between the Intergovernmental Panel on Climate Change, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services and the UN Convention to Combat Desertification’s Committee on Science and Technology; and establishing nature as the foundation for sustainable development.

G20 members should lead in the integration, submission and implementation of NDCs, National Adaptation Plans, National Biodiversity Strategies and Action Plans and other Rio conventions-aligned instruments while enhancing their support to developing countries, preventing double counting and ensuring that financing for climate and biodiversity is new, additional and complementary.

Finally, the G20 should promote the G20 High-Level Principles on Bioeconomy as a key part of the solutions to complex, nexus challenges, by identifying concrete pathways for their implementation domestically and in multilateral and financing forums. It must lead by example in delivering the transformations increasingly identified as essential to integrate climate, biodiversity and development goals in the future.

Task Force members

Co-chairs

Maiara Folly, Executive Director and Co-Founder
Plataforma CIPÓ

Céline Kauffmann, Chief Programme Officer
Institute for Sustainable Development and International Relations

Gaylor Montmasson-Clair, Director and Co-Founder
Southern Transitions

Co-leads

Abla Abdel-Latif, Executive Director and Director of Research
Egyptian Centre for Economic Studies

Anbumozhi Venkatachalam, Director
Research Strategy and Innovations, Economic Research Institute for ASEAN and East Asia

Brian Mantlana, Commissioner
Presidential Climate Commission and Lead: Holistic Climate Change Impact Area at the Council for Scientific and Industrial Research

Britta Rennkamp, Senior Researcher
African Climate and Development Initiative

Claude Kabemba, Executive Director
Southern Africa Resources Watch

Daouda Sembene, Founder and CEO
AfriCatalyst

David Obura, Chair
Intergovernmental Platform on Biodiversity and Ecosystem Services

Fausto Carbajal Glass, Senior Fellow
Mexican Council on Foreign Relations

Igor Makarov, Head
School of World Economy, National Research University Higher School of Economics

Jeffrey Sachs, President
UN Sustainable Development Goals Network

John Asafu-Adjaye, Senior Fellow
African Center for Economic Transformation

Kahyoun Moon, Associate
Solutions for Our Climate

Leanne Govindsamy, Head
Just Transition, Southern Transitions

Lebogang Mulaisi, Executive Manager
Policy and Research, Presidential Climate Commission

Michael Boulle, Senior Specialist
Climate, Energy & Just Transitions, ICLEI Africa

Nandakumar Janardhanan, Deputy Director and South Asia Regional Coordinator
Institute for Global Environmental Strategies

Raed Al-Mestneer, Research Fellow
King Abdullah Petroleum Studies and Research Center

Rebekah Shirley, Deputy Director for Africa
World Resource Institute

Rosana Santos, Executive Director
Energy Transitions Institute

Sabrine Emran, Economist
Policy Center for the New South

Task Force members

Co-leads (Continued)

Sabyasachi Saha, Associate Professor
Research and Information System for Developing Countries

Sarang Shidore, Director
Global South Program, Quincy Institute

Task Force support

Alex Benkenstein, Programme Head
Climate and Natural Resources Programme, South African Institute of International Affairs

Vitória Gonzalez, Project Coordinator
Plataforma CIPÓ

Jordan Mc Lean, Researcher
Climate and Natural Resources Programme, South African Institute of International Affairs

Secretariat

Elizabeth Sidiropoulos
Luanda Mpungose
Goodwill Kachingwe
Alex Benkenstein
Joseph Matola
Jordan Mc Lean
Krissmonne Olwagen
Laura Rubidge
Kesaobaka Mopipi
Divashnee Naidoo
Jeong Hyun

Communications
Lead: Qudsiya Karrim
Melissa du Preez
Nosipho Dube

Publications
Lead: Alexandra Begg
Iolandi Pool
Renette Collins

Events
Lead: Sarasa Ananmalay
Nondumiso Nqunqa

---

associated with

Philani Mthembu
Mikatekiso Kubayi
Sanusha Naidu
Ashraf Patel
Abel Semosa
Tlhompho Shikwambane
Zama Khuzwayo
Arina Muresan
Asanda Koyo

Siphamandla Zondi
Nomphumelelo Ndawonde
Siphumelele Duma
Camilla Andrade
Selemo Nkwe

T20 SOUTH AFRICA 2025

G20 SOUTH AFRICA 2025

www.t20southafrica.org t20@t20southafrica.org