Cape Town
CHRONICLES

VOL.3
NOVEMBER 2025

ORF OBSERVER RESEARCH FOUNDATION

Thabo Mbeki FOUNDATION

SOUTH AFRICA'S G20 PRESIDENCY
SOLIDARITY, EQUALITY, AND SUSTAINABILITY IN AN ERA OF DISCORD

MALANCHA CHAKRABARTY
Editor

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Attribution: Malancha Chakrabarty, Ed., *South Africa's G20 Presidency: Solidarity, Equality, and Sustainability In An Era of Discord,* November 2025, Observer Research Foundation.

ISBN: 978-93-49061-57-6
ISBN Digital: 978-93-49061-37-8

Editorial and Production Team: Madhura Sen, *Editor;* Vinia Mukherjee, *Producer;* Meryl Mammen, *Assistant Editor*; Umer John, *Editorial Assistant*; Rahil Miya Shaikh, *Design and Layout*

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Africa Sets the Agenda: Editorial Reflections on South Africa's G20 Presidency

Malancha Chakrabarty

The year 2025 marks a historic turning point in Africa's role in global economic governance. An African country, South Africa, will preside over the G20, the world's most influential economic platform. This moment offers the African continent a rare opportunity to assert its interests, amplify the voices of the developing world, and lead global efforts towards a fairer, more equitable, and sustainable future.

Multiple challenges confront the world today: rising geopolitical tensions between countries, a deepening economic and development crisis, a dearth of decent jobs, and the escalating climate emergency. Geopolitical risks, particularly the polarisation and conflicts between major powers, notably the United States (US) and China, continue to generate countless ripple effects across the global economy. Economic uncertainty has intensified amid rising tariffs and an increasingly unpredictable policy environment. The International Monetary Fund (IMF) has downgraded its global growth forecasts to 2.8 percent for 2025 and 3 percent for 2026, from earlier projections of 3.3 percent for both years.[1] While much of the developing world, especially Africa, is experiencing a 'youth bulge', this demographic advantage might translate into social instability if young people are unable to access gainful employment. According to World Bank estimates, 1.2 billion young people will reach working age in the Global South.[2] For these countries, creating high-quality jobs and investing in education and training to prepare citizens for future-ready employment is of paramount importance. At the same time, the intensifying climate crisis is disproportionately affecting the developing world, with severe consequences for vulnerable populations.

While expectations run high, South Africa's G20 Presidency faces many hurdles. First, there is widespread ambivalence towards global cooperation, wealthy nations are cutting official development assistance and failing to honour their climate commitments. Second, South Africa's own influence in international affairs has diminished. Its relationship with the US has deteriorated, particularly following its International Court of Justice (ICJ) case against Israel; the US has been absent from key ministerial meetings despite being part of the G20 troika. South Africa's economic prospects are constrained by sluggish economic growth, high unemployment, widespread poverty, and persistent corruption. In 2024, gross domestic product (GDP) growth stood at just 0.7 percent.[3] The country has one of the highest rates of unemployment in the world with an official unemployment rate of 33.2 percent[5] and nearly 40 percent[5] of the population living below the national lower-bound poverty line.

The eleven essays in this volume explore the South African G20 Presidency's core ambitions: solidarity, equality, and sustainability. Leading scholars from India and Africa engage with critical development concerns, including reviving growth and employment in the Global South, championing African development, and financing for development and climate adaptation.

In the first essay, Pamla Gopaul examines Africa's strategic priorities and pathways for realising Agenda 2063 within a global landscape marked by geopolitical tensions, rising tariffs, declining development finance, and the intensifying impacts of climate change. She argues that Africa is no longer a bystander but a pivotal actor in shaping the norms of international cooperation and that South Africa's G20 Presidency presents a unique opportunity to redefine multilateralism by aligning continental priorities with global public goods. She identifies five pathways to advance Agenda 2063 within the G20 framework: i. reforming the global financial architecture to ensure financial justice to developing countries; ii. promoting fair trade and facilitating technology transfer to support African industrialisation; iii. establishing a dedicated adaptation fund to provide long-term, predictable finance for developing countries and support for green industrialisation iv. advancing digital inclusion; and v. rebalancing institutional representation through reforms of global institutions such as the IMF and the World Bank.

In the second essay, Sabina Dewan underscores the acute shortage of quality jobs and the growing precarity of work across the Global South, driven by intersecting factors such as technological disruptions, energy transitions, trade shocks, and geopolitical tensions. To address this severe job crisis and the resulting socio-economic disparities, she calls on the G20, under South Africa's presidency, to reaffirm its commitment to "advancing decent work policies that foster a future-ready workforce". She further outlines policy priorities to revive growth and jobs: i. strengthening of local ecosystems for job creation and income generation; ii. investing in human capital development; iii. building robust data systems to support adaptive regulatory frameworks; iv. prioritising public interest over commercial imperatives; and v. reinforcing labour market institutions.

Soumya Bhowmick takes a deep dive into economic inequality, which remains a defining challenge across the Global South. He underscores the enduring legacy of colonialism and Apartheid, which systematically dispossessed the majority and concentrated wealth in the hands of a few. To reduce economic inequality and expand upward mobility, he offers three key recommendations for South Africa's G20 Presidency. First, the G20 should institutionalise comprehensive wealth measurement and redistribution by endorsing a framework that integrates natural capital with traditional assets. Second, it should scale up education reforms and promote digital inclusion. Third, the G20 must prioritise tailored South-South cooperation and embed climate policies within broader social and economic strategies.

Even after nearly 60 years of independence, much of sub-Saharan Africa remains dependent on food imports, and the continent continues to be scarred by persistent hunger and undernutrition. Authors Fuchaka Waswa and Evans Kituyi argue for the urgent need to reimagine national food security policies. They contend that food security is compromised when staples and animal products, readily producible locally, are imported instead. The authors build a compelling case for revitalising domestic food production and supply through reforms in land tenure systems and strategic investments in agricultural development.

Jackline Kagume's essay examines the pervasive challenge of debt, which is intricately linked to Africa's growth trajectory. In recent years, debt burdens have escalated to unsustainable levels across many African countries. Over-indebtedness poses major challenges to the continent's development prospects, as many countries have limited fiscal space for health and education investments. Kagume argues that sustainable debt management requires a multi-pronged approach: fiscal consolidation and disciplined public spending; enhanced oversight and debt transparency initiatives; innovative financing mechanisms; and greater citizen engagement and public discourse. The author emphasises that debt sustainability must be placed at the centre of the G20's agenda under South Africa's presidency.

In the next piece, Prabhat Upadhyaya laments the rapid marginalisation of climate change on the policymaking agenda due to geopolitical tensions. He calls for urgent efforts to safeguard the climate agenda through three key actions. First, mobilising financial resources to support the implementation of Nationally Determined Contributions (NDC). Second, addressing the leadership vacuum within the United Nations Framework Convention on Climate Change (UNFCCC), created by the withdrawal of the US, by encouraging greater engagement from BRICS countries. Third, promoting international cooperation and navigating a global landscape that is increasingly shaped by narrow self-interest.

The following two essays examine the critical role of nature-based solutions in addressing climate vulnerability across Africa. Gopalika Arora argues that conventional grey infrastructure is insufficient, and that ecosystem-based adaptation must be prioritised as a sustainable alternative. Given its ecological wealth, Africa is well-positioned to shape a green growth agenda through nature-based pathways. However, financial policy, and technical barriers continue to hinder the transition of nature-based solutions from fragmented pilot initiatives to scalable, investment-ready interventions. She recommends innovative financial instruments to attract capital, enhanced institutional coordination, and knowledge-sharing mechanisms. Malik Dasoo underscores ecosystem-based adaptation as the foundation for climate-proofing African cities, particularly due to its lower costs, direct climate impact, and Africa's natural advantage. He highlights successful examples, such as Cape Town's urban resilience initiatives, the Sustainable Land Management Project, and the restoration of Lake Tana in Ethiopia.

Sunaina Kumar and Judith Mwaniki underline the role of women-led collectives in advancing the Sustainable Development Goals (SDGs). These collectives enable women to access resources and financial services, generating income, fostering empowerment, and amplifying their voices in decision-making processes. Across India and Africa, women-led collectives are playing a critical role in promoting gender equality, alleviating poverty, and driving economic transformation. The authors advocate for the initiation of India-Africa joint projects through partnerships with civil society organisations and grassroots women's groups, harnessing South-South and triangular cooperation, and mobilising public and private financial resources to strengthen women-led collectives.

The penultimate essay by Baratang Miya foregrounds the persistent digital divide in the Global South, where exclusion is driven by intersecting barriers such as limited public financing, and a massive digital skills gap. She argues that bridging this divide is a foundational prerequisite for achieving inclusive and equitable development. Among her key recommendations are the adoption of a Global Digital Compact; the introduction of financial instruments such as debt-for-digital swaps; and the establishment of a 'G20 Resilience Fund' to support digital infrastructure and capacity-building in underserved regions.

In the final essay, Vera Songwe observes that Africa's mineral endowment has yet to catalyse the continent's economic and societal transformation. She argues that the global energy transition presents a strategic opportunity for African nations endowed with critical minerals. However, this potential can only be realised through targeted reforms. First, countries must ensure that mining contracts must be structured to reflect the needs of local populations and ensure a steady stream of revenue. Second, local economies should be strengthened through local content and procurement policies. Third, local or national ownership must be supported by sound fiduciary practices and effective oversight mechanisms. Finally, countries must invest in infrastructure, energy systems, transport networks, and workforce development to enable the smooth and sustainable operation of mining activities.

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Africa's G20 Moment: From Symbolism to Strategy

Pamla Gopaul

In 2025, Africa stepped onto the global stage not as a peripheral observer but as a pivotal actor in shaping the norms of international cooperation. South Africa's[1] G20 Presidency, coinciding with the African Union's (AU) admission as a permanent member, signals more than symbolic recognition; it marks the moment when Africa's voice can no longer be marginalised within global governance frameworks.

This inclusion provides Africa with an opportunity to redefine multilateralism by aligning continental priorities with global public goods.[2] Africa's call for equity in vaccine distribution during the COVID-19 pandemic demonstrated how its priorities often anticipate broader global imperatives, underscoring its role as a solutions provider to systemic crises. To convert recognition into influence, Africa must champion a development agenda that articulates its aspirations, confronts structural constraints, and repositions its role within global governance. Agenda 2063, the continent's blueprint for inclusive and sustainable development, offers the strategic vision for this engagement.[3]

Africa at a Crossroads

The continent's crossroads moment is not only economic, but also political and social in nature. The democratic backsliding observed in parts of the Sahel, coupled with rising inequality, underscores the need for a holistic and integrated developmental framework.[4] Africa's debt crisis cannot be separated from the historical legacy of extractive colonial economies, which continue to shape fiscal vulnerabilities across the region. Similarly, global shocks such as pandemics, food insecurity, and energy crises reveal how Africa's marginalisation intensifies global fragility. Thus, reforming Africa's position within global governance is not an act of charity; it is a manifestation of enlightened self-interest for the international community as a whole.

Africa's development trajectory has been shaped by structural imbalances, global economic asymmetries, and recurrent external shocks. The continent experienced high growth between 2002 and 2010, driven largely by commodity booms and robust Chinese demand. However, subsequent downturns, compounded by the COVID-19 pandemic, the Ukraine-Russia conflict, and tightening global financial conditions, have slowed progress. The International Monetary Fund (IMF) projects Africa's growth at 3.8 percent in 2025, a figure that falls short of the level required to meet the Sustainable Development Goals (SDGs) and the aspirations of Agenda 2063.[5] Simultaneously, Africa remains disproportionately affected by climate change, debt distress, and food insecurity, further constraining its development prospects.

Nearly 60 percent of low-income countries, most of them in Africa, are either in or at risk of debt distress. Public debt-to-GDP ratios exceed 60 percent in more than 18 African states, constraining fiscal space for essential public investments.[6] Youth unemployment remains a latent structural threat, and by 2030, an estimated 375 million young Africans will enter the labour force, yet without sufficient job creation, the 'youth bulge' risks fuelling instability rather than yielding a demographic dividend.

Five Pathways to Realising Agenda 2063 within the G20

1. Financial Justice: Reforming the Global Financial Architecture

Africa's development is constrained by a global financial architecture that remains outdated and structurally unequal. Debt relief processes are frequently delayed, and Special Drawing Rights (SDRs) continue to be unevenly distributed, with Africa receiving only around 5 percent of the 2021 allocation. Zambia's prolonged debt restructuring under the G20 Common Framework and Ghana's high borrowing costs illustrate how current mechanisms erode fiscal space and limit social investment.[7]

In response, Africa has proposed establishing an African Sovereign Credit Rating Agency to challenge systemic biases that inflate borrowing costs. The continent also advocates for blended finance instruments to mobilise both concessional and private capital for infrastructure development and green growth initiatives.

Within the G20, Africa should advocate

- **A debt standstill mechanism** to suspend payments during crises.[8] This would require temporarily suspending debt repayments during crises such as pandemics or natural disasters, allowing African countries to redirect resources toward urgent social and economic needs without risking default or deepening fiscal distress.
- **Equitable burden-sharing** so that all creditors participate in restructurings.[9] Ensuring that all creditors; bilateral, multilateral,

and private, participate fairly in debt restructuring processes. This would prevent situations where some creditors refuse to cooperate, placing an unfair burden on African governments and limiting the effectiveness of relief efforts.

- **Transparent frameworks** with clear timelines to avoid protracted negotiations.[10,11] Clear procedures and deadlines would improve predictability, reduce costs, and help countries plan more effectively for recovery and development.
- **A dedicated SDR facility** to channel SDRs toward infrastructure, climate adaptation, and social protection. By using local currencies and African institutions, this approach would reduce dependency on external debt and strengthen regional financial systems.[12]

2. Trade Transformation: From Extractives to Value Addition

Africa's trade remains dominated by raw commodity exports, a pattern that continues to constrain job creation and industrialisation. The African Continental Free Trade Area (AfCFTA) offers a chance to change this by boosting intra-African trade and fostering regional value chains.[13] Early signs of progress are visible: Nigeria's agro-processing sector is expanding cassava and cocoa value chains,[14] Ethiopia's pharmaceutical parks are attracting investment, and the Lagos-Abidjan corridor is emerging as a hub for agribusiness and logistics.

To build on this momentum, Africa should press the G20 to

- **support fair trade rules** that shield emerging industries from premature competition[15]
- **invest in trade infrastructure** such as ports, railways, and digital corridors that reduce costs and connect producers to markets[16]
- **facilitate technology transfer and skills development** enabling African industries to ascend the value chain in agro-processing, pharmaceuticals, and green manufacturing[17]

Harnessing AfCFTA's transformative potential with the strategic support from the G20 could shift Africa away from extractivism towards inclusive industrialisation.

3. Climate Resilience: Financing Adaptation and Green Industrialisation

Africa contributes less than four percent of global greenhouse gas emissions, yet remains the most climate-vulnerable region in the world. According to the Notre Dame Global Adaptation Initiative (ND-GAIN) Country Index, nine of the ten most climate-vulnerable countries globally are in Africa, reflecting high exposure to droughts, floods, and extreme heat compounded by limited adaptive capacity.

Adaptation requirements exceed US$50 billion annually, yet available funding remains insufficient. Countries like Mozambique illustrate the effects of recurrent climate-related disruptions, while Morocco's Noor Solar Complex demonstrates the potential of renewable energy investments to enhance climate resilience and support generation of employment.[18]

Africa's G20 agenda should include

- **a dedicated adaptation fund** to ensure predictable, long-term financing for locally led initiatives such as drought-resilient agriculture, flood mitigation measures, and climate-resilient infrastructure
- **support for green industries,** including renewable energy, green hydrogen, and sustainable transport, leveraging Africa's vast resource base and critical minerals to develop clean-energy value chains and expand employment opportunities
- **a just energy transition framework** that balances climate objectives with development imperatives, ensuring that efforts to expand electricity access for over 600 million Africans remain aligned with gradual decarbonisation pathways

The African Group of Negotiators on Climate Change has consistently emphasised that adaptation finance is equity rather than assistance. The G20 could endorse Africa's proposal for a Loss and Damage Financing Facility, established at the twenty-seventh session of the Conference of the Parties (COP27), to be scaled and integrated into global financial governance structures. In parallel, African cities such as Nairobi, Lagos, and Cairo are fostering green technology enterprises, underscoring the potential for youth-led climate solutions by removing financing constraints.[19]

The G20 offers a platform for advocating a dedicated Adaptation Finance Facility that supports locally driven resilience programmes.[20] Concurrently, Africa should position itself as a centre for green industrialisation, with strategic investments in renewable energy, green hydrogen, and sustainable transport.[21] Agenda 2063's commitment to environmental sustainability aligns with the global net-zero agenda, but must be pursued within a just-transition framework.[22]

4. Digital Inclusion: Bridging the Digital Divide

Digital transformation is central to Africa's sustained economic development. Yet only 36 percent of the population has access to the internet, with pronounced gender-based and rural-urban divides.[23] Despite this, technological innovations, from mobile financial services to Artificial Intelligence (AI) for local languages, demonstrate the continent's evolving digital capabilities. For example, Kenya's M-Pesa platform is widely recognised as a global reference point for financial inclusion, enabling millions of unbanked citizens to access mobile money services. More recently, Rwanda's investments in digital identification systems and broadband infrastructure have contributed to its emergence as a regional hub for e-governance. While these country-level developments demonstrate Africa's digital leapfrogging potential, realising it will require scaled and sustained support from the G20.[24]

Africa's G20 agenda should include

- **a Digital Inclusion Compact** aimed at expanding affordable broadband access, lowering costs, and enhancing digital literacy, particularly among women and youth[25]
- **support for African-led data and AI ecosystems** that incorporate local languages and contextual applications in health, agriculture, and education, with safeguards for equity and privacy[26]
- **investment in digital public goods** such as interoperable payment systems and e-commerce platforms that implement the AfCFTA's digital trade protocol and facilitate regional market integration[27]

In the absence of equitable access to infrastructure, Africa faces the risk of exclusion from the AI economy, thereby perpetuating existing digital disparities. Targeted G20 support could enable inclusive participation, technological innovation, and enhanced competitiveness.[28]

5. Institutional Reform: Rebalancing Global Governance

Africa's representation in global governance structures cannot be addressed through symbolic inclusion alone; it requires substantive institutional reforms. The AU's permanent membership in the G20 marks a significant development, but without formal institutionalisation, its influence may remain constrained. One practical measure could be the introduction of a rotational co-chairing mechanism within G20 working groups, thereby ensuring African participation in technical deliberations.[29]

Africa's broader advocacy for the reform of the United Nations Security Council complements its G20 agenda by reinforcing the principle of equitable representation.[30] Integrating African priorities into global governance frameworks also contributes to strengthening South-South cooperation,[31] as Africa collaborates with Latin American and Asian regions to advance systemic reform.[32]

To advance this agenda, Africa should encourage the G20 to

- **reform the IMF and World Bank** so that Africa's demographic and economic weight is reflected in global policy[33]
- **institutionalise the AU's role within the G20** through the establishment of a secretariat and structured participation in working groups[34]
- **promote inclusive multilateralism** by building strategic coalitions with other regions of the Global South[35]

Implementation Challenges and Opportunities

While Africa's priorities within the G20 are clearly articulated, the path to implementation remains institutionally and operationally complex. A key challenge lies in the asymmetry of negotiating capacity between African states and advanced economies, the latter often represented by larger delegations with specialised technical expertise. To address this, Africa must invest in specialised training programmes for negotiators and strengthen collaboration with African research institutions capable of providing timely evidence and policy-relevant analysis.

A further constraint lies in resource dependency. African states may sometimes compromise long-term policy goals in exchange for short-term financial assistance, thereby diminishing their collective bargaining leverage. Addressing this requires stronger continental cohesion and financial autonomy, including the adoption of innovative financing mechanisms such as diaspora bonds and sovereign wealth funds.

On the opportunity side, Africa's demographic dividend and rising innovation ecosystems offer strategic leverage for shaping global policy discourse. Entrepreneurial initiatives in fintech, agritech, and clean energy, led by young African innovators, could attain global relevance if supported through G20 platforms. In addition, Africa's deepening regional integration under the AfCFTA offers a demonstration of commitment to rules-based trade and cooperative governance, an approach that strengthens its credibility within multilateral platforms. By reframing these structural challenges as opportunities for institutional reform and resilience-building, Africa can transform perceived limitations into strategic assets within the G20 framework.

Policy Recommendations

In addition to the recommendations that follow, Africa could also emphasise the importance of establishing structured monitoring mechanisms within the G20 to assess implementation progress. For instance, a biennial 'G20-Africa Progress Report' could be developed in collaboration with policy research organisations and academic institutions, ensuring accountability and transparency in commitments.

Another critical step involves the harmonisation of African positions ahead of G20 summits, facilitated through coordinated AU-led pre-summit dialogues, which would enable Africa to negotiate from a unified platform. Furthermore, Africa should explore synergies with similar initiatives in other regions, such as Latin America's G20 strategies, to foster cross-regional coalitions that enhance the Global South's bargaining capacity. Finally, Africa must advocate for capacity-building programmes that strengthen the ability of African negotiators and policymakers to participate effectively in technical discussions on finance, trade, and digital governance.

To operationalise this agenda, Africa should advance the following policy actions within the G20:

1. Establish a G20 Africa Development Compact to align G20 initiatives with Agenda 2063, encompassing financing, technical assistance, and joint programme development. Unlike Germany's Compact with Africa, which primarily focused on improving investment climates in selected countries, this proposal emphasises continent-wide alignment with Agenda 2063. It would extend beyond bilateral investment promotion to offer a coordinated platform through which G20 commitments, on infrastructure, climate, trade, and debt relief, are benchmarked against Africa's own long-term vision. In this way, it complements the German initiative while broadening its scope from country-level arrangements to a systemic partnership anchored in continental priorities.[36,37,38]

2. Launch an African Resilience and Recovery Facility, supported by the G20, to address debt relief, climate adaptation, and post-crisis recovery. This facility would consolidate fragmented mechanisms,

such as the IMF's Resilience and Sustainability Trust and various climate funds, into a unified Africa-focused platform.[39] By pooling G20 resources and aligning them with African priorities, the proposed facility could provide rapid-disbursing finance during crises, while also investing in long-term resilience-building. The facility would be anchored at the African Development Bank, ensuring African ownership and governance,[40] and would target three core areas: (i) debt restructuring support that protects social expenditure, (ii) scaled-up climate adaptation financing, and (iii) recovery programmes that promote employment and regional value chains. In doing so, it addresses gaps in existing global mechanisms that are often slow-moving, fragmented, or inaccessible to African states.

3. Create a G20-AU Digital Transformation Partnership to bridge the digital divide and foster inclusive digital economies. This would build on the precedents set during India's G20 Presidency, when the Digital Economy Working Group prioritised digital public infrastructure and data governance.[41] The AU partnership would contextualise these global priorities within Africa, focusing on affordable broadband expansion, interoperability under the AfCFTA Digital Trade Protocol, and capacity-building for African start-ups and regulatory bodies.[42,43] In doing so, it would translate Working Group outcomes into actionable programmes tailored to Africa's specific requirements.[44]

4. Advocate the establishment of a Global Green Minerals Framework to ensure equitable value for Africa's resources and promote domestic beneficiation. Such a framework would establish standards for transparency, pricing, and sustainability across the critical mineral supply chain.[45] It would require that contracts incorporate local value addition, enforce environmental safeguards, and ensure more equitable revenue-sharing with producer countries.[46] The framework could also coordinate investment in regional processing hubs for lithium, cobalt, and rare earth elements, enabling Africa to participate in the clean energy value chains rather than remain confined to raw material exports.[47,48]

5. Institutionalise the AU's participation in G20 working groups to embed African perspectives across thematic areas. In practical terms, this could mean establishing a permanent AU liaison office within the G20 Secretariat and granting AU representatives observer or co-chair status in selected working groups (e.g. Development, Climate, Digital).[49] While, full voting parity may not be immediately feasible, incremental measures, such as rotating AU experts into technical sub-groups and issuing regular AU-G20 joint communiqués, could gradually build institutional memory and influence.

Conclusion

Africa's presidency of the G20 represents more than a milestone; it marks a strategic inflection point. Formal recognition has been achieved, yet recognition alone does not guarantee economic prosperity or resilience. What will define this juncture is Africa's capacity to translate its presence into influence and its intent into measurable outcomes. If Agenda 2063 is systematically aligned with the SDGs and the Paris Agreement, the continent can transition from the margins of global governance to a position of normative influence.

However, influence will not materialise automatically. It will require coherence across African governance structures, solidarity among AU member states, and a willingness to invest in the technical and diplomatic capacities necessary for equitable negotiation. It will also demand the political resolve to address fragmentation and articulate a unified position, even when national interests diverge.

The opportunity is immense. By advancing financial equity, trade system reform, climate resilience, digital inclusion, and institutional restructuring, Africa can demonstrate that it is not a mere beneficiary of global decisions but an active contributor to the design of a more equitable and sustainable global order. This is the mandate of Africa's G20 Presidency: to demonstrate that a continent historically excluded from decision-making forums can not only secure representation but also shape institutional norms and frameworks.

A forward-looking strategy must also account for potential constraints. Africa’s ability to influence G20 deliberations depends on the internal coherence of its governance architecture, the strength of AU member state coordination, and the political will to reconcile national priorities with continental objectives. There is a risk that divergent interests among African states could dilute Africa’s collective influence if not proactively managed. Nevertheless, these challenges are not insurmountable. Through investment in knowledge generation, enhanced policy coordination, and development of emerging African leadership capable of sustaining the G20 agenda, Africa can ensure that its current opportunity evolves into long-term institutional transformation.

Africa’s presidency of the G20 represents not just a symbolic but a strategic mandate to contribute to the reconfiguration of global economic governance. By anchoring its engagement in Agenda 2063, Africa can transform its marginalisation into substantive influence. Advancing financial equity, trade reform, climate resilience, digital transformation, and institutional renewal is essential not only for advancing Africa’s development trajectory but for the construction of a more representative and durable multilateral system. The task ahead is to convert presence into influence, symbolism into institutional substance, and aspiration into coordinated action.

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Re-Centring Employment in Growth Strategies in the Global South

Sabina Dewan

The Global South is home to 85 percent of the global working-age population.[1] Many developing countries have large and growing youth populations that offer considerable productive potential. However, this potential can only be realised if economies generate sufficient good-quality employment. Unfortunately, making the necessary investments in human capital and providing enough quality jobs is becoming increasingly difficult in the Global South.

There are several contributing factors. First, a confluence of forces; including technological advancement and trade shocks, climate change, and the energy transition, are disrupting labour markets at an unprecedented scale and pace. Second, many developing countries have largely foreclosed on the manufacturing-led industrialisation pathways that historically underpinned growth and development.[2] These economies are undergoing structural change but without transformation; shifts in economic structure are not accompanied by transformation to higher levels of labour productivity that characterised the development trajectories of industrialised countries. Third, the challenge is compounded by the demographic surge underway in many countries across the Global South. While investments in human capital and the development of labour and social protection systems are essential to help workers adapt to evolving labour markets, such efforts are increasingly constrained by global uncertainty. Fourth, fiscal limitations and emerging debt crises further restrict the scope for investment in education, training, and the provision of social and labour protections.

Taken together, these constraints not only undermine livelihood and employment outcomes, but also risk exacerbating inequality, deepening socio-economic insecurity, and impeding economic growth in the Global South.[3] These disruptions are contributing to increased precarity in the world of work. This chapter examines these dynamics, highlighting the complex challenges confronting contemporary labour markets and the urgent need to re-centre employment within growth and development strategies across the Global South. The G20, under South Africa's presidency, reaffirmed its commitment to "advancing decent work policies that foster a future-ready workforce," as part of its broader vision to build more just, inclusive, and resilient societies.[4] As South Africa transitions the presidency to the United States (US), sustaining this commitment in the Global South may prove more difficult, yet remains critically important.

Labour Market Disruptors and Shifting Paradigms

Is uncertainty the new constant?

The first quarter of the twenty-first century has been marked by a convergence of transformative forces such as climate change, technological acceleration, demographic transitions, the COVID-19 pandemic, trade disruptions, and geopolitical tensions, that have reshaped the patterns of living and working.[5] Disruptions have occurred in the past, but the current juncture in our history is distinctive in both the simultaneity and intensity of these overlapping phenomena, as well as the unprecedented scale and pace at which they are altering economies and labour market dynamics.

This phenomenon is what historian Adam Tooze and others, describe as a 'polycrisis',[6] that is, a period characterised by multiple, interconnected crises spanning economic, political, ecological, social, and geopolitical domains, occurring concurrently and in rapid succession. The cumulative impact of these crises is greater than the sum of their individual effects, producing compound disruptions. This is true of labour markets, as complex ecosystems, facing interdependent crises that converge to amplify disruptions. The implications for developing countries in the Global South are especially acute, given existing vulnerabilities and limited capacities to adapt to systemic disruptions.

Is there structural change without transformation?

Structural transformation refers to the movement of labour from low to higher productivity activities, both across and within economic sectors.[7] In many developing nations, agriculture continues to be a dominant source of employment, yet agricultural work is characterised by widespread informality and low-productivity.[8] The migration of workers away from agricultural employment into manufacturing and service sectors, typically associated with higher productivity and greater formalisation represents a structural transformation. This process may also occur within sectors as economies transition from basic production to higher value-added activities.

Yet, developing nations today are navigating a markedly altered global economic landscape. The manufacturing-led industrialisation pathways that facilitated economic growth in countries such as South Korea, Taiwan, and Singapore during the latter part of the twentieth century are increasingly inaccessible.[9] This shift has disrupted the conventional development trajectory, which was historically characterised by a sequential transition from agriculture to manufacturing to services.[10]

In the context of 'premature deindustrialisation',[11] many countries in the Global South are adopting alternative development strategies that rely on service-led growth.[12] However, the service sector generally exhibits limited capacity to absorb enough low-skilled labour. This poses particular challenges for developing countries that face both a labour surplus and growing youth populations.

Will countries start to grow old before growing rich?

As industrialised economies such as Germany, Japan, and the US, along with emerging markets like China, grapple with the challenges of ageing populations, a different demographic reality is unfolding across much of the developing world. Many developing countries possess large and expanding youth populations. Countries such as India, Indonesia, and Nigeria are projected to reach the peak of this demographic expansion within approximately 15 to 20 years, while others such as Angola and Zambia remain at earlier stages of their demographic transition.[14]

Conventional understanding suggests that such a 'youth bulge' can yield a demographic dividend. At this stage in a country's demographic trajectory, the working-age population exceeds the dependent population. The advantage materialises only if economies can harness the productive capacity of youth through strategic investments in human capital and the creation of quality employment opportunities. This imperative is further underscored by the need to support workers in adapting to evolving labour market demands. Whether it involves the transition from fossil fuels to clean energy; the search of new employment following displacement due to automation; or the acquisition of new skills to participate in an artificial intelligence (AI)-driven economy, each scenario highlights the critical role of public institutions in facilitating worker transitions. Yet development and reinforcement of institutional capacity to support these transitions is increasingly constrained in the Global South. The absence of social infrastructure is particularly concerning at a time of such economic and geopolitical volatility.

Who pays the bill?

In recent years, the COVID-19 pandemic, various geopolitical and economic disruptions, and the ensuing economic slowdowns has led to constrained revenue while public expenditures surged across many countries. In many countries fiscal pressure has ballooned into a debt crisis. Labour market disruptions and structural shifts in the Global South necessitate increased investment in health, education, skills development, labour market and social protections. However, many of these countries are struggling with widening fiscal deficits and mounting debt obligations that prevent them from making these critical investments.[15] Net interest payments on public debt held by developing countries reached US$921 billion in 2024. This was a 10 percent increase compared to net interest payments in 2023. In 2024, 61 countries were spending a staggering 10 percent or more of their government revenues to service their debt.[16]

Changing Patterns of Work

Is labour market precarity rising?

Whether the aggregate impact of these troubling trends will result in job creation or destruction remains a subject of considerable debate.[17] Beyond economic forecasts that are often based on assumptions that do not reflect real-world complexities, there is no definitive method for predicting the net impact of these transformations on employment.[18] What is evident is that persistent uncertainty is fuelling fragility in the global economic and labour market outlook for 2025.[19] The forecast for global Gross Domestic Product (GDP) has been revised downward from 3.2 percent to 2.8 percent,[20] corresponding to a decline in projected global employment growth from 1.7 to 1.5 percent in 2025.[21]

Moreover, informal employment typically characterised by low productivity and poor working conditions,[22] not only persists at high levels across much of the Global South, but is also increasing in prevalence. Informal employment accounts for approximately 89 percent of total employment in low-income countries, 81.6 percent in lower-middle-income countries, 49.7 percent in upper-middle-income countries, and 15.9 percent in high-income countries.[23] Available data indicates that formal employment growth has decelerated while informal employment growth has accelerated. Between 2010–2015 and 2024, annual formal employment growth dropped from 1.8 percent to 1.5 percent, while informal employment growth rose from 0.8 percent to 1.1 percent.[24] This trend reflects a narrowing differential between formal and informal employment growth rates, and a slower pace of labour market formalisation. In 2024 alone, a 0.5 percentage point reduction in formal employment growth coincided with the emergence of an estimated 23 million additional informal workers worldwide, largely concentrated in low-income countries.[25]

How is the nature of work changing?

Many of the transformative forces previously discussed such as technological advancement, climate change, the energy transition, trade shocks, and the COVID-19 pandemic, are changing the nature of work often contributing to greater precarity. For example, the transition from coal to renewable energy in India illustrates the complexity of achieving a just energy transition. Coal India, a nationalised enterprise typically provides greater entitlements and protections for formally employed workers than those offered by private companies.[26] This disparity represents one of several institutional challenges in facilitating a just transition from fossil fuels to renewable energy sources.[27]

Recent years have also witnessed a rise in non-standard forms of work encompassing a range of employment models that diverge from traditional full-time, permanent positions. These include short-term contracts, reduced-hour schedules, on-demand labour, and multi-employer configurations. Platform-mediated gig work is a prominent example of this form of work.[28]

Unlike the traditional economy, where government regulations govern labour practices, the platform-based service sector is largely shaped by the rules set by the platform owners. These companies determine eligibility criteria, behavioural standards and the scope of worker entitlements.[29] Most platforms classify their workers as independent contractors rather than employees. Consequently, the majority of platform-based work is regulated by commercial service agreements instead of standard employment contracts governed by labour laws and with associated social protections.

This form of platform-enabled gig work is expanding rapidly as more sectors rely on it to manage economic volatility rather than investing in permanent employees.[30] This shift is reconfiguring the landscape of worker protections and entitlements in the economy, shifting the balance toward more precarious work.[31]

Recommendations

The global climate is currently characterised by greater uncertainty than perhaps at any other time in modern history. As multiple forces disrupt labour markets, livelihoods and employment are becoming increasingly precarious. This threatens widening socioeconomic disparities, intensifying inequality, and constraining economic development and growth across the Global South.

Addressing these challenges requires a multi-pronged strategy, including the following policy priorities:

Strengthen local ecosystems for job creation and income generation.

Amid global volatility, strengthening local ecosystems for job creation and income generation is increasingly critical. In contexts where national policy space is constrained, local strategies that leverage place-based strengths and resources, and that are tailored to a particular region based on its existing industries, skills base, and resources is key to stabilising employment.

Invest in human capital development.

The confluence of technological advancements and demographic shifts in developing economies underscores the need for substantial investment in human capital development. This includes reforming and modernising education and training systems to improve youth employability. Moreover, as major forces continue to reshape the economic landscape; creating opportunities in some sectors while eliminating them in others, governments must prioritise worker retraining and reskilling initiatives to align capabilities with emerging labour market demands.

Build better data systems to support adaptive regulatory frameworks.

Ongoing labour market disruptions necessitate adaptive regulatory frameworks informed by regular data collection. Collection of more granular, disaggregated data at sub-national levels, and the use of alternative data can help inform policy and implementation. For example, mandating data-sharing and transparency from technology firms that operate digital platforms can enhance the evidence base for policymaking.

Prioritise interest over commercial considerations.

Robust enforcement of competition law and regulatory instruments is essential to curb the growing consolidation of data, capital, and power in large corporations, particularly in the technology sector. Policymakers should reassess corporate taxation structures, and other forms of regulation to prevent companies from engaging in rent-seeking behaviour and labour arbitrage.

Strengthen labour market institutions.

Governments must reject the premise that any employment is preferable to unemployment. Low-quality employment exacerbates income inequality, squanders productive potential, and diminishes aggregate demand—all of which are detrimental to economic growth. Effective labour market institutions provide the foundation for sustainable employment systems that balance efficiency with equity. This requires addressing critical areas such as labour regulations, wage systems, and social protection. Labour regulations, entitlements and compliances should empower and protect workers. At the same time, they should be simple and clear enough so as not to deter business and investment. Wage setting mechanisms should ensure that all workers can meet their needs and should be adjusted periodically to account for changes in the cost of living. Social protection coverage should be expanded, particularly the provision of healthcare. Social protection systems should move toward universal provision of benefits that are not tied to employment.

Further these goals through international platforms like the G20.

The G20, as an important forum for international economic cooperation. The forum's commitment to quality job creation, social protection, and inclusive growth, as articulated in employment ministerial declarations, provides a framework for coordinating policy responses and facilitating knowledge exchange on labour market governance, skills development, and social protection systems across diverse economic contexts. These priorities must be sustained across successive presidencies, with particular attention to the structural constraints and policy needs of countries in the Global South.

By implementing these policy recommendations, governments can respond more effectively to global employment disruptions and foster more stable, equitable, and resilient labour markets in the Global South. When applied holistically, these strategies can help mitigate socioeconomic disparities, reduce inequality, and promote sustainable economic development and growth.

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From Apartheid to Agenda 2063: Advancing Inclusive Growth in the Global South

Soumya Bhowmick

Economic inequality continues to pose a challenge in South Africa and across the Global South. This chapter examines the historical roots and structural factors that limit upward mobility, encompassing colonial legacies, Apartheid, unequal education, labour market exclusion, and spatial divides. Framed within the objectives of the United Nations (UN) Sustainable Development Goal (SDG) 10 and the

African Union's (AU) Agenda 2063, it evaluates progress and enduring gaps in promoting equity. The analysis outlines policy measures, such as social protection programmes, digital inclusion initiatives, and affirmative action frameworks, while emphasising the role of regional and international cooperation, particularly through G20 platforms under South Africa's presidency. Combining data-driven insights with real-world examples, the chapter makes a case for a multi-level approach to inclusive growth, ensuring that prosperity is broadly shared and upward economic mobility is attainable for all.

Colonialism, Class, and Continuity: The Global South's Unequal Beginnings

Deep economic inequalities in South Africa and many countries in the Global South are traced to historical legacies. In the South African context, centuries of colonial rule and decades of Apartheid-era policies systematically dispossessed the majority population and concentrated both wealth and opportunities among a minority. Racially discriminatory policies not only restricted Black South Africans from owning land and capital but also denied them quality education and skilled employment, resulting in enduring socio-economic disparities.

South Africa's recognition of these extreme wealth disparities has prompted the formation of specialised expert committees focused on wealth inequality, reflecting broader discussions within G20 frameworks about coordinated approaches to global wealth redistribution. These institutional responses align with international efforts to develop more comprehensive wealth measurement systems that can inform targeted policy interventions, demonstrating how domestic inequality challenges connect to broader G20 initiatives on economic justice and inclusive growth.[1]

Nearly 30 years after the end of Apartheid, South Africa remains the most unequal country in the world, with a consumption Gini index of 0.67 as of 2018.[2] The nation's racial wealth disparities remain staggering—white South Africans (less than 8 percent of the population) own about 72 percent of farmland, whereas black South Africans (over 8 percent of the population) control only 28 percent. These patterns trace back to colonial-era land dispossession (such as the 1913 Natives Land Act) and have proven stubborn despite decades of reforms.[3]

To be sure, historical drivers of inequality are not unique to South Africa. Across the Global South, colonial exploitation and post-colonial power structures have entrenched disparities in wealth and opportunity. In Latin America and parts of Africa, colonial administrations concentrated land among settlers or local elites, establishing conditions for persistent land and income inequality.[4] In South Asia, historical class and caste structures have contributed to contemporary economic stratification. The legacy of colonialism also included the extraction of resources and human capital, leaving newly independent states with weak industrial bases and pronounced social divisions.[5]

Former colonising nations emerged far richer, on average, than those they had colonised: a gap that still defines today's global economic order. Income per capita in many African and South Asian countries lags far behind that of Europe or North America, reflecting this historical divergence. SDG 10 explicitly calls for reducing inequality among nations, as well as within them, underscoring issues such as reforming unfair trade regimes and addressing the legacy of debt and under-investment in the Global South.[6] The AU's Agenda 2063 likewise acknowledges that overcoming the continent's colonial legacy is essential to achieving "an integrated, prosperous and peaceful Africa."[7] It emphasises inclusive development as part of Aspiration 1 (a high standard of living and wellbeing for all) and Aspiration 6 (people-driven development leveraging the potential of women and youth).[8]

Trapped in the Gap: Education, Employment, and Exclusion

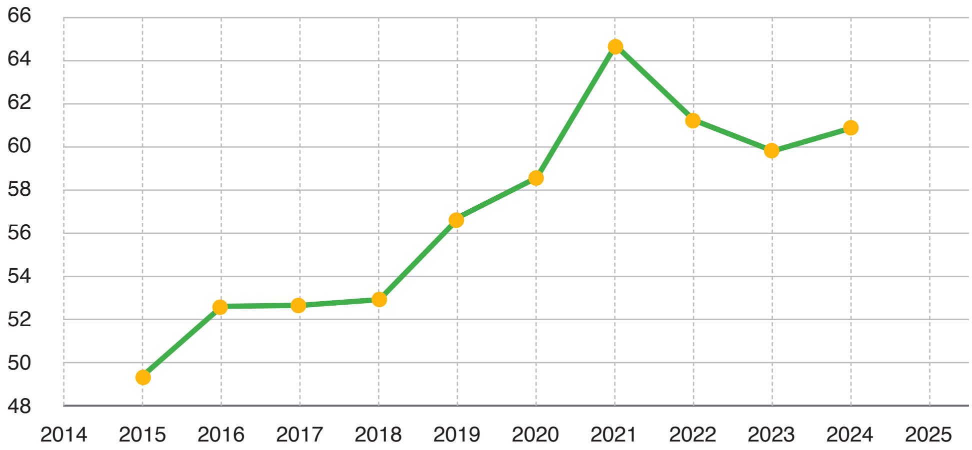
Structural factors continue to impede upward mobility for large segments of the population. Unequal access to quality education remains a critical barrier. Decades after Apartheid, there is still a stark divide: roughly 75 percent of the learners from the low-income households rely on underperforming schools with poor outcomes, whereas the wealthiest two percent attend functional schools (public or private) that deliver far better results. This educational divide perpetuates inequality as limited access to quality education constrains opportunities for employment and higher learning. Indeed, unemployment and poverty rates in South Africa are tightly linked to education level and race—a legacy of historical exclusion compounded by contemporary disparities in schooling.[9]

Many other countries in the Global South face similar divides in educational quality. From urban–rural gaps in Brazil's school completion rates to stark disparities in India, where nearly 60 percent of children in the poorest quintile fail to achieve basic reading proficiency by grade two or three, in comparison to less than 20 percent in the wealthiest quintile, unequal education remains a prominent hurdle to social mobility.[10] In such settings, a child's life chances are heavily predetermined by their parents' education, income, race, or location, making it challenging for individuals to climb the socioeconomic ladder through merit or effort alone.

Despite being one of the most advanced economies in Africa, another glaring structural barrier is the lack of inclusive job opportunities. South Africa's labour market has long been characterised by high unemployment, especially for black youth and women. As of early 2025, the overall unemployment rate hovered at 46 percent, and for young people, it was steep: over 62 percent of the youth aged 15–24 (Figure 1) were unemployed in the first quarter of 2025. Even among those aged 25–34 (the prime age for career development), unemployment was about 40 percent, reflecting a scarcity of jobs relative to the large youth population.[11]

Across much of the Global South, informal economies predominate, resulting in the majority of workers being employed in positions without formal contracts or benefits. This informality often leaves workers trapped in low-productivity activities with meagre earnings, unable to save or invest in their futures. In many African countries, women are more likely to be engaged in subsistence agriculture or informal trading, which typically provides low remuneration. At the same time, youth usually lack the necessary networks and experience to secure higher-paying formal employment.

Figure 1: Youth Unemployment Percentage in South Africa (Ages 15-24)



Source: Author's own; Data from FRED Data[12]

The inequality in opportunity is further reinforced by spatial and infrastructural divides. In South Africa, the Apartheid-era spatial planning relegated many non-white communities to underdeveloped townships or distant rural homelands. Today, these areas often still lack quality services, infrastructure, and access to economic centres. This pattern persists in various forms across the Global South. While megacities in developing countries may attract investment and offer some mobility, rural provinces and conflict-affected regions can be left behind. Digital divides have also emerged as a modern barrier: as economies digitise, those without internet access or digital skills are locked out of new opportunities. In parts of Africa, a large share of the population remains offline. Zambia's experience illustrates this—around 60 percent of youth in underserved regions lack access to essential digital resources, a gap that directly hinders their economic participation in an increasingly digital economy.[13]

The G20 Education Working Group has prioritised addressing these digital divides through coordinated infrastructure development and skill training initiatives that recognise digital literacy as fundamental to twenty-first century economic participation. These initiatives emphasise holistic approaches that integrate technical training with broader educational reforms, ensuring that digitalisation enhances rather than replaces human-centred learning while preventing technology from exacerbating existing inequalities.[14] Such G20-backed programmes for STEM (Science, Technology, Engineering, and Mathematics) education and digital training can help populations in the Global South navigate technological transitions while creating pathways for inclusive economic participation.

Finally, structural inequality is perpetuated by market dynamics and governance failures that favour those already ahead. In South Africa, factor markets, such as access to capital and land, remain biased: historically disadvantaged groups still face greater challenges in accessing credit or owning land on a large scale, which limits their ability to start businesses or build wealth. Oligopolistic market structures (often a legacy of Apartheid-era conglomerates), create major barriers to entry for new and small entrepreneurs, thereby reinforcing the dominance of incumbent firms.

Fixing the Ladder: How the Global South is Rethinking Inclusion

Despite the challenges, several policy interventions and innovative models; many of which were pioneered in the Global South, have shown promise in reducing inequality and enhancing upward mobility. South Africa itself has implemented several measures to tackle its pronounced disparities. One notable approach has been the expansion of social grants and safety nets to support those in the lowest income quintile. The country's social assistance system (including child support grants, old-age pensions, and disability grants) reaches millions of households.[15] High public spending on these transfers and basic services has partially mitigated unequal outcomes, although it has not fully closed the gap.

For example, the Child Support Grant, introduced after 2000, now benefits more than 12 million children and has measurably improved nutrition and schooling for recipient families.[16] South Africa introduced a national minimum wage in 2019, aiming to raise the earnings floor for the lowest-paid workers and reduce income disparities.[17] Early evidence indicated modest improvements in worker incomes without job losses, although its effectiveness continues to be monitored. Additionally, policies of Black Economic Empowerment (BEE) are being pursued to address racial imbalances in ownership and employment by incentivising companies to include black South Africans as shareholders, managers, and suppliers.[a]

Across the Global South, there have been pioneering initiatives that offer valuable insights into inclusive policymaking. In Latin America, several countries introduced conditional cash transfer programmes in the early 2000s, which subsequently became global exemplars for reducing poverty and inequality. Brazil's Bolsa Família is a notable case: launched in 2003, this programme provides monthly cash payments to low-income households, conditional upon children's school attendance and health check-ups. During the 2000s, as the programme expanded, Brazil's Gini coefficient declined markedly (from the high 0.5s to the low 0.5s), and millions of Brazilians rose above the poverty line. The cash transfers not only raised the incomes of the poorest directly, but by promoting school enrolment and improved health outcomes, they helped disrupt the intergenerational transmission of poverty.[18]

In South Asia, India's massive push for financial inclusion via the Jan Dhan Yojana (a bank accounts initiative) and the Aadhaar digital ID system has similarly transformed access to government services and subsidies for people with low incomes. By 2021, over 78 percent of Indian adults had bank accounts (up from ~35 percent a decade earlier), allowing social benefit transfers to be delivered directly without intermediaries, thereby reducing leakage and improving the welfare impact on the poorest.[19] The digital public infrastructure developed in India (such as the Unified Payments Interface or UPI for instant payments) is cited as a model

a Black Economic Empowerment (BEE), later broadened through the Broad-Based Black Economic Empowerment (B-BBEE) Act 53 of 2003 (amended 2013), is South Africa's legislative framework to redress Apartheid-era exclusion by increasing Black ownership, management, skills development, enterprise and supplier development, and socio-economic contributions. This is operationalised through Codes of Good Practice which determine firms' empowerment ratings for use in procurement and licensing decisions.

that can empower marginalised citizens and reduce transaction costs that often burden people experiencing poverty. The UN has highlighted how leveraging technology can bridge gaps. This is evident in India's case, where hundreds of millions were lifted out of multidimensional poverty between 2005–2006 and 2019–2021,[20] with the fastest progress occurring among the poorest regions and communities through the expansion of social protection and access to education using digital platforms.

Some countries have implemented ambitious redistributive reforms to address concentrated wealth. One prominent example is land reform which, while complex and politically sensitive, has been pursued in varying forms. In the early 2000s, Brazil's rural land redistribution and support to smallholder farmers contributed to poverty reduction in the countryside.[21] South Africa's post-Apartheid land reform, as noted, has advanced slowly, but a recent initiative seeks to accelerate the transfer of land to black South Africans.[22] Careful implementation of such reforms, alongside support (including credit and training) for new landholders, could enhance both equity and productivity.

However, addressing extreme inequality necessitates confronting fundamental questions of economic justice that extend beyond poverty alleviation to address structural wealth concentration through progressive mechanisms specifically designed to target high earners and affluent individuals. While contemporary evidence demonstrates that progressive taxation systems and wealth taxes function as effective tools for reducing inequality and maintaining economic dynamism,[23] the ethical imperative for addressing extreme inequality demands broader redistributive mechanisms that ensure equitable contributions from the wealthy across jurisdictions, mitigate capital flight, and foster social cohesion and democratic governance.

The Two-Pillar Framework of the G20 and Organisation for Economic Co-operation and Development (OECD) highlights progress in international tax cooperation.[24] Yet, policymakers under South Africa's G20 Presidency can leverage this extensive toolkit of Global South innovations; from conditional cash transfers to mobile banking, alongside enhanced progressive taxation targeting the wealthy. This can help champion a comprehensive agenda of inclusive growth and social mobility that addresses both domestic and global patterns of wealth concentration.

Solidarity in Strategy: Agenda 2063, SDG 10, and Beyond

Addressing inequality and limited mobility is a challenge that transcends national borders; therefore, regional and global cooperation frameworks play a crucial role in addressing these issues. The United Nations 2030 Agenda for Sustainable Development provides a universal roadmap, with SDG 10 specifically concerned with reducing inequalities within and among countries. SDG 10 recognises that addressing inequality is multifaceted—it calls for progressively improving the income growth of the lowest 40 percent of the population, promoting social, economic, and political inclusion for all (irrespective of age, sex, disability, race, ethnicity or other status), ensuring equal opportunity and reducing outcome inequalities through measures like eliminating discriminatory laws, improving regulation, and fiscal policy. It also highlights the need for enhanced representation of developing countries in global decision-making and orderly, safe migration as part of reducing global inequality.[25]

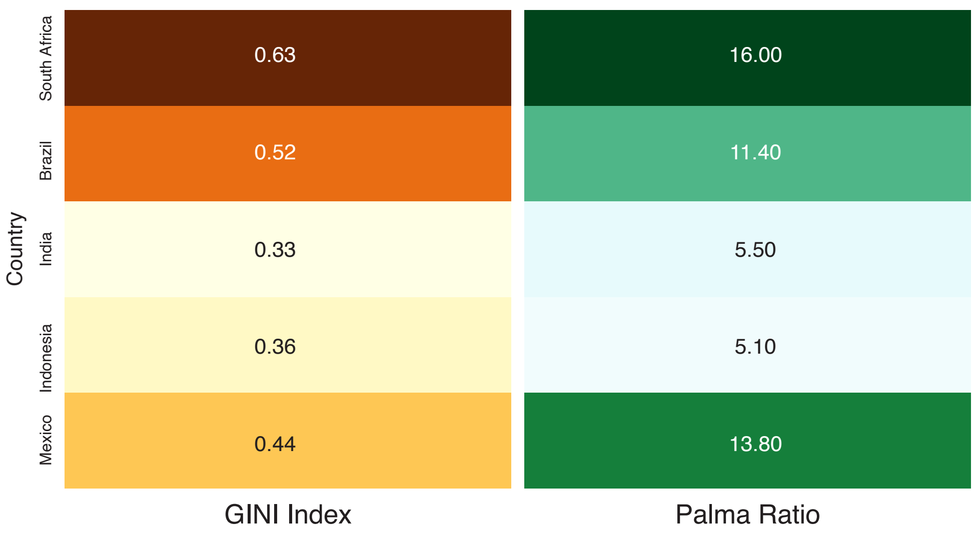
Halfway to 2030, SDG 10 leaves much to be desired; the UN Secretary-General's 2023 stocktake highlights that only about 12 percent of targets are on track, over half are moderately or severely off track, and roughly 30 percent have stalled or reversed, with inequality worsening due to COVID-19 and inflation shocks.[26] The pandemic widened between-country inequalities as advanced economies deployed far greater fiscal support, while lower-income countries faced tighter constraints, thereby increasing global divergence.

Within countries, lower-income households experienced disproportionately greater health and education setbacks, reflecting uneven SDG trade-offs and advance outcomes documented across goals during the crisis. These dynamics mirror the systemic concentration of wealth across nations, underscoring the need for coordinated international responses that redirect capital toward equitable development and mitigate systemic risks associated with rising global inequality. Under South Africa's G20 Presidency, elevating

SDG 10 aligns with the "leave no one behind" commitment and invites a focused discussion of inequality both among G20 members (large dispersion in income levels and fiscal space) and within them (high within-country inequality in several G20 economies), grounding action in comparable cross-country distribution analyses.

The disparities between G20 members are pronounced:[27] GDP per capita spans an order of magnitude; advanced members like the United States (US) and Germany rank markedly above emerging members such as India and Indonesia, reflecting persistent convergence "clubs" and divergence patterns across income distributions.[28] Within G20 borders, inequality varies considerably: several members (e.g. South Africa and Brazil) record very high within-country inequality, while others (e.g. parts of the OECD cohort) exhibit lower but still entrenched gaps across regions and social groups, highlighting the need for tailored, country-specific distribution strategies alongside coordinated G20 efforts.[29]

Figure 2: Inequality Indices for Select Global South Countries



Source: Author's own; Data from World Population Review (GINI)[30] and Our World in Data (Palma)[31]

In the African context, the AU Agenda 2063 is a pivotal framework guiding regional cooperation on development and inclusion. Agenda 2063, also known as 'The Africa We Want', outlines a vision for the continent that is integrated, prosperous, and inclusive by 2063.[32] It is implemented through successive ten-year plans. The first Ten-Year Implementation Plan (2014–2023) saw some progress but also highlighted gaps. Notably, by the end of the first decade, Goal 4 (transformed economies and job creation) had achieved only 17 percent—the lowest performance of all goals.[33] This is worrisome because Goal 4 encompasses the very drivers of inclusive growth: sustainable and inclusive GDP growth, industrialisation, and economic diversification. South Africa, according to the AU's reviews, has implemented roughly 22 percent of its Agenda 2063 first-decade commitments, indicating considerable room for acceleration.[34] Recognising these shortfalls, African leaders launched a Second Ten-Year Implementation Plan (2024–2033) with ambitious "moonshot"[b] targets to accelerate progress.[35] These include bold objectives such as every African country reaching at least middle-income status and improvements in connectivity, education, and social protection by 2033.[36]

Internationally, the G20 serves as a high-profile forum where major economies (including South Africa, the sole African member) collaborate to promote inclusive growth. Under South Africa's presidency, there is a unique opportunity to prioritise discussions on equality and inclusion. G20 summits and working groups can advance initiatives in areas such as financing for development, tax justice, and knowledge sharing, which contribute to levelling the global playing field. The G20 has also already endorsed efforts to curb illicit financial flows and implement a global minimum corporate tax measures which, if effectively enacted, could enable developing countries retain greater resources for social investment.[37] South

b These are seven continental ambitions outlined in Africa's Agenda 2063, designed to accelerate progress from 2024 to 2033.

Africa can champion reforms of the global financial architecture to benefit the Global South: this could include advocating for increased concessional funding, reallocation of IMF (International Monetary Fund) Special Drawing Rights to poorer nations, and addressing the debt distress that many low-income countries face (which often necessitate austerity measures at the expense of inequality-reducing spending).[38]

Additionally, the G20 can advance technology transfer and skills partnerships to address global divides. One concrete area is the digital divide: by coordinating investments in digital infrastructure and adopting common principles for digital inclusion, G20 nations can help bring billions more online and into the modern economy, echoing the concerns voiced at the UN Commission for Social Development about the "profound chasm" of missed opportunities stemming from lack of digital access among large populations.[39] Global cooperation is also vital in addressing inequality among countries, for example, SDG target 10.6 calls for enhancing the voices of developing countries in international institutions.[40] In this light, South Africa's G20 Presidency can advocate for stronger African and Global South representation in bodies such as the World Bank and the IMF, ensuring that policies are tailored to the needs of developing economies.

Regional cooperation frameworks complement these global efforts, but unlocking their inclusion gains requires explicit G20 support that aligns trade, finance, and industrial policies with equity outcomes. The African Continental Free Trade Area (AfCFTA), operational since 2021, can become a powerful engine for inclusive growth by boosting intra-African trade (currently accounting for approximately 14 percent of Africa's exports) and catalysing industrialisation that creates jobs and reduces poverty and inequality, especially when paired with measures targeting women's and youth participation.[41] To move from promise to delivery, the G20 should: endorse a dedicated AfCFTA Implementation Compact that funds trade-facilitating infrastructure (ports, power, logistics), fast-tracks digital trade rails (payments, customs single windows), and supports competition and consumer-protection enforcement to curb market dominance; expand concessional trade finance and credit guarantees for MSMEs (Micro, Small and Medium Enterprises) to raise their cross-border participation; and back labour-upgrading schemes (apprenticeships and mutual recognition of skills) so poorer regions capture value in emerging regional value chains. Regional development banks and peer-review mechanisms can operationalise this agenda by benchmarking distributional impacts and publishing annual inclusion scorecards for AfCFTA corridors, creating accountability for inequality-reducing outcomes alongside trade volumes.

South-South cooperation must evolve from general solidarity to targeted instruments that address specific inequality gaps. With the G20 convening and capitalising on a South-South Inclusion Facility, grants, guarantees, and outcome-based finance can be blended for projects that measurably improve access to quality education, healthcare, and decent work in lagging regions. Under South Africa's G20 Presidency, successful Global South models; such as digital public infrastructure for direct transfers, low-cost connectivity solutions, and women-led enterprise programmes, should be mainstreamed through the G20 Development Working Group, utilising common toolkits and pooled procurement to lower adoption costs. In parallel, the G20 should mandate an annual 'Inequality Audit' of major initiatives (climate finance, debt treatments, trade preferences) to certify their within- and between-country distributional effects and course-correct where benefits are skewed. Complementary triangular partnerships can focus on technology transfer for green manufacturing and care economies, ensuring that climate and health investments also generate inclusive jobs and services in lower-income member regions.

Presidency with Purpose: South Africa's Inclusive Vision

Looking ahead, reducing inequality and expanding upward mobility will demand bold reforms, innovation, and leadership. South Africa's G20 Presidency should first institutionalise comprehensive wealth measurement and redistribution by championing a G20-endorsed framework that integrates natural capital with traditional assets, building on the expert committees already formed domestically and harmonising wealth-distribution reporting across member countries. This approach will equip policymakers with more accurate, actionable data to target extreme concentrations of wealth and inform redistributive policies, while reinforcing the G20-OECD Two-Pillar Framework with broader redistributive tools such as wealth taxes on high-net-worth individuals and enhanced anti-avoidance measures to prevent capital flight, ensuring that both multinational corporations and affluent households contribute equitably without stifling growth.

Second, to address persistent educational and digital divides, the presidency should leverage the G20 Education Working Group to fund and scale integrated digital-inclusion and education reforms that combine infrastructure expansion, STEM skill-building, and pedagogical innovation in underserved rural and urban areas. Such programmes must address gender and socioeconomic disparities in access to technology and quality schooling, thereby breaking the cycle of exclusion that limits opportunities for marginalised groups. By embedding digital literacy within broader education strategies, G20 nations can foster resilient human capital capable of navigating rapidly evolving labour markets.

And finally, recognising the diversity of inequality challenges across G20 members, the agenda must prioritise tailored South-South cooperation and climate equity integration. Peer-learning platforms should facilitate the exchange of successful innovations from the Global South, while acknowledging that India's financial inclusion achievements did not translate into reductions in wealth concentration. They should also support context-specific reforms that reflect each country's unique inequality profile. Moreover, climate policies must be integrated into social and economic strategies through Just Transition Partnerships and green investment incentives linked to poverty reduction, ensuring that environmental action strengthens resilience for the most vulnerable and aligns with equity objectives, rather than remaining a standalone agenda.

Ultimately, inclusive governance is crucial for achieving lasting change. Countries that embed civic participation and responsive institutions tend to achieve more equitable growth. South Africa can use its G20 leadership to highlight the importance of engaging youth, women, and marginalised communities in shaping policy. Elevating the voices of civil society and fostering social dialogue; especially with labour unions and community groups, can ensure more just and effective outcomes. Their G20 presidency presents an opportunity to steer global momentum towards greater equality and inclusion. As the AU enters a new phase of Agenda 2063, 2025 can mark a turning point. South Africa can push for a global action plan to 'rescue' SDG 10—by backing social protection and holding multilateral institutions accountable.

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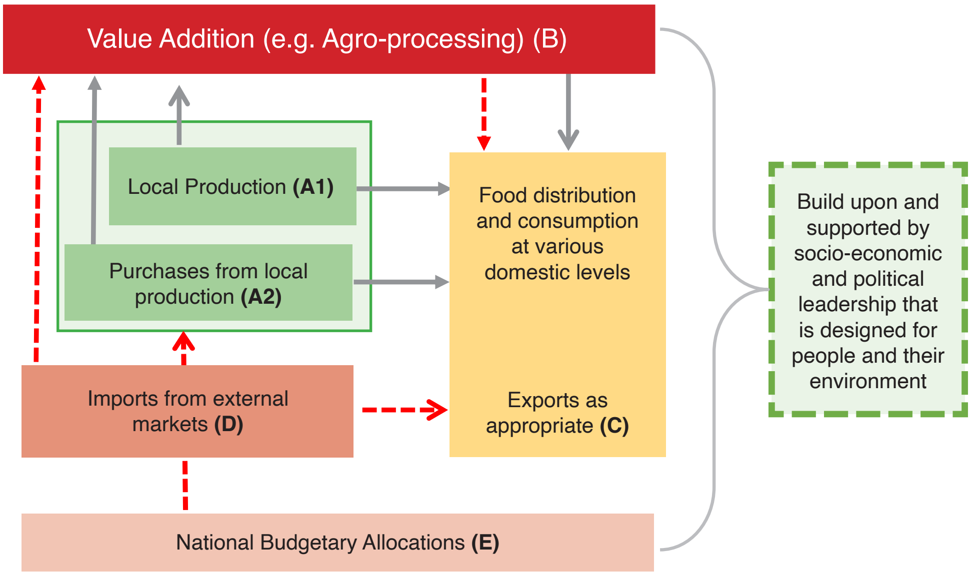
Rethinking Food Security: A Sovereignty-Centred Agenda for Africa

Fuchaka Waswa and Evans Kituyi

Global attainment of Sustainable Development Goal (SDG) 2 on zero hunger is still far off track, with between 713 and 757 million people estimated to have experienced hunger in 2023 and Africa accounting for approximately 20 percent.[1] Further it is projected that 582 million people will be chronically undernourished by the end of the decade, with more than half residing in Africa. In countries affected by conflicts and natural disasters, around 319 million people face acute food insecurity, 120 million of these in eastern and southern Africa.[2] Access to food is further constrained by inflation in domestic food prices in most low and lower-middle-income countries.[3] In addition, transport inefficiency exacerbates food insecurity in Africa, with perishable food commodities spending up to 23 days (4,000 km) in transit. Therefore, greater and more coordinated efforts are required to eliminate hunger and poverty, particularly across the continent.

The Food and Agriculture Organization (FAO)[4] defined food security as a situation in which all individuals, at all times, have physical and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. Physical access implies sustained production of food, which depends on factors of production—notably land, water, and climate; human capital especially a competent labour force; social capital, particularly governance; physical capital, like infrastructure and technology; and financial capital, which ensures the availability of liquid resources for investment. Economic access necessitates income security for consumers, which has, however, been a perpetual challenge for most households. Safe and healthy food calls for adherence to approved regulations when it comes to use of external inputs particularly pesticides and herbicides, and proper food handling across the entire value chains. Food preferences on the other hand points to availability of commodity variety at various outlet and consumption points. When it comes to its operationalisation, the integrated nature inherent in the FAO definition, must entail both domestic production and food imports, in addition to value addition as captured by pathways ABC and DBC in Figure 1. Despite years of investment in the conventional food security agenda, the progress towards ending hunger, food insecurity, and malnutrition in all its forms is regressing.[5] More than 60 years since independence, food insecurity remains a marker of poverty across sub-Saharan Africa. Although the reasons for this trend remain contested, they equally point to perhaps the need to reimagine national food security policies.

Figure 1: Food Security–Food Sovereignty: A Conceptual Framework



Source: Authors' own

Although FAO's conceptualisation of food security remains a conventional planning tool globally, its effectiveness is often compromised when governments begin to prioritise the dimension of food imports at the expense of domestic production. Food security is particularly weakened when staple crops and animal products that can be produced locally are instead imported. As a continent, Africa's food imports account for about US$ 50 billion per year, with possibilities of this figure climbing to US$ 110 billion by 2025.[6] According to the data from the United Nations Conference on Trade and Development (UNCTAD) for the period 2021–2023, the Ecofin Agency[7] reports that Egypt was the largest importer, spending US$ 16,429.9 million; followed by South Africa at US$ 6,070.7 million, Nigeria at US$ 5,591 million, Kenya at US$ 2,996.1 million, while Liberia was the smallest importer at US$ 32.9 million. It may be of interest to African governments to examine Liberia's approach and derive relevant insights. Due to its ability to weaken African economies, erode its agricultural systems, and displace employment from the continent, food imports are also a concern of the African Development Bank.[8] While this dependence may be attributed to a myriad of factors including population growth, and production shortfalls arising out of structural constraints, the underlying cause lies in the prevailing food security macro-policy frameworks that incentivise imports over proactive investment in local production. As a result, the livelihoods of rural households reliant on agriculture are increasingly jeopardised by persistently high levels of food and nutrition insecurity. If left unaddressed, continued dependence on staple food imports, exposes African countries to potentially severe shocks triggered by fluctuations in global food prices, shifting import tariffs, and geopolitical disruptions. The practical solution to such threats lies in the ability of individual countries across the continent to produce sufficient quantities of food domestically. This form of guaranteed self-sufficiency and reliance is anchored in a food sovereignty paradigm.

The food sovereignty paradigm emphasises domestic production and promotes a vision of zero importation of food commodities that can be cultivated locally. It supports people's rights to define their own food and agricultural system.[9] Ultimately, a nation that is food sovereign is insulated from external control and becomes a net food exporter. Therefore, in conceptualising food sovereignty, only pathway ABC in Figure 1 is applicable. This calls for deliberate efforts to preserve agricultural land from conversion to non-agricultural uses, and maximise local production through appropriate conservation measures and technology. In a scenario where a nation has financial resources but is unable to access import markets due to constraints in local production, food security becomes illusory.

Consequently, a food sovereign nation is more likely to achieve food security, and not the reverse. The preference for food sovereignty over food security in this chapter is meant to reinvigorate a debate in development policy, questioning the long-standing food security paradigm that remains associated with persistent food scarcity and acute hunger across Africa.[10,11] Addressing this challenge will help particularly in the realisation of SDGs 1, 2, and 15 on eradication of poverty, elimination of hunger and food insecurity, and sustainable use of land resources. Like other countries in Africa, South Africa has a food and nutrition security policy, first introduced in 2014 and later defined by the National Food and Nutrition Security Plan for 2018–2023.[12]

Most African countries have suitable agro-ecological conditions and a skilled human resource base capable of advancing the food security agenda, yet progress has been slow for a range of reasons, that generally stem from poor political and economic governance. The following section of this chapter examines the drivers of food and nutrition insecurity based on documented evidence and expert analysis.

Drivers of Food and Nutrition Insecurity in Sub-Saharan Africa

While the causes of food and nutrition insecurity are numerous and vary across countries and across agro-ecological zones, they broadly centre on the quantity and quality of key production factors (land, labour and capital), recurrent inputs into the production system, commodity value chains, credit facilities, and the prevailing political, corporate and institutional governance required to harness these elements for the common good. Drought, poverty, high population growth rates, land degradation, poor policy frameworks, along with their compounding effects, are widely recognised as critical drivers of food and nutrition insecurity in sub-Saharan Africa.[13,14,15,16] In its 2025 Global Food Policy Report, the International Food Policy Research Institute (IFPRI) identifies emerging challenges such as more frequent climate shocks, escalating conflicts, and widening inequality, all of which are slowing previous progress in eliminating hunger and poverty globally.[17] In addition, poor transport connectivity has emerged as a new threat, undermining food supply and distribution chains across the continent. More specifically, the drivers outlined cut across sub-Saharan Africa, and should be considered strategic entry points for advancing agricultural renewal and food sovereignty.

1. Since their independence, large swathes of idle arable land continue to persist across several countries in sub-Saharan Africa. This reflects land tenure dynamics that restrict access and utilisation of land by the majority of potential farmers, favouring a small group of political and economic elites. Kenya has experienced its share of such historical land injustices.[18] Although progress is underway, Zimbabwe and South Africa continue to grapple with land reforms, the full and successful implementation of which would be transformative

in advancing national food security and poverty elimination.[19,20] The loss of prime agricultural land to urban expansion driven by housing, settlement, and urbanisation pressures constitutes an emerging threat that directly undermines food security efforts and warrants urgent attention across sub-Saharan Africa.[21]

2. All countries in Africa are Parties to the United Nations Convention to Combat Desertification (UNCCD) and, consequently, signatories to the United Nations Environment Programme's (UNEP) land degradation neutrality agenda. However, despite many years of investing in soil and water conservation measures, degradation of agricultural land remains a pressing challenge that continues to diminish land productivity. For instance, the Heinrich Böll Foundation,[22] estimates that over 40 percent of soils in East Africa, are degraded posing direct threats to agriculture, food security, and livelihoods.
3. Studies show that unhealthy and infertile soils are undermining land productivity and food production across numerous countries in sub-Saharan Africa.[23] Access to fertilisers and quality seed is also severely constrained by widespread income poverty and limited availability of affordable credit.[24]
4. Recurrent drought attributed to climate change and variability continues to cause persistent soil moisture deficits particularly in arid and semi-arid zones. This renders agriculture a high-risk endeavour, especially for low-income households.[25] However, historical knowledge on mitigating drought-induced famine remains available and can be adapted by the current generation with modifications as appropriate.[26]
5. According to the World Food Programme (WFP) 20 percent of food produced for human consumption is lost or wasted globally.[27] Food loss and food waste have also been identified as key drivers of food insecurity in Africa. At the farm level, food loss is attributed to inefficient harvesting techniques, and inadequate or poorly maintained storage facilities which expose produce to pests and adverse weather conditions. At the consumption level, food waste is largely a behavioural issue. Estimates by Farm Africa[28] indicate that approximately 30 percent of harvested crops in sub-Saharan Africa are wasted, with serious implications for food, nutrition, and income insecurity among small-scale farmers. Although not formally documented, a cultural dimension to food waste persists across communities, including tendencies to overcook, overserve, and leave

food uneaten. This area warrants further research across African contexts. In addition, limited investment in value-addition to extend shelf-life is partly responsible for food waste and diminished farmer incomes.

6. Rural to urban migration is depleting rural farms of critical labour, thereby undermining land productivity.[29] The consequent proliferation of unplanned settlements is also increasing food and nutrition insecurity in urban centres.
7. A long-standing structural driver of food insecurity is when a nation allows large tracts of arable land to be used for cash crop farming that delivers substantial benefits to foreign nations and only marginal benefits to the producing nation. Other notable examples of large-scale land-based investments in agriculture (LSLBIA) include Kenya wherein tea, pineapples, and cut flowers for export provide limited socio-economic benefits to local communities. Due to their intrinsic geopolitical nature, performance reporting on such foreign direct investments (FDI) is rarely detailed in official economic survey statistics, except from a general macro-economic perspective.[30] Similarly cases where local farmers put much of their land under cash crops at the expense of household food and nutrition security are exemplified by sugarcane farming in Kenya and Uganda.[31,32] The situation is likely comparable to the other major sugarcane producing countries across Africa including South Africa, Egypt, Sudan, Ethiopia, Eswatini, Tanzania, Zambia, and Zimbabwe.
8. While the list of challenges may not be exhausted, weak political governance as evidenced by policies that discourage local production and agro-industrialisation in favour of importation of staple foods is perhaps the fundamental constraint. For instance, Kenya's 2022 balance sheet indicates that while 271,000 metric tonnes of wheat were produced, an additional 1,716,000 metric tonnes were imported. Similarly, 3,090,000 metric tonnes of maize were produced, with a further 831,000 metric tonnes imported. When it comes to rice, 192,000 metric tonnes were produced and a further 1,108,000 metric tonnes imported.[33] This pattern of importing staple foods and neglecting locally produced commodities should prompt concern among policymakers and catalyse a reorientation of food security planning. Furthermore, limited budgetary allocations to domestic agricultural

development remain a pressing issue for African governments. For example, in the financial year 2025–26, Kenya allocated KES 47.6 billion to agriculture and related sectors, representing a mere 1.1 percent of the total national budget. At ZAR 29.4 billion out of a total budget of ZAR 2,578.7 billion allocated to agriculture and rural development, South Africa reflects a similarly low prioritisation of the sector. Like most other countries in the region, these figures are much lower than the Malabo Declaration[34] of 2014, that allocated at least 10 percent of public expenditure to agricultural development. This level of investment is indicative of the limited priority that governments in sub-Saharan Africa[35] continue to accord to food and nutrition security.

Recommendations for Considerations by African Governments

While acknowledging efforts made by African Governments at different levels in pursuit of food and nutrition security, this last section is a call for a comprehensive audit and re-evaluation of legacy, ongoing and emerging strategies, with a view to aligning them to a food sovereignty paradigm if food security is to be meaningfully realised. For details on country-specific performance, readers are encouraged to access individual country statistics. Nonetheless, the recommendations draw upon food and nutrition security policies that broadly apply across the continent, and urge a shift to focus from declarations, summits, workshops, conferences, and boardroom deliberations to tangible actions.

To ensure sufficient local food production and supply, even in times of crisis, there is need to:

1. Reassess land tenure systems and, through appropriate reforms, bring as much private and public land under productive use. Such land can serve as perpetual national food baskets and be operationalised through public-private partnerships.
2. Safeguard arable and prime agricultural land from competing non-agricultural uses by implementing integrated land-use and physical planning master plans. There is a need to maximise production from such land when inherent climatic conditions are favourable.

Agricultural institutions and structures within specific countries should facilitate this by increasing accessibility to requisite machinery (for tillage and harvesting) at affordable costs.

3. Promote soil health through fertiliser subsidies, which have proven transformative through the initiative led by organisations such as Alliance for a Green Revolution in Africa (AGRA).
4. Leverage irrigation potential to reduce reliance on unpredictable rain-fed agriculture.[36] Through irrigation technology Africa's vast arid and semi-arid lands can be turned into reliable food baskets. Rainwater harvesting for enhanced irrigation agriculture can be transformative at household levels, while construction of strategic dams along Africa's perennial rivers can transform the vast drylands into national food belts. For example, Kenya's vast drylands have remained largely virgin since independence, with only about 20 percent of the national irrigation potential being realised.[37] Similarly about 43 percent of southern Africa is considered as dryland, while about 70 percent of the people rely on rain-fed agriculture, heightening the risk of food insecurity.[38] In urban and peri-urban areas, each town should upgrade its domestic effluent treatment plant to tertiary purification, and repurpose this safe water for expanded irrigation agriculture, as demonstrated in Israel. Currently most treatment plants terminate at secondary purification, thereby discarding valuable water that could be reused if extended to tertiary levels.
5. Increase investment in early warning systems and climate advisories to mitigate the impacts of droughts and floods on food production. Scaling out dryland agriculture through the concept of valuing variability[39] has potential to improve food security within rural and resource-poor households. At its core, valuing variability reframes drylands as assets and not liabilities, and working within their inherent environmental and climatic variability to produce crop and livestock output.
6. Revitalise an integrated agricultural extension service that unites the Ministry of agriculture, national meteorological agencies, and national environmental management authorities, and ensure it is more visible and accessible across agricultural landscapes.

To make food affordable and accessible to all citizens at all times and in all situations, there is need to:

7. Enhance consumers' purchasing power by expanding their income generation opportunities. Further, Africa has much to gain by investing in marketing outlets, marketing information exchange, and feeder road infrastructure. While supply and demand determine prices in free market systems, policy to regulate food prices both as an incentive to producers and a safeguard for low-income consumers deserves serious consideration, particularly, in light of emerging constitutional rights to food.
8. Invest in strategically located storage facilities within well mapped townships near farming communities, and encourage household-level storage solutions. African governments should incentivise this by farmer participation by offering competitive prices for the produce delivered to these strategic reserves. This should be a core intervention supported by the agricultural extension services within ministries of agriculture.

To promote optimal food management (use, conservation, and improvement) Africa needs to:

9. Invest in awareness campaigns that promote sustainable consumption patterns to reduce food waste at the point of consumption. Similarly, food losses at the farm level can be mitigated by ensuring appropriate agricultural machinery is available and accessible to farmers at affordable costs.
10. Invest in agro-industrialisation including value-addition for crop and livestock commodities with the aim of increasing product shelf-life and enhancing year-round food availability.

To ensure a stable and reliable food supply, intra- and inter-generation, even during times of crisis, the following are called for:

11. A shift in the planning paradigm from food security to food sovereignty, whereby government policy prioritises the maximisation of domestic food production and eliminates the importation of food

commodities that can be grown locally. This requires increased budgetary allocations to agricultural development value chains.

12. Diversification of production with emphasis on ecologically suitable crop varieties and livestock breeds, in order to mitigate the stochastic impacts of hydrological events, pest and disease outbreaks, and the dynamic food markets. Diversification reduces the risk of losses, enhances soil health and adds to food variety and nutrition security. The role of apiculture as an alternative source of household income, particularly in the drylands, cannot be overemphasised.[40]
13. Prioritise food crops over cash crops that yield only marginal export returns. Resource-poor small-scale farmers should be discouraged from dedicating land to perennial cash crops, and instead be supported to cultivate early-maturing and high value crops. Similarly, plantation farmers and firms should be required by legislation to reserve a defined percentage of their land for food crops. In addition, households that experience food insecurity due to lack of firewood despite having food supplies call for policies that promote sustainable energy solutions.[41]
14. Invest in transport infrastructure, especially feeder roads, to enhance and expand food supply chains. This should be recognised as a core public service obligation.
15. Expand financial opportunities for agricultural development through public-private partnerships. Farmers must be able to access affordable credit when needed. Crop and livestock insurance schemes that equally safeguard farmers in the event of contingencies are interventions that governments can support through their line ministries in the context of food sovereignty.

Conclusion and Recommendations

Although limitations in factors of production persist, the indignity of food and nutrition insecurity in much of Africa is largely self-inflicted. The proliferation of policy blueprints, action plans, and rhetorical commitments has only added marginal benefits in advancing the food and nutrition security agenda. To address this food insecurity challenge sustainably, Africa must transition from the conventional food security paradigm to a food sovereignty vision.

This would oblige governments through appropriate legislation to assume full control of their national food systems and mitigate the adverse shocks associated with import dependency. While imports may facilitate food transfer, they should be permitted to address only local deficits. Looking ahead, each country in Africa must undertake a forensic import-export audit with its trading partners within the G20 nations and align its policy to a food sovereignty action plan. Finally, adequate financing of sustainable agriculture through public-private partnerships can transform the continent and accelerate progress towards ending the interlinked challenges of hunger, famine, and poverty.

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Balancing Debt and Development: Africa's Growth Imperative

Jackline Kagume

Africa's development trajectory is closely linked to the complex relationship between debt accumulation and sustainable growth. The continent's aspirations, articulated through Agenda 2063 and the Sustainable Development Goals (SDGs), emphasise inclusive growth, social transformation, and structural change. These ambitions, however, are unfolding within the context of a heavy debt burden and subdued economic performance. The tension between rising debt accumulation and subdued growth now defines the policy choices of many African governments.

In many African countries, debt burdens have risen to levels that heighten the risk of distress. Data from the United Nations Conference on Trade and Development (UNCTAD)[1] indicates that in 2023, nearly half of the continent's economies recorded debt-to-GDP ratios exceeding 60 percent. The case of Kenya exemplifies this broader trend. Rising interest rates, coupled with weak economic growth, have sharply escalated debt ratios, with Kenya's total public debt increasing from 42 percent to 67.4 percent of GDP between 2013 and 2024, and outpacing economic growth by an average of three percentage points annually.[2] This pattern in which debt expands faster than national output, inevitably reduces the ability of governments to service obligations without painful fiscal adjustments. The broader African picture reflects similar pressures, with at least 18 countries exceeding the 60 percent debt-to-GDP threshold commonly used to signal sustainability concerns.[3]

The main actors in debt management, national treasuries, parliaments, central banks, and international financial institutions, have acknowledged the risks associated with over-indebtedness in official reports. Nevertheless, the pace of public borrowing continues to accelerate across the continent. Commercial borrowing, in particular, is on the rise, and often under opaque conditions with limited oversight. The consequences are evident in reduced fiscal space for the provision of public goods and critical services like health, education, and social protection, as African governments allocate an increasing share of revenues to servicing debt.

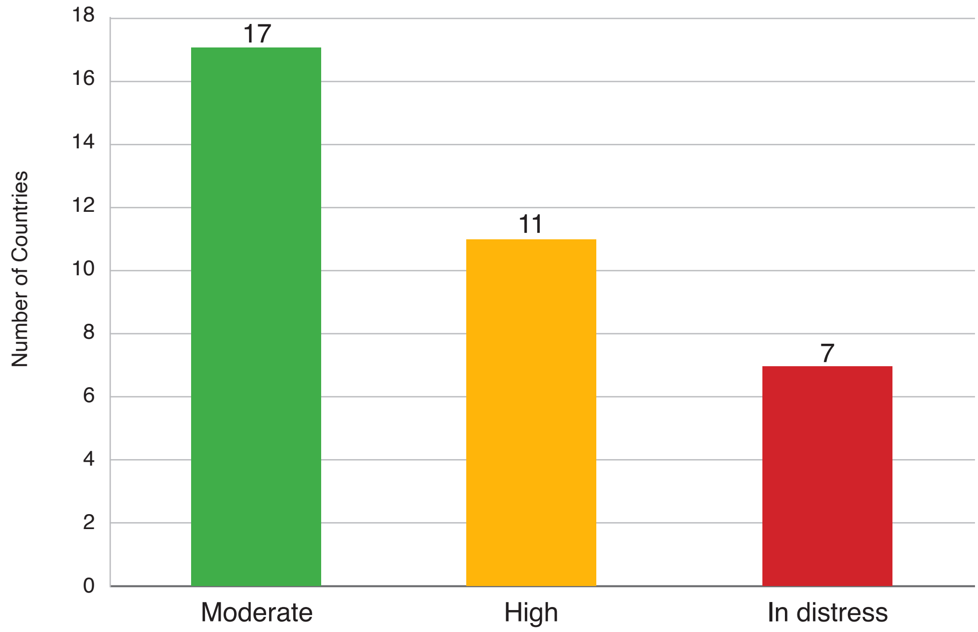
The accumulation of unsustainable debt has far-reaching implications for Africa's development trajectory and its integration into the global economy. It also goes to the core of South Africa's G20 Presidency, which emphasises solidarity, equality, and sustainability. The continent's ability to secure fairer financing terms, while ensuring that debt facilitates rather than impedes growth, will serve as a critical benchmark of progress in global economic governance.

Mapping Africa's Debt Landscape

The structure and scale of Africa's debt have changed notably over the past two decades. After the debt relief initiatives of the early 2000s, many African countries regained fiscal space and recorded strong growth performance. That momentum has, however, reversed. In contrast, debt levels have risen sharply, driven primarily by recurrent external disruptions, subdued growth, and expansive public investment programmes. In 2023, 46 percent of the African countries recorded debt-to-GDP ratios exceeding 60 percent,[4] and at least 18 are currently classified as being at high risk of debt distress.

Kenya's experience over the past decade, marked by persistently high debt levels, exemplifies the broader debt conundrum confronting several African states. The rapid accumulation was driven largely by bilateral borrowing from China and repeated issuances of international sovereign bonds. These funds were channelled into large-scale infrastructure projects, including roads, the Standard Gauge Railway, and energy installations designed to ensure long-term growth. The expected returns have, however, fallen short, as economic expansion has failed to keep pace with rising obligations. This mismatch has heightened the country's vulnerability to repayment pressures and underscores the risks associated with debt-financed infrastructure as a growth strategy.

Figure 1: African Countries Debt Sustainability Analysis Rating as of May 2023

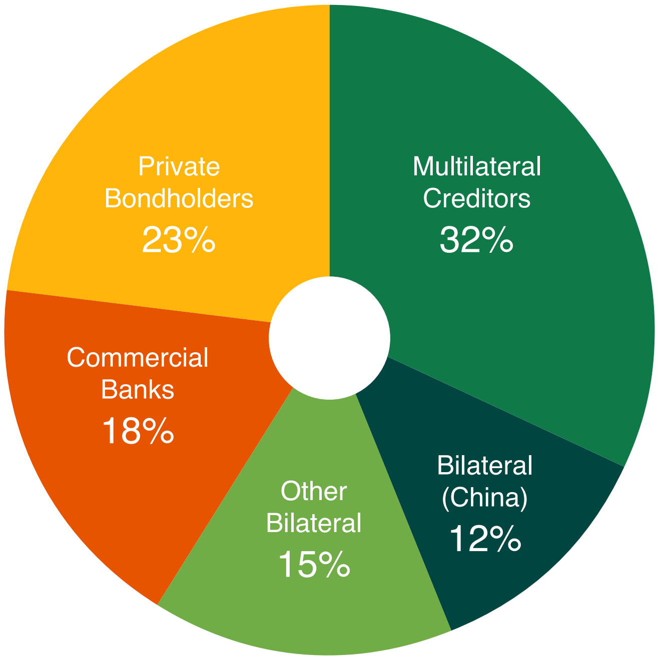


Source: World Bank Debt Sustainability Enhancement Program[5]

The structure and composition of debt have also shifted across many African states[6] over the last two decades. Concessional loans from multilateral institutions remain important, but the role of commercial borrowing has expanded considerably. Sovereign bond issuances have become a regular feature of government financing strategies, exposing countries to higher borrowing costs, refinancing risks, and shorter repayment periods. China has emerged as the continent's largest bilateral lender, extending project-based loans primarily through the Export-Import Bank of China.

While these loans finance visible infrastructure, they also bind recipient countries to arrangements that promote Chinese exports of goods and services, a dynamic that has raised concerns among Western partners. In many cases, repayment terms of these facilities have been less transparent than those of multilateral creditors. At the same time, new Chinese lending has declined sharply since 2016, even as outstanding debt stocks remain high. This shift underscores both the scale of China's legacy role in African borrowing and the imperative for countries to diversify their sources of financing.

Figure 2: Composition of Africa's External Debt Stock



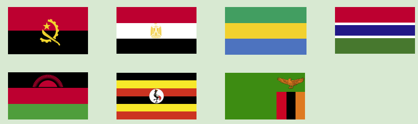
Source: Author's illustration using data from AfDB[7], and World Bank[8] (2024)

Public debt transparency remains a critical governance concern. Debt contracting, particularly for commercial loans, is frequently opaque, with limited disclosure of terms. Debt registers, where available, are often incomplete or inaccessible to the public, making it difficult for citizens, civil society actors, and in some cases, even parliaments to monitor obligations. Oversight of budget deficits and the financing strategies that sustain them is weak across many countries. The continent's debt landscape, therefore, reflects deep structural vulnerabilities and persistent governance challenges. The growing weight of debt has reshaped the fiscal capacity of states and constrained their ability to invest in social infrastructure, leaving them highly exposed to external shocks.

The Debt-Growth Nexus

The developmental value of debt depends on whether it is channelled into investments that expand productive capacity. When applied effectively, infrastructure, education, and digital connectivity can generate long-term returns that strengthen economic growth and enhance a government's capacity to service its obligations. However, in much of Africa, the balance has tilted towards debt as a constraint rather than a catalyst for transformation. A core feature of the debt-growth conundrum has been the progressive narrowing of fiscal space. As debt service obligations mount, governments are compelled to allocate an increasing share of revenues to creditors rather than to social and productive investments. In several African countries, debt servicing already consumes more than one-fifth of government revenues.[9] Estimates from the World Bank suggest that in 2024 approximately 20 of 48 sub-Saharan African countries spent more on servicing debt than they allocated to health and education combined. This reallocation of resources has weakened the capacity of African states to expand health systems, improve education, and finance social protection. It has also exacerbated inequality, as the burden of adjustment disproportionately affects vulnerable populations when development spending is curtailed. This dynamic is illustrated in Figure 3, which shows African countries where interest payments on debt alone far exceed public spending on essential services.

Figure 3: Debt Service vs. Development Spending in Africa

Public Expenditure	Number of Countries Spending More on Interest Payments	Countries
Education	7	
Health	25	
Investment	5	

Source: UN Global Crisis Response Group calculations, based on IMF World Economic Outlook (April 2023), IMF[10]

Domestic borrowing introduces a distinct set of challenges. In Kenya and elsewhere, governments have increasingly relied on the domestic market to finance budgetary needs. Commercial banks prioritise the relative security of government securities over the risks of lending to the private sector. Over time, this dynamic crowds out private investment, ultimately dampening economic growth.

The terms of external borrowing continue to weigh heavily on Africa's growth prospects. Commercial debt is priced according to sovereign credit ratings, which remain low across most African countries. This translates into higher interest rates and elevated borrowing costs, even for investments with modest growth potential. Bilateral loans frequently finance infrastructure projects, but often under conditions that channel economic activity towards the lender's exports rather than strengthening domestic value chains. This combination of costly commercial loans and project-linked bilateral financing leaves African economies with liabilities that are difficult to convert into broad-based growth.

These dynamics illustrate a persistent structural challenge, where debt remains essential for financing development in Africa, but the structure and pace of its accumulation risk undermining the very growth it is intended to support.

Global Financial Architecture and Africa's Disadvantage

Africa's debt challenge arises partly from domestic fiscal choices, but it is equally shaped by a global financial architecture that systematically disadvantages low- and middle-income countries. The terms under which African governments borrow are often more onerous than those available to peers in other regions,[11] reflecting entrenched structural biases in global credit markets and the continent's limited representation in international financial governance.

One major factor influencing borrowing costs is the role of sovereign credit ratings. Countries with weaker ratings incur a premium on international markets, regardless of whether their economic fundamentals fully justify the penalty. This dynamic is illustrated by Ghana's 2022 default. Even before the crisis deepened, its borrowing costs were exceptionally high, driven largely by investor perceptions alongside domestic policy weaknesses. Ghana suspended most of its external debt service on 19 December 2022, reflecting the severity of its fiscal crisis.

International financial institutions continue to exert considerable influence over debt governance in Africa. The International Monetary Fund–World Bank Debt Sustainability Framework (DSF), under which Debt Sustainability Analyses (DSAs) are produced, shapes how markets and official creditors assess African economies. International Monetary Fund (IMF) lending programmes often serve as the final source of budgetary support when countries lose access to capital markets. While these facilities are intended to stabilise economies in crisis, they frequently come with stringent conditionalities that constrain policy flexibility. In several cases, African governments have been required to reduce social spending or implement aggressive taxation measures to meet IMF programme targets, thereby aggravating the social costs of fiscal adjustment.

Bilateral lenders, particularly China, introduce an additional layer to Africa's external financing structure. Through the Export-Import Bank of China and other state-linked institutions, China has become the largest single bilateral creditor to African governments. Much of this financing is linked to infrastructure projects, with loan agreements that frequently mandate the use of Chinese contractors and materials. Angola, Ethiopia and Kenya are prominent examples where Chinese loans have financed transport and energy projects, but at the cost of heightened repayment obligations and limited scope to negotiate terms. These arrangements reinforce Africa's dependence on external financing and embed vulnerabilities associated with geopolitical competition.

Attempts to reform the sovereign debt system through the G20 Common Framework have so far delivered limited relief. Zambia became the first major test case for the mechanism and, after years of delay, concluded a bondholder agreement in early 2024. This was hailed as the framework's first substantive breakthrough, though the protracted process underscored the persistent difficulty of coordinating diverse creditors with competing interests. Ghana has also made notable progress, reaching an agreement in principle with bondholders by mid-2024, while Ethiopia signed a memorandum of understanding with official creditors in mid-2025. These developments mark incremental steps forward, but the pace of resolution remains slow and continues to frustrate borrowing governments.

For many African governments, the Common Framework has yielded delay rather than resolution. The asymmetry in creditor power has left African countries facing prolonged uncertainty, further undermining investor confidence and economic stability. Taken together, these features of the international financial architecture exacerbate Africa's debt challenge and compound the region's economic fragility.

Pathways Towards Debt Sustainability and Growth

Addressing Africa's debt challenge, therefore, requires a deliberate recalibration of domestic policy and international engagement. While the structural disadvantages embedded in the global financial architecture are significant, African governments retain agency in shaping how debt is contracted, managed and deployed. Sustainable debt management demands a combination of fiscal discipline, enhanced oversight and innovative financing instruments that align borrowing with long-term developmental priorities.

1. **Fiscal consolidation and spending discipline**
   A realistic strategy for fiscal consolidation is essential for long-term macroeconomic stability. Several countries, including Kenya, Ghana and Zambia, have experienced budget deficits financed through debt and not through expenditure rationalisation. Instituting spending caps that link expenditure growth to economic performance could create space for recovery without compromising essential services. Allowing growth, rather than borrowing, to drive fiscal space is more sustainable than continued reliance on debt markets.

2. **Strengthening oversight and transparency**
   The effectiveness of debt management also depends on oversight mechanisms. In many African countries, parliaments are *de jure* independent but *de facto* subordinate to executive authority, offering limited scrutiny of borrowing decisions. Legislative review of budgetary processes, deficit financing, and debt registers is critical for accountability. Civil society organisations and citizens have demonstrated their capacity to enhance transparency across multiple domains of public policy, where debt should not be insulated

from broader accountability mechanisms. Kenya's debt transparency initiatives and South Africa's parliamentary hearings on public finance offer useful reference points, though implementation remains fragmented and uneven.

3. **Addressing domestic debt pressures**
   Domestic borrowing requires careful management to mitigate unintended economic consequences. Heavy reliance on domestic markets, as seen in Kenya and Nigeria, tends to crowd out private investment by making government securities more attractive to commercial banks than lending to businesses. This dynamic raises the cost of credit for firms and dampens economic growth. If governments reduce their dependence on domestic debt, while simultaneously lowering interest rates, private sector access to finance could expand. This, in turn, would stimulate investment, broaden the tax base and ease pressure on public borrowing.

4. **Innovative financing instruments**
   New approaches to debt management offer additional avenues for fiscal innovation. Extending the tenure of large loans could ease short-term repayment pressures, while debt-for-climate swaps and green bonds can redirect obligations towards productive, climate-resilient investments. These innovative financing mechanisms have begun to demonstrate their viability in Africa. Seychelles pioneered the world's first debt-for-ocean swap in 2017,[12] redirecting obligations into marine conservation and sustainable fisheries. More recently, Gabon[13] issued a blue-bond debt-for-nature swap in 2023, refinancing part of its debt in exchange for commitments to protect marine ecosystems. Cabo Verde[14] concluded a 2023 debt conversion agreement with Portugal, channelling repayments into domestic climate and environmental projects.

   These examples show that debt restructuring can be linked to tangible development and conservation outcomes, and create precedents that could be scaled or adapted across the continent. When paired with regional cooperation through institutions such as the African Development Bank, such instruments could offer a credible complement to conventional fiscal consolidation strategies.

Beyond individual cases, debt-for-nature swaps carry broader implications for Africa. They are increasingly relevant given the continent's urgent need for climate adaptation, biodiversity protection, and alternative sources of financing. When properly structured, these instruments could free up fiscal space while directing resources into conservation and resilience initiatives, and generating both developmental and environmental benefits. Their scalability, however, remains constrained, as such transactions are often complex and require strong institutional capacity alongside creditor willingness to restructure debt on concessional terms. For African governments, the real potential lies in integrating these swaps into diversified financing strategies, supported by multilateral actors capable of reducing transaction costs and ensuring transparency.

5. **The role of citizen agency and public discourse**
   Beyond technical reforms, debt sustainability also requires broadening the public discourse and deepening democratic engagement. The question of who benefits from elevated domestic interest payments is as much political as it is economic. Where borrowing is perceived to serve narrow interests, the legitimacy of debt management strategies is undermined. Expanding citizen oversight through transparent debt registers and participatory budget processes offers a pathway to strengthen accountability and ensure that borrowing decisions align with long-term developmental objectives rather than short-term political imperatives.

Policy Imperatives for the G20 under South Africa's Presidency

South Africa's leadership of the G20 comes at a moment when Africa's debt challenges converge with broader questions of global financial governance. The Presidency's stated priorities of solidarity, equality, and sustainability provide a framework for amplifying Africa's concerns, but the translation of these principles into tangible outcomes will require sustained and strategic advocacy. Debt must remain central to that agenda, not only as a fiscal issue but as a matter of equitable global reform.

One major imperative is to address the asymmetries in sovereign borrowing costs. African governments consistently pay more for access to international markets than peers in other regions with comparable fundamentals. Ghana and Zambia, both of which experienced sovereign defaults, illustrate how high-risk premiums can accelerate financial crises. South Africa should use its presidency to champion fairer credit rating methodologies and the expansion of instruments such as Special Drawing Rights (SDR) allocations to low-income countries. These measures would help alleviate the structural disadvantages faced by African borrowers face in global capital markets.

Another priority lies in enhancing the effectiveness of sovereign debt resolution mechanisms. The G20 Common Framework has struggled to deliver timely and comprehensive relief. South Africa can lead calls for a more transparent, predictable and equitable approach to restructuring, one that balances creditor rights with the developmental needs of debtor nations.

Domestic political dynamics also need to be integrated into the global debt discourse. Election cycles in many African countries are accompanied by surges in borrowing, as governments seek to finance high-visibility infrastructure projects that appeal to voters. This pattern is evident in Kenya and Nigeria, where debt accumulation consistently rises in the years preceding national elections. Linking G20 discussions on fiscal responsibility to stronger domestic accountability frameworks could encourage parliaments and civil society organisations to adopt a more assertive role in scrutinising borrowing decisions.

Finally, the G20 agenda offers a strategic platform to integrate debt sustainability with broader development objectives. Rising debt service costs already divert public resources from critical sectors such as health, education and climate adaptation. South Africa can champion debt-for-climate swaps, concessional climate finance and innovative regional instruments that link borrowing to long-term structural transformation. These approaches align directly with the presidency's emphasis on sustainability and offer practical pathways to translate solidarity into substantive outcomes.

Conclusion

In summary, Africa's debt landscape reflects a complex interplay of domestic policy choices, structural vulnerabilities and global financial asymmetries. Rising public debt has constrained fiscal space and diverted resources from essential social investment across multiple economies. In spite of this, debt remains an indispensable source of financing for the provision of public goods, infrastructure and human development. The challenge is therefore not whether African countries should borrow, but how the acquisition and management of debt could be structured to support long-term transformation and break cycles of dependence.

Addressing this conundrum requires coordinated reforms across national, regional and global levels. National governments must strengthen debt oversight and align borrowing decisions with strategies that expand productive capacity. Regional institutions should play a greater role in mobilising innovative financing to reduce reliance on costly external credit and promote best practices in debt management. At the global level, fairer credit rating methodologies and increased concessional finance will be essential if Africa is to realise its development ambitions.

South Africa's presidency of the G20 provides a platform to advance Africa's strategic priorities in global financial governance. Linking debt sustainability with the themes of solidarity, equality, and sustainability will give Africa a stronger voice in shaping global financial norms. More importantly, it will affirm that debt, if managed responsibly and equitably, could contribute to structural transformation and inclusive growth.

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Safeguarding the Climate Agenda in an Age of Geopolitical Flux

Prabhat Upadhyaya

"One is not struck by the truth until prompted quite accidentally by some external event."

– Kazuo Ishiguro, *The Remains of the Day.*

We are at a juncture where climate truths are being refracted through the lens of geopolitical upheaval. External events are increasingly likely to shape the form of international cooperation on climate change.

After more than three decades of climate negotiations, and in the midst of ongoing geopolitical flux, it is timely to assess the contours of the contemporary climate agenda: where it stands and how it might be safeguarded. In 2025, countries were expected to submit their enhanced climate-ambition blueprints through their Nationally Determined Contributions (NDCs). However, climate considerations are being overtaken by immediate priorities in policymaking due to geopolitical developments and domestic political dynamics, underscoring the imperative, to safeguard the climate agenda.

The past three decades have witnessed the establishment and subsequent ratification of the United Nations Framework Convention on Climate Change (UNFCCC), and through it the emergence of a mandatory, top-down, legally binding regime under the 1997 Kyoto Protocol, which later evolved into a hybrid regime under the 2015 Paris Agreement. The year 2025 also marks the tenth anniversary of the adoption of the Paris Agreement.[1]

While progress has been made in this period on defining and institutionalising the climate agenda at multiple levels of governance, fossil fuels have found explicit mention in the Conference of the Parties (COP) decisions only once, in the COP28 decision text, which included the phrase "transitioning away from fossil fuels". At the time, this was regarded as a milestone, heralding a global surge in energy transition investments that surpassed US$2 trillion for the first time.[2,3] Yet on the political front, the global climate agenda has sustained three major setbacks in less than a year.

The first setback bore a sense of *déjà vu*, the election of President Donald Trump to a second term with a clear majority. Some consequences were immediate, including the United States' (US) second withdrawal from the Paris Agreement. Others, such as the systematic replacement of the energy-transition agenda with energy-security priorities in US domestic policy and international engagement, were not anticipated.[4]

The second setback had a demoralising impact; the inadequacy of the COP29 New Collective Quantified Goal (NCQG) negotiations to respond to the "needs and priorities of developing- country Parties".[a,5] Developing countries, in the lead-up to COP29, called for US$1.3 trillion annually for their needs and priorities, from 2025 until 2035 in grants and low-interest loans. However, COP29 agreed only to deliver US$300 billion annually until 2035, with a commitment to scale up climate-finance to US$1.3 trillion annually by 2035, from all sources; a figure perceived as insufficient in both the quantity and quality of climate-finance commitments from developed countries. The damage was not limited to the outcome; it also extended to the process, which "left developing countries bitterly disappointed".[6] Criticism regarding the process being stage-managed, alongside accusations of Parties directly altering the COP29 negotiating text, particularly undermined the procedural transparency.[7] This underscores the need for institutional reform within the UNFCCC framework to foster climate leadership, across both state and non-state actors.[8,9]

The third setback had a destabilising impact; the ongoing erosion of the global governance architecture has left both climate action and international cooperation increasingly fragmented. Geopolitical tensions are escalating, trade disputes are unfolding in real time and the international order is undergoing flux at a scale not seen since the end of Second World War, resulting in the undermining of global cooperation and rules-based multilateral framework. Countries have responded by increasing their defence spending. The World Military Expenditure reached US$2,718 billion in 2024,[b] with an increase of 9.4 percent in real terms over 2023 and is the "steepest year-on-year rise since at least the end of the cold war".[10] Combined with US's withdrawal from the Paris Agreement and its closure of USAID, these developments are already having an adverse impact on resources available for supporting both climate and development agendas. The fault line between a divided G7 and a resurgent BRICS, which is garnering increased attention across the Global South, is placing

a As per Article 9.3 of the Paris Agreement

b The NCQG numbers in comparison, look paltry.

considerable strain on the United Nations, compelling it to operate with reduced resources and pursue internal cost rationalisation.

These three setbacks have undermined predictability and stability in matters related to international cooperation. As a result, the climate community is on the defensive, and instead of enhancing or mainstreaming the climate agenda, the discourse has reverted to safeguarding it. The question now is how to “preserve the gains made” as the conditions for fostering international cooperation have deteriorated markedly.

What and Where is the Climate Agenda Today?

Historically, the climate agenda has evolved around mitigation with emphasis on carbon emission reductions and sequestration, characterised by metrics such as tonnes of carbon dioxide equivalent (tCO_2e) and carbon pricing, accompanied by limited attention to adaptation and resilience. An uneven balance has persisted between finance for mitigation and adaptation, wherein climate finance was largely equated with carbon credits for greenhouse gas (GHG) emission reductions, while adaptation was to be funded by share of proceeds, typically ranging from 2 to 5 percent, from the sale of carbon credits. This stands in contrast to developing countries’ consistent emphasis on prioritising adaptation and strengthening local capacities to address climate impacts.

Over time, various concepts have emerged to shape the climate agenda. For example, Climate Compatible Development emphasised development pathways that minimise climate impacts.[11] Nationally Appropriate Mitigation Actions (NAMAs) reaffirmed the sovereignty of developing countries in defining mitigation interventions aligned with their national contexts.[12] Green Growth asserted that economic growth could be sustained and made compatible with the ecological limits of the Earth. The co-benefits framing introduced an approach to assess multiple, often synergistic, advantages of climate action beyond greenhouse gas reductions.[13] Collectively, these approaches have sought to conceptualise mechanisms for balancing climate and development objectives, hence the emphasis on synergies.

In contrast, the world of negotiators; while emphasising and celebrating synergies, is characterised by persistent efforts to manage trade-offs. When approached from the perspective of developed countries, the climate agenda has been conceptualised around ambition, targets, rules, future-emissions trajectories, and burden-sharing. Conversely, developing countries emphasise means of implementation, equity, historical emissions, common but differentiated responsibilities, support provisions, and national circumstances. This creates a disjunctive dialogue, with one side focusing on outcomes and the other highlighting the lack of commensurate means. More recently, the emphasis has shifted towards implementation and the means of implementation, underscoring the need to move beyond agenda setting towards implementation.

The climate agenda has not sufficiently factored in four interconnected global developments that continue to undermine trust and impede multilateral cooperation: disarray within the global governance architecture, the rise of transactional diplomacy rooted in narrow conceptions of national interest, a maximalist approach shaping multilateral negotiations and the prioritisation of immediate domestic priorities.[14] The failure of the New Collective Quantified Goal (NCQG) negotiations, as highlighted above has undermined the basis for engaging in a multilateral forum to establish cooperation.

A signal of the extent of this erosion is that fewer than 70 countries had submitted their NDCs for the current round by the end of October 2025. The incoming Brazilian COP30 Presidency's approach; emphasising consolidation by focusing on previously agreed outcomes rather than pursuing new agreements, reflects cautious pragmatism and an effort to manage expectations amid limited appetite for increased ambition. The lacklustre NDC submission rate further confirms the primacy of domestic imperatives over commitments to international frameworks. The climate agenda is being shaped around national priorities with an emphasis on development and energy security. With increasing climate impacts, the emphasis is being placed on increasing resilience, particularly as a means of safeguarding developmental gains. In essence, while the climate agenda is faltering at the international level, it is being domestically redefined by the state to pursue resilient development outcomes.

The major driver underlying the reframing of the climate agenda, with its current emphasis today on energy security and resilience is, geopolitical dynamics. This shift is being shaped by realist calculations, rather than a normative orientation. The waning of norms, is particularly evident in the diminishing influence of NGOs and non-state actors who are grappling with a range of precipitating challenges that have simultaneously curtailed their growth due to reduced resources, constrained influence amid competing policy priorities, and diminished legitimacy on account of allegations of hypocrisy and double standards.[15] At the same time, concerns have been raised that the global community is underestimating the importance of development in mitigating conflicts.[16]

Tooze (2025) argues that this is a symptom marking the end of "the age of a politically neutral, universally endorsed development agenda" and that we are no longer in a world defined by universal norms as personified in the Sustainable Development Goals (SDGs) but one being actively shaped by "the will to power—power over resources, purchasing power, the ability to resist the influence of others, to have security but also, if possible, to assert one's own zone of control".[17] The direct reverberations of this "will to power" are reflected in the marginalisation of the energy-transition agenda, which is increasingly being set aside to accommodate a conception of energy security that is agnostic regarding energy source. The question that arises is how the climate agenda can be safeguarded in a post-Second World War multilateral order where power supersedes rights.

Safeguarding the Remains of the Climate Agenda

Multiple strategic objectives are portrayed as being served by this pivot towards energy security and resilience: safeguarding national interest by securing energy supply, asserting primacy on Artificial Intelligence (AI) technology by meeting the massive computational demands of burgeoning data centres, protecting developmental gains, and expanding energy access, particularly across Africa.[19,c] What we are witnessing, in essence, is the

c The United States has indicated that "Energy Abundance" will be a key priority of its incoming G20 Presidency in 2026, which speaks to its strategic objective to become a net energy exporter.

explicit subordination of the climate agenda to geopolitical imperatives, that is, coalescing of national interests, and increasingly national security, around energy security, trade, and supply chains, with climate and energy-transition relegated to a secondary concern at best, and an afterthought at worst. Given the challenging short-to-medium term outlook, four critical challenges must be addressed to safeguard the climate agenda: attracting investment for NDC implementation; filling the leadership vacuum; promoting international cooperation; and, underlying them all, navigating a policymaking terrain that is increasingly shaped by narrow vested interests and realist calculations.

Availability, accessibility and affordability of financial resources remain key determinants of ambition in NDCs. Yet, these cannot be assumed when it comes to NDC implementation. With public finance in developed countries being diverted to national security considerations, the challenge becomes even more acute. Flows of official development assistance are dropping. The Organisation for Economic Co-operation and Development (OECD) projects a 9–17percent drop in net official development assistance (ODA) in 2025, following a 9 percent decline in 2024.[20] This will have the most serious impact on sub-Saharan Africa, least-developed countries, and health funding. Debt distress now looms over more than half of the 68 low-income countries, more than double the number in 2015. Developing countries' external debt has reached a record US$11.4 trillion, equivalent to 99 percent of their export earnings.[21]

With global debt at an all-time high, developing innovative mechanisms to mobilise domestic and foreign capital has become an urgent priority. While emphasising the imperative of developed countries to provide financial resources for climate action (Article 9, Paris Agreement), developing countries are under increasing pressure to demonstrate institutional readiness to attract finance for NDC implementation. The challenge, therefore, is for NDCs to set a bold course for climate action, that aligns with their economic growth plans and attract investment based on investment planning that helps prioritise NDC opportunities based on economic transformation potential and investment potential. Such a framework can help balance climate and development priorities; organise, prioritise and build NDC Portfolio(s); foster cross-sector dialogue and collaboration; and mobilise investment by mainstreaming climate action for the right partners and capital.[d]

With the US retreat from multilateralism, a leadership vacuum has opened up within the multilateral arena, and particularly in the UNFCCC space. Who steps in to fill this vacuum remains an open question. At the same time, BRICS+ has identified four interrelated pillars of climate action: enhancing the availability of climate finance through BRICS institutions, strengthening South-South coordination, building resilience to systemic shocks; and advocating broader reforms in global economic governance. Whether this rhetoric will translate into action remains to be seen but the question of assuming climate leadership will be critical to safeguarding climate action. Anticipation of a pared-down G20 under the American Presidency in 2026, especially on climate, combined with a fragmented G7 provides an opportunity for BRICS+ to offer an implementation-focused leadership at the climate-development nexus. How BRICS navigates its internal contradictions to provide leadership for the Global South will be key to addressing the leadership vacuum.

Recently, the International Court of Justice (ICJ) delivered its Advisory on Climate Change. In the advisory, the court affirmed that the "duty to cooperate lies at the core of the Charter of the United Nations" and is also "a central obligation under the climate change treaties" (para. 140). Additionally, "in the context of climate change, States have a customary obligation to cooperate" (para. 364).[22] Reality of climate negotiations and contested multilateralism could not be further removed from this normative emphasis on states' duty to cooperate. Within the UNFCCC process, states negotiate and cooperate in small groups to find common ground, but then engage in full-fledged negotiations from a space of competition to safeguard interests of one group over another. Institutional reforms to alter these dynamics will be a defining challenge for the UNFCCC in its effort to safeguard the climate agenda, or it risks becoming institutionally hollow like the World Trade Organisation (WTO). This will entail mastering and intensifying the craft of quiet strategy to build trust and confidence, including backchannels and pre-meetings. Track 2 and Track 1.5 dialogues will be crucial in setting the groundwork to fulfil the "duty to cooperate".

d *Forthcoming*, study commissioned by the African Climate Foundation.

The challenge finds resonance in the COP30 Presidency's call for "all Parties to consider the future of the process itself".[23] While any attempts for institutional reform would include elements of path dependency, streamlining the meeting agendas may improve effectiveness and efficiency of the negotiations.[24]

Leaving aside a prominent outlier, no country today contests the long-term significance of the climate agenda. The challenge however is to retain its place, if not at the top, but close to the top of the agenda in the short-term. With national interest and national security becoming dominant in the decision-making calculus, the biggest challenge in safeguarding the climate agenda will be to reimagine its relationship with any country's strategic choices in the short to medium term. A country may choose the pragmatic subordination of climate objectives to the great-power politics (for example, EU's accommodation of the US on CBAM), or attempt to insulate the climate agenda from the pressures to pursue energy security (as unfolded under the South African G20 Energy Transitions Working Group). In essence, this can be viewed as a pessimistic outlook centred on a world that is unprepared for a shifting global order, or an optimistic take built around the pursuit of common goods through collaborative means. In essence, conceptualising a future that will inevitably be shaped by an increasingly unpredictable political and physical environment, in a manner that preserves the rationale for strategic collaboration, will be essential.

Our collective response to these four challenges: attracting investments for NDCs in a resource constraint world, fostering leadership amidst leadership vacuum, building trust to foster international cooperation, and defining the climate agenda in relation to dominant realist calculus, will be central to safeguarding the climate agenda. National interest characterises today's zeitgeist. Getting countries to internalise and come to terms with their duty to cooperate on climate change despite national-interest calculations is imperative to safeguard and pursue an effective and ambitious climate agenda. This will require reimagining and fostering international cooperation based on rational, practical, and issue-specific alternatives to the current maximalist approach that is bringing the post-Second World War multilateral order to a standstill.

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Leveraging Nature-Based Solutions: Building Climate Resilience in Africa

Gopalika Arora

The impacts of climate change are becoming increasingly visible across Africa, where societies face heightened risks from rising temperatures, shifting rainfall patterns, and the growing frequency of extreme weather events. According to the Notre Dame Global Adaptation Index (ND-GAIN), many African countries rank among the lowest in climate readiness and highest in vulnerability, with limited adaptive capacity and high exposure to climate hazards.[1]

The Climate Finance (CliF) Vulnerability Index also identifies 65 nations worldwide as being at high risk of climate exposure and financial constraints, two-thirds of which are in Africa.[2] Among the most damaging and recurring climate hazards facing the continent are climate-induced droughts, which have wreaked havoc across multiple regions in recent years. Southern Africa has recently experienced its most severe drought in two decades, resulting in marked declines in agricultural production.[3] The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report warns that droughts in Africa will become more frequent, last longer, and be more severe as the planet warms. If warming exceeds 3°C, droughts in North Africa, the western Sahel, and southern Africa could last twice as long, rising from approximately two to four months.[4] In East Africa, episodes of unusually intense rainfall have triggered extensive flooding and displacement, while in West and Central Africa, large-scale inundations have affected millions of people and caused widespread socio-economic disruption.[5] In the southeast, cyclonic activity has intensified, with recent events leaving tens of thousands homeless and without access to safe drinking water.[6] Collectively, these climate impacts underscore the continent's acute vulnerability to climate-induced weather anomalies and the urgent need for comprehensive adaptation strategies.

In the coming decades, the intersecting pressures of population growth, accelerated urbanisation, and intensifying climate change are projected to heighten vulnerability across the region. The rate of urban expansion is increasingly outpacing the capacity of existing infrastructure systems, which already face critical deficits in the provision of essential services such as electricity, water, and sanitation.[7] Against this backdrop, relying solely on conventional grey infrastructure is proving inadequate. While these engineered solutions have played a critical role in addressing hazards such as flooding, they often come with high costs, limited flexibility, and unintended ecological consequences. In recent years, however, ecosystem-based adaptation has gained prominence as a complementary and often more sustainable alternative.

Nature-based solutions (NbS) are increasingly gaining traction as an effective ecosystem-based approach that provides an alternative paradigm, one that works with rather than against nature. Recent studies highlight that NbS could deliver as much as 37 percent of the cost-effective climate mitigation required by 2030, offering a critical pathway to keeping global warming below 2°C. Beyond mitigation, NbS also generate substantial biodiversity co-benefits, reinforcing their role as integrated solutions to the twin crises of climate change and ecological loss. In addition to these benefits, NbS also present a major economic opportunity, with the potential to unlock up to US$10 trillion in new business value annually,[8] and employment in NbS could grow by up to 32 million jobs globally by 2030. The most notable increases are expected in Africa, Latin America, and the Arab States, where the NbS workforce could rise from around 2.5 million to over 13 million within the decade.[9] This is particularly relevant for a continent like Africa, where vast forests, mangroves, and wetlands offer immense untapped potential for carbon sequestration.[10]

Africa is uniquely positioned to lead in this space, given its rich ecological endowment. The continent is home to over one-quarter of the world's remaining intact ecosystems and iconic species, and hosts the second-largest terrestrial carbon sink globally. Its forests alone absorb an estimated 1.1 gigatonnes of carbon dioxide annually, equivalent to 20 percent of the European Union's (EU) carbon emissions or 75 percent of Africa's own. Moreover, Africa possesses 65 percent of the world's arable land, one-quarter of global biodiversity, and one-fifth of all tropical rainforests.[11] This reservoir of natural capital not only highlights Africa's central role in global climate stability but also underscores the continent's strategic advantage in shaping a green growth agenda through nature-based development pathways.

Despite growing recognition of their potential, the large-scale implementation of NbS remains constrained by financial, institutional, and capacity-related challenges. Although formally defined by the International Union for Conservation of Nature (IUCN) over a decade ago[12] and embedded in global frameworks such as the Paris Agreement and the Convention on Biological Diversity,[13] their uptake among policymakers, investors, and practitioners remains limited. Persistent policy, governance, and technical constraints continue to prevent NbS from transitioning from isolated pilot initiatives to scalable, investment-ready interventions.

Dearth of Finance to Scale Nature-Based Solutions

Tackling the climate risks and vulnerabilities presents a critical opportunity to embed NbS within Africa's core socio-economic systems. Under the 2025 South African Presidency, the G20 Disaster Risk Reduction Working Group has identified NbS financing as a priority area,[14] reflecting the growing recognition of their transformative potential. Across the continent, particularly in sub-Saharan Africa, investment in NbS has gained steady momentum. Between 2012 and 2021, annual investment in NbS projects increased by 23 percent, reaching US$12 billion.[15] However, this figure represents only a fraction of Africa's financing needs. The continent faces an estimated US$ 95 billion annual infrastructure financing gap,[16] while sub-Saharan Africa alone will require an additional US$ 54 billion each year to meet climate and conservation targets.[17] Restoring land through forestry and improved forest management is projected to cost a further US$ 100 billion annually.[18] Moreover, despite the acute vulnerability of urban areas where 70 percent of African cities are already grappling with flooding, extreme heat, mudslides, and fragile infrastructure; the deployment of NbS remains limited.[19]

Financing for NbS in Africa remains heavily dependent on public and concessional sources, much of which is donor-led and narrowly sectoral, with limited scope for scaling. Private sector participation remains minimal, hindered by high perceived risks and the lack of enabling investment frameworks.[20] This imbalance highlights a central challenge. Despite growing recognition of the potential of NbS, the mobilisation of adequate and well-targeted finance continues to be the greatest impediment to scaling their impact.

Undervaluation of Natural Capital and its Impact on Institutional Adoption of NbS

One of the key barriers to scaling NbS lies in the persistent undervaluation of natural capital. Despite the continent's wealth of ecosystems that provide essential services such as flood protection, carbon sequestration, and biodiversity support, these contributions are rarely reflected in macroeconomic planning or investment decisions.[21] As rapid urbanisation, infrastructure expansion, and resource extraction accelerate, natural capital is often treated as depletable rather than as a strategic asset.

This challenge is further compounded by the fact that NbS and their impacts are difficult to quantify and monitor. Their benefits are often diffuse, community-distributed, and long-term. The absence of robust mechanisms and standardised frameworks for natural capital accounting reinforces a systematic bias towards short-term economic gains at the expense of long-term resilience and sustainability. This undervaluation directly affects institutional buy-in, as policymakers, regulators, and financial institutions continue to regard NbS as less cost-effective and non-essential compared with certain engineered infrastructure solutions.[22] Without embedding ecosystem values into planning, budgeting, and regulatory frameworks, NbS will continue to struggle to secure political prioritisation, sustained financing, or meaningful integration into national climate adaptation and disaster management strategies.

Absence of Scalable Pipelines and Technical Capacity for NbS

Despite efforts to accelerate their development, there remains a lack of a sector-organised, consolidated pipeline of NbS projects. Most initiatives remain highly localised, which limits their replicability and scalability.[23] The overall volume of projects is insufficient to meet the scale of demand, and many existing efforts require further refinement, aggregation, and structuring before they can attract investment.

A further challenge lies in the time horizon required to realise the benefits of NbS. NbS typically generate long-term outcomes such as improved resilience, biodiversity gains, or reduced disaster risk that often do not align with the short-term return expectations of private investors. This temporal misalignment further restricts private sector engagement. The relatively small scale of many urban NbS projects adds to this difficulty, as investors generally prefer larger interventions capable of delivering robust and predictable returns.[24]

Compounding these issues is a shortage of technical skills and expertise across the project development community, the financial sector, and relevant institutions. Scaling NbS effectively requires specialised capacity to design, implement, and evaluate projects. Equally important are long-term studies to ensure sustainability and inform the ongoing maintenance of NbS interventions. Without strengthening this technical foundation, efforts to mobilise investment and scale NbS at the required pace will remain constrained.

Lack of Data and Management Systems

Another barrier to scaling NbS is the absence of reliable, consistent, and context-specific data.[25] Many countries in Africa lack comprehensive datasets on ecosystem services such as soil carbon storage, groundwater recharge, or mangrove protection. Where such data exist, it is often collected in fragmented ways through small-scale donor-led programmes or academic studies. This leads to a lack of methodological standardisation, which hinders comparison across projects. In addition, this issue is exacerbated by the absence of universal definitions, metrics, and widely accepted risk and reporting frameworks for NbS investments.[26]

Thus, data challenges create a reinforcing cycle for NbS in Africa: poor data reduces the perceived bankability of NbS projects, which in turn constrains financing flows and limits the resources available to build data infrastructure. The information gap and lack of standardisation also make the sector vulnerable to greenwashing and slow the overall progress of NbS.[27]

Land-Use Competition and Tenure Insecurity

Scaling NbS in Africa is severely constrained by structural challenges related to both competing land-use pressures and insecure land tenure. On the one hand, the continent's potential for cost-effective NbS, particularly through forest conservation, is undermined by accelerating urban expansion and the heavy reliance on conventional agriculture, which employs over 40 percent of Africa's labour force.[28] This intensifies competition between ecological protection and immediate economic imperatives, making it difficult to reconcile agricultural productivity with forest and ecosystem conservation. On the other hand, land tenure insecurity introduces an additional layer of complexity. In much of sub-Saharan Africa, limited land tenure records, weak management systems, and widespread reliance on communal and informal land use undermine the certainty required for long-term NbS investments.[29] Many NbS initiatives such as afforestation, restoration, or wetland protection assume clear ownership or use rights, yet insecure tenure can delay project implementation, constrain access to finance, and discourage private-sector participation. Moreover, projects risk displacing or disrupting vulnerable communities that depend on informal access to land or natural resources for housing, livelihoods, and food security.[30] Competing land-use pressures and insecure tenure regimes form a critical barrier to scaling NbS in Africa. Without integrated land-use planning, tenure reforms, and inclusive governance, projects risk remaining fragmented and underfunded.

Recommendations

Using Innovative Financial Mechanisms to Attract Private Capital

1. **Blended finance mechanisms**

   NbS have the potential to tackle the climate crisis, land degradation, and biodiversity loss, as well as address a broad range of societal challenges. However, they remain chronically underfunded.[31] One of the most effective ways to bridge this gap is through blended finance mechanisms, which bring together concessional resources from governments, development finance institutions (DFIs), philanthropies, and innovative financial instruments. By absorbing part of the risk, blended finance mechanisms address many of the challenges associated with NbS, including long payback periods, uncertain cash flows, and high upfront costs.[32] Guarantees and risk-sharing facilities are another set of instruments with strong potential to scale finance for NbS in Africa. These mechanisms help lower the perceived risk for private investors, particularly in projects with uncertain or long-term returns, such as ecosystem restoration, and thereby attract commercial capital. For instance, the LEAF Risk Sharing Facility, a US$100 million counter-guarantee facility to the African Guarantee Fund,[33] aims to support access to finance for Small and Medium-Sized Enterprises (SMEs) in the decentralised renewable energy sector.[34] Similar structures could be adapted for nature-based projects. By shifting partial risk to public or philanthropic actors, guarantees can help mainstream NbS within investment portfolios.

2. Green and blue bonds

An array of innovative financial instruments has been developed to fund the conservation of natural capital, from debt-based tools and grants to risk management mechanisms.[35] Green and blue bonds, which are debt instruments earmarked for environmental or ocean-related projects, have mobilised close to US$3 trillion globally.[36] In Tanzania, the launch of the Kijani Bond by CRDB Bank in 2023 marked an important step in expanding Africa's green bond landscape. The US$300 million green bond was designed to fund projects in renewable energy and sustainable management of living natural resources and land-use systems.[37] After being listed on the Luxembourg stock exchange, the bond was oversubscribed by 429 percent, reflecting strong investor appetite for sustainable finance products in African markets.[38] However, Africa's share of the global green bond market remains below 1 percent.[39] Without stronger enabling frameworks and risk mitigation mechanisms, Africa risks being left on the margins of the rapidly evolving global sustainable finance market.

3. Other debt-based instruments

Other debt-based instruments such as Sustainability-Linked Loans (SLLs) are also gaining traction as effective instruments to finance NbS. Unlike use-of-proceeds bonds, SLLs tie the cost of capital to sustainability performance targets. Such instruments can incentivise borrowers who are not in typical green industries to participate in sustainable finance, as SLLs are purpose-agnostic.[40] Côte d'Ivoire recently launched its innovative Sustainability-Linked Finance (SLF) Framework, developed in collaboration with the World Bank Group.[41] The framework links financing costs to progress on key development and sustainability indicators, including renewable energy, land-use reform, and social inclusion.[42] For NbS in Africa, this model holds promise for sectors such as agriculture, forestry, and water management, where private actors often operate outside traditional green finance channels.

4. Financial risk management instruments

Another promising tool for mobilising private finance is debt-for-nature and debt-for-ocean swaps, where countries restructure sovereign debt in exchange for commitments to conservation finance. In 2023, Gabon announced a US$500 million debt-for-nature swap, one of the largest such agreements signed by any country to refinance its debt and conserve marine resources.[43] Similarly, Seychelles pursued an ambitious plan to convert US$21.6 million of national debt via a blue-economy debt-for-nature swap.[44] This enabled the government to make a policy commitment to safeguard 30 percent of its exclusive economic zone.[45] Such deals demonstrate how sovereign finance can be leveraged to deliver both debt relief and scale up funding for NbS in Africa.

5. Strengthening carbon market

Finally, carbon markets present an important, though complex, opportunity to finance NbS. In Africa, where forests, mangroves, and grasslands hold substantial carbon sequestration potential, carbon markets can generate additional revenue streams that attract private investors. In 2024, approximately 20 percent of the projects listed in leading carbon market registries originated from Africa, reflecting growing momentum.[46] However, challenges such as lack of Measurement, Reporting, and Verification (MRV) systems, inconsistent standards, and lack of capacity persist. Without clear safeguards in place, carbon markets risk greenwashing. However, if integrated with robust governance frameworks and international initiatives such as the Africa Carbon Markets Initiative (ACMI), carbon markets can help expand the reach of NbS across the continent.[47]

Setting up Monitoring, Evaluation, and Knowledge Sharing Platforms for NbS Data

Scaling NbS in Africa requires strong systems for monitoring, evaluation, and knowledge-sharing. At present, the absence of universal definitions, consistent methodologies, and transparent disclosure tools limit the ability of policymakers and investors to accurately assess project effectiveness, risks, and long-term returns. Emerging initiatives, such as the IUCN Global Standard for NbS,[48] are beginning to close this gap by providing structured frameworks that countries can adopt to strengthen credibility and build more investable NbS pipelines.

Equally critical are reliable and transparent monitoring mechanisms, particularly since many NbS interventions, such as reforestation, wetland restoration, or sustainable agriculture deliver benefits only over extended timeframes. The AFR100 initiative has made notable progress in this space.[49] Through the African Union Development Agency-New Partnership for Africa's Development (AUDA-NEPAD),[50] it has established a monitoring framework organised around nature, governance, and economy which outlines measurable indicators, data collection methods, and quality protocols.[51] These results are aggregated and shared through monitoring platforms, offering a transparent system for tracking progress.

Improving the availability, accessibility, and standardisation of data should also be a central priority. At present, data sources are fragmented, inconsistent, and often confined to donor-funded projects or academic studies.[52] This fragmentation reduces efficiency and limits opportunities to replicate and scale models. Initiatives such as the ACMI are working to bridge this gap by developing standardised MRV systems and consolidating data into accessible platforms.[53] Such efforts can help reduce information asymmetries, enhance transparency, and ultimately enable governments, investors, and communities to more effectively engage with NbS.

Strengthening Institutional Coordination

It is widely recognised that strong institutional coordination is a critical determinant of whether NbS can succeed at scale. Many NbS initiatives, such as reforestation, agriculture, or wetland management fall into regulatory grey-zones that involve multiple ministries and authorities. Without clear mechanisms for cross-ministerial collaboration, projects risk inefficiencies or failure. There are, however, several emerging examples of effective coordination. In Senegal, the Departmental Council of Saint-Louis launched a large-scale mangrove restoration initiative that stands out as a model of environmental governance and climate resilience. The project's success lies in its integrated, multi-stakeholder approach, with particular emphasis on inter-municipal collaboration and joint ecosystem management.[54]

Institutional coordination is further strengthened when there are mechanisms to incorporate local knowledge and ensure equitable benefit sharing. Given that the effectiveness of NbS depends on urban morphology, climate zones, hydrology, and socio-spatial density, localised approaches are crucial to improve both ecological effectiveness and social legitimacy.[55] In addition, project developers must use robust social and environmental frameworks to ensure that affected communities are included in all stages of NbS project development and implementation. They must also work with communities and governments to improve land tenure rights and design appropriate engagement strategies and compensation mechanisms. For instance, land managers in Ghana formed a land management association to collectively advocate for more secure and transparent land tenure rights with the government.[56] This collective action increased their negotiating power, which ensured stronger recognition of their concerns in policy processes and more responsive measures to safeguard their interests.[57]

Thus, effective institutional coordination for NbS in Africa requires clearly defined cross-ministerial roles, integrated planning, and inclusive approaches that leverage local knowledge. Only then will the governments be able to achieve scalable, sustainable, and socially equitable NbS outcomes.

Conclusion

NbS offer Africa a pathway to confront climate risks while advancing sustainable growth and climate resilience. However, unlocking their full potential will require overcoming persistent barriers in finance, data, land governance, and institutional coordination. By embedding natural capital into development planning, leveraging innovative financial mechanisms, and aligning with multilateral frameworks such as Agenda 2063, Africa can position NbS at the core of its climate and development agenda. Doing so will not only strengthen the continent's resilience but also affirm its role as a global leader in shaping a nature-positive future.

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Nature-Based Solutions for a Resilient Africa: Ecosystem-Based Adaptation in an Era of Climate Risk

Malik Dasoo

The year 2025 marks a decade since Cape Town's historic 'Day Zero' event, a severe water-supply crisis that nearly left its 4.6 million residents without water.[1] Ten years on, with limited progress on climate change mitigation, cities around the world are exploring ways to make themselves more resilient to the impacts of a warming world with increasingly uncertain extreme weather dynamics.

Cape Town managed to avoid the worst impacts of the disaster, in large part due to a monumental water conservation and demand reduction effort. However, with such events likely to become more frequent, the city has had to develop a longer-term and more holistic plan for resilience to future shocks. Cape Town's Water Strategy has addressed this by prioritising low-cost, high-impact interventions.[2] One such intervention is the removal of alien invasive tree species, such as eucalyptus and pine, from key water-catchment areas. These trees are estimated to consume around 55 billion litres of water per year, equivalent to three months of the city's annual consumption. Cape Town has made an important step-change in political decision-making, recognising the importance of improving the integrity of natural ecosystems to the city's resilience.

Highlighting this intervention illustrates a key consideration in future city planning: the benefits of restoring ecosystems as closely as possible to their historical state. Cape Town, in this respect, shares many similarities with other African cities. It is urbanising at a rapid rate and is particularly susceptible to climate change. Further, its land and water use is actively degrading the ecosystems on which it depends. Unlike most cities, Cape Town has approached its threats through a recognition that its climate vulnerabilities are severe and urgent. It has also recognised that the most important first step in building resilience is improving the integrity of its natural ecosystems; they represent the first line of defence. The approach is known as Ecosystem-based Adaptation (EbA) and is a form of a Nature-based Solution (NbS). This article explores the concept of ecosystem-based adaptation: what it is, how it works and why all decision-makers involved in future-proofing cities should incorporate it into their thinking. This article argues that Africa faces acute risks from climate change and ecological breakdown, but by embracing NbS and EbA now, the continent can leapfrog the Global North in climate resilience. Africa holds a competitive advantage over its Global North counterparts and therefore can leverage natural ecosystems to build urban resilience at a relatively lower cost.

Before examining the concept of EbA, it is important to note that it represents only one category within the broader framework of NbS.[3] Nature-based solutions is the umbrella term that applies to actions which protect, sustainably manage, and restore natural or modified ecosystems to address societal challenges, such as, climate change, food security, human health, and disaster risk. Under this umbrella fall other terms like ecosystem-based mitigation (using nature to reduce greenhouse gas emissions), ecosystem-based disaster risk reduction (making areas resilient to the impacts of natural disasters), ecosystem-based adaptation (helping people adapt to the impacts of climate change) and others. These terms can overlap in their benefits and specific actions, but they differ in their primary objective. This essay focuses on EbA, in part due to its growing popularity worldwide but primarily because of its contribution to city adaptation and its relative economic, social, and environmental benefits.

To understand how and why EbA methods work, let us consider an example from Lake Tana and its associated wetlands in Ethiopia.[4] For years the wetlands have experienced degradation, in part due to their conversion to farmland, drainage for crop irrigation during the dry seasons, invasive weed growth, sand mining, free grazing, infiltration of untreated urban and industrial wastewater, expanding urbanisation and siltation from upstream mining and agricultural activities. All of these activities affect the ability of the wetlands to provide their respective services to people and the environment around them.[5] These ecosystem services are typically classed into four categories namely, provisioning services (the products humans obtain from ecosystems); regulating services (the benefits derived from the functioning of natural processes like climate or water regulation); cultural services (the non-material benefits people derive from ecosystems such as education, recreation, and spiritual significance); and supporting services (the services that provide habitats for living organisms, which in turn regulate the ability of organisms to survive). They are, in other words, a framework for understanding how humans depend on nature to sustain economic and social development. Just as Cape Town recognised that its water security depends on intact ecosystems, Lake Tana serves as an example of what happens when the degradation of ecosystems goes unchecked.

The conversion of wetlands into cropland reduces the land’s ability to absorb and retain water, resulting in increased flooding and soil runoff during heavy rainfall events, particularly between June and September in the region. Invasive weed vegetation stifles the growth of indigenous plants that sustain other species inhabiting the aquatic ecosystems, such as fish, on which many people depend on for their subsistence and livelihoods. Sand mining and agricultural activities remove the physical banks of rivers and allow erosion of the surrounding soil, which then seep into the rivers carrying sediment, pesticides, fertilisers and other pollutants into the water supply.

Over time, all these factors erode the ability of wetlands, rivers and lakes to slow and store heavy rainfall, resulting in flooding. For the growing urban area around the Ras Abbay and Avaji wetlands, this is a material concern during periods of heavy rainfall.[6] A 2025 study of the city of Bahir Dar estimated that 10 percent of the city was at very high risk of flooding, and further 63 percent of the city was at high risk. These risks are attributed to the impacts of climate change and the erosion of the natural ecosystems that have, for a long time, held these risks at bay. In sum, the modification of natural ecosystems leads to severe consequences for the people who depend on them, both directly and indirectly.[7] This is particularly notable for the approximately 2.3 million people who depend on Lake Tana. Lake Tana in Ethiopia, its wetlands and nearby rural and urban developments, constitute a cautionary tale for the risks faced by most African states. It is, in other words, a microcosm of a worrying trend affecting the rest of the continent: rapid urbanisation, the erosion of natural ecosystems, climate change, and the urgent need to future-proof African cities.

Lake Tana is not unique, it exemplifies broader trends unfolding across the continent.[8] Africa is the most rapidly urbanising region in the world, with an annual urban growth rate of 3.6 percent.[9] Approximately 59 percent of this urban population lives in informal settlements, which are disproportionately vulnerable to climate hazards, particularly floods and heatwaves.[10] Experts agree that sub-Saharan Africa faces a critical infrastructure deficit (access, quality, and quantity) with respect to water, electricity, transport, and sanitation.

On the other hand, Africa emerges as the continent with both the largest proportion and total number of people directly dependent on nature for their basic human needs (food, water, and energy).[11] On the current development trajectory, without adequate attention to biophysical systems and with natural ecosystems increasingly being degraded, the effects of climate change are becoming more pronounced.[12] High water demand from rapid urbanisation is reducing groundwater levels in cities, as evidenced in Harare, Bouaké, Tripoli, and Niamey, among others. Over the long term, this undermines the capacity of affected cities to supply water to their populations.

Equally, on the current trend of urbanisation and the rate of degradation of natural ecosystems, flooding is expected to increase by around 270 percent in North Africa, 800 percent in Southern Africa, and 2,600 percent in mid-latitude Africa by 2030 when compared to the year 2000.[13] A 2015 study in Ghana, estimated that, without adequate flood protection, Accra could face a 10 percent annual probability of flooding, which could cause urban damage worth US$ 98.5 million, affecting 34,000 people and reducing GDP by US$ 50.3 million.[14]

Over and above the flooding risk, Africa faces severe drought risks. Compounding this vulnerability, the continent contains the largest population living in drylands, a figure expected to double by 2050.[15] Based on current population and GDP projections, the extent of urban land in arid zones is projected to increase by approximately 180 percent in Southern Africa, 300 percent in Northern Africa, and 700 percent in mid-latitude Africa when compared to the year 2000.[16] Furthermore, a projection covering 173 African cities found that 25 cities may experience over 150 days annually with temperatures exceeding 40.6°C, rising to 35 cities at 2.1°C of warming, and 65 cities at 4.4°C of warming.[17]

These risks are material, urgent, and deeply concerning for all who live on the continent. Africa and its cities have received only a fraction of the scholarly and policy attention required for climate adaptation.[18] Likewise, political will among decision-makers to address climate change remains critically insufficient. Nonetheless, encouragement can be drawn from the vision of maximising the benefits that nature provides in addressing these risks. Understanding how nature enhances the adaptive capacity of human settlements requires recognising the biophysical responses triggered by ecological restoration.

To illustrate this, consider the case study of Ethiopia, where, between 2008 and 2023, a project called the Sustainable Land Management Project was implemented.[19] The project sought to institute EbA approaches to address the problems of natural resource degradation, declining water and land productivity, poverty and GDP losses resulting from poor landscape management. Activities included terracing slopes to enable water infiltration into the soil and replenish groundwater levels, while also reducing runoff and degradation in elevated areas. The project temporarily closed selected pastureland areas to allow native vegetation and trees to regenerate. It also reforested areas to enhance soil-water retention and promote the return of biodiversity, and supported farmers in adopting regenerative agricultural practices to minimise land degradation.

As a result, agricultural productivity increased by 10 percent across all targeted watersheds, protective vegetation cover rose by 9 percent, soil carbon increased from 1.9 percent to 2.5 percent between 2009 and 2013 (a notable achievement), land tenure for farmers was secured, and the number of farmers engaged in income-generating activities rose by 69 percent between 2008 and 2013.

While there are compelling examples of how nature enhances adaptive potential, African cities are rapidly meeting their limits, beyond which adaptive approaches risk becoming obsolete. These limits to adaptation for human settlements arise largely from developmental constraints linked to Africa's rapid urbanisation, inadequate planning frameworks, and the growing number of urban poor residing in informal settlements. Additional limits stem from insufficient integration of climate considerations into adaptation planning, underinvestment in infrastructure, and limited financial resources.

Adaptation can reduce risk at current levels of global warming, but experts are increasingly emphasising that existing adaptation approaches will become ineffective as global temperatures continue to rise. Ambitious and immediate climate mitigation efforts would make the most important contribution to successful adaptation in Africa. In the absence of that ambition, however, what recourse remains for the continent? Current adaptation finance flows fall short by billions of US dollars compared to the needs of African countries, and approximately half of the finance commitments to Africa reported by developed countries remain undisbursed.

Two actions must therefore occur simultaneously to enable Africa to meet its adaptation needs. First, African states, particularly local government entities, in partnership with affected communities and experts, must develop low-cost, effective adaptation plans. Second, African states must actively dismantle barriers to accessing finance from international climate finance mechanisms, as well as public and private income sources. The main barrier is the challenge of accrediting national institutions to receive international adaptation finance through Direct Access Entities (DAEAs).[20] This stems from the lengthy bureaucratic accreditation processes, which require, for example, robust institutional and fiduciary standards and demonstrable capacity.

At the beginning of 2020, 80 percent of all developing countries lacked DAEs. There is also limited capacity to develop fundable projects, as evidenced by the Green Climate Fund's (GCF) statistics.[21] These show that, although African countries submitted a large number of proposals to the GCF, they recorded the lowest approval rate among all regions (37 percent). There are, however, strong models across the continent that demonstrate how these barriers can be overcome, investing in such efforts will be well worth the returns.[22] The next section will explore the benefits of EbA at a larger scale.

There are two reasons why EbA actions should be considered by key decision-makers. First, they substantially reduce climate impacts. Conservation agriculture and the diversification of crop varieties on farms, for example, enhance soil and water conservation, improve agricultural productivity, and strengthen drought resilience.[23] Ecosystem protection supports carbon sequestration and storage, facilitates migratory routes for species displaced by climate change, increases ecosystem resilience to disturbances, and diversifies livelihood opportunities through ecotourism, resource harvesting, and rangeland management.[24] In marine and coastal ecosystems, restoring mangroves, seagrass beds, and coral reefs enhances resilience to storms and strengthens food security for dependent communities.[25] Establishing marine protected areas (MPAs) is a cost-effective strategy to enable marine ecosystems to rebuild themselves and deliver their associated benefits over time.[26] Such protection allows fish populations to replenish and migrate into fishing zones relied upon by coastal communities.[27] Enabling ocean ecosystems to recover also contributes to large-scale carbon storage.

Second, it is the cost-benefit ratio of EbA compared to built or grey infrastructure. It should be noted that the best outcomes for adaptation arise from a well-managed integration of built and ecological infrastructure.[28] Particularly, nature-based solutions extend the functional lifespan of built infrastructure. The point is that if natural processes and ecosystem services are not prioritised during adaptation planning, the measures will likely be less effective and more expensive than necessary. Examples include the construction of sea walls, breakwaters, spillways, and dikes, as commonly found in West Africa. The efficacy of these measures is often limited.[29] In fact, at current global warming levels, 83 percent of adaptation responses demonstrate medium potential for risk reduction.[30]

Not only are built infrastructure approaches more expensive, but they also often face technological barriers (92 percent of adaptation measures exhibit low technological feasibility in African states).[31] Further, institutional barriers continue to restrict the ability of states to adopt adaptation options.[32] These include the governance and technical arrangements required for managing large-scale built infrastructure projects. In contrast, NbS, particularly, EbA, tend to offer cost-effective approaches to adaptation. The Global Commission on Adaptation estimated the costs and benefits of five adaptation investments, finding benefit-cost ratios ranging from 2:1 to 10:1.[33] The GCF reported benefit-cost ratios ranging from 0.9:1 to 7.3:1 with a median ratio of 1.8:1.[34]

EbA offers both impact and cost advantages as a climate resilience strategy for managing a warming world, and it also holds a comparative advantage within Africa when contrasted with European countries that are increasingly adopting this approach. Take Germany, for instance, which in recent years has experienced intensifying extreme heat and flooding events during periods of heavy rainfall. In the Rhineland flood of 2021, 180 people were killed and 800 injured. German cities are characterised by concrete pavements and densely clustered buildings, which radiate sunlight; without natural surfaces to absorb and dissipate this heat, it remains trapped within the urban environment. These spaces are also highly susceptible to flooding, as water cannot permeate hardened surfaces and instead flow off and pools unless adequately discharged. Acknowledging this, Germany began mimicking natural systems by recreating the water cycle, implementing green roofs (planting of plants on rooftops) and maximising green spaces across urban areas to absorb rainwater and facilitate infiltration into the ground.[35] This growth has been driven by municipal authorities in alignment with Germany's 2050 Climate Action Plan. Green roofs are now mandatory in 66 percent of Germany's cities. As a result, the total area covered by green roofs was estimated at 120 million square metres in 2019. Green roof coverage has more than doubled over the past decade. The principle behind this shift is the reintroduction of nature into urban environments. The important note for many African cities is that natural ecosystems still run through urban spaces, meaning that city planners need not reintroduce nature, but rather protect, rehabilitate, and expand it. Safeguarding, and enhancing existing natural ecosystems in African cities is demonstrably more cost-effective than accommodating nature into built environments.

Another example is Denmark, which in 2011 experienced record-level flooding that severely damaged infrastructure in Copenhagen. To address this, Denmark convened its leading urban planners to transform the city into the world's first 'sponge city'.[36] A sponge city is a concept that integrates nature-based surfaces such as wetlands and parks with large underground structures like pipes and retention basins. It is expected to fortify the city's climate resilience for the next 100 years. The network of ecological and built infrastructure functions synergistically to absorb water, store it, and gradually return it to the water cycle. Copenhagen's success in this endeavour has been so pronounced that it has been recognised as a model by cities including Auckland, Nairobi, Singapore, New York, Rotterdam, and Berlin. Although the project is only halfway complete, it has already drastically enhanced the city's resilience to climate extremes, reducing risks by between 30 and 50 percent. Green spaces such as parks, and garden filters facilitate water diversion and retention. Trees and other plants absorb water, store it, and release it during hot days, thereby, cooling surrounding areas. The Copenhagen example also demonstrates that such interventions must be implemented at large-scale and with deliberate intent to reverse the ecological damage caused by urbanisation and to promote pollutant removal and biodiversity. A 2025 study found that, despite the reintroduction of green spaces, biodiversity outcomes have been modest with the newly created wetlands supporting fewer species than historical wetlands (approximately one-third of original species were absent).[37] In other words, despite the improvement in water management and cooling of the city, biodiversity gains and pollution reduction remain limited. Additionally, high nitrogen levels persist in the soil due to Denmark's intensive agricultural practices, which still wash into natural watersheds and contribute to water pollution. While an engineering achievement, Denmark's efforts have fallen short on biodiversity restoration, thereby compromising long-term returns. The lesson for African cities here is the importance of a holistic approach to NbS. Decision-makers must be explicitly committed to restoring ecosystems as close to their historical baselines as possible in order to realise the full benefits of this approach.

Finally, consider the example of the Catskill Mountains in New York, which provide 90 percent of New York City's drinking water. The story of the Catskills is regarded as one of the greatest modern successes in ecosystem-service management.[38] In the 1800s, as the New York population expanded, access to safe drinking water became increasingly scarce. In response, the city constructed hard infrastructure such as reservoirs to store water. The building of these reservoirs required the dismantling of buildings, farms, natural landscapes, and even cemeteries. Hundreds of residents were displaced to accommodate the construction of the reservoirs. In the 1990s following further expansion of New York, the city faced a major decision to improve water quality; either expand built infrastructure and install a new filtration system (costing US$50 million to construct and US$250 million annually to operate and maintain), or work with nature to enhance the water cycle's effectiveness.[39] The city chose the latter; a position, that has since become a guiding principle of the city: to work with nature and to acknowledge that land use directly affects water quality. The trees, their roots, leaves, and soil naturally filter pollutants from the city's drinking water. This initiative led New York to establish its Bluebelt Programme, aimed at reintegrating nature into urban spaces to manage stormwater and promote biodiversity restoration. The programme cleaned waste and stormwater to such an extent that it increased the number of whale sightings in the sea, which were previously driven away due to the discharge of untreated polluted water into the sea. With a rapidly urbanising population, African cities must begin planning for increased resource demand, particularly potable water and sewage management.

The Catskill Mountain example demonstrates the risks of relying solely on built infrastructure, and its requirement for vast tracts of land near human settlements. The NbS approach demonstrates how society can function synergistically with improved natural ecosystems.

The point here is that developed countries and their respective cities have recognised the imperative to embed nature and NbS in future-proofing urban environments. They face a complex challenge; however, they must reintroduce both ecosystems and biodiversity to reclaim the associated ecosystem services. As the adage goes, prevention is better than cure; it is far more cost-effective to prevent ecosystem degradation than it is to reintroduce them. Even when reintroduction occurs, it requires long-term, deliberate attention to ensure that ecological functionality is adequately restored. Africa, therefore, holds a competitive advantage over its Global North counterparts. The continent retains access to ecosystems that still resemble their historical state. Intentional and urgent action can halt or minimise ecological erosion, enable restoration, and secure the ecosystem services provided. Such measures can be achieved at a lower cost than in Europe, thereby strengthening the climate resilience of African cities. In other words, Africa has the opportunity to leapfrog Europe and other developed cities in future-proofing its urban environments.

Africa is at a defining juncture in its development trajectory: if it does not recognise that its economy is fundamentally dependent on the functioning of ecosystems, it will continue to erode them and face the consequences in the years ahead. Africa's agricultural productivity growth has declined by 34 percent since 1961 due to climate change, more than any other region.[40] An estimated 90 percent of its coral reefs are expected to be destroyed by bleaching at 2°C of warming; a substantial loss, as coral reefs are essential to fisheries that provide 200 million people with their primary source of protein.[41] There is no threat more severe to Africa's populations and economies than climate change and ecological breakdown. African states must be deliberate in articulating visions for ecosystem restoration, aimed at delivering ecosystem services and empowering local government agencies to implement them. This must be done with the explicit intention of restoring ecosystems to a point where they resemble their historical state as closely as possible and must ensure that communities living in and around natural ecosystems are integrated into planning and implementation processes, so they recognise and support efforts to preserve them. If executed effectively, Africa can build resilient food systems to nourish its populations, and manage water ecosystems to deliver high-quality water to people while mitigating flood and drought risks. It can also cool urban environments, which is especially critical for informal settlements where heat radiation poses deadly risks to marginalised populations. States must acknowledge the economic development imperatives that climate adaptation presents. If done properly, it can leverage climate finance that is increasingly being mobilised for adaptation efforts. Funding for NbS in Africa grew by 23 percent annually between the years 2012 and 2021, raising over US$12 billion.[42] Africa has an infrastructure-financing gap of approximately US$100 billion annually to meet its development and resilience targets, but leveraging nature offers a pathway to narrowing that gap.

Ani Dasgupta, President of the World Resources Institute, emphasised this point:

"We often think of infrastructure in terms of roads, bridges and buildings—just concrete and steel structures… But nature—forests, trees, wetlands, coral reefs—is just as vital. It supplies clean water, protects communities from disasters, and strengthens resilience. Across Africa, cities and communities are proving that green and grey infrastructure can work together to maximise benefits for people, nature and climate—and the world should take note."[43]

The key ally in the fight against climate change lies in the restoration and protection of nature. Seizing this opportunity decisively is essential to safeguard present and future generations.

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Leveraging Collectives for Gender Equality in India and Africa

Sunaina Kumar
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The Sustainable Development Goals Report 2025 unequivocally declared that the world faces a "global development emergency", noting that only 35 percent of Sustainable Development Goals (SDG) targets are on track, nearly half are moving at a snail's pace, and 18 percent of targets have regressed below 2015 baseline levels. It also emphasises that interconnected challenges such as escalating conflicts, persistent inequalities, and climate crises; all of which disproportionately affect women, are impeding progress.[1] For critical SDG transitions to occur within the remaining five years of the 2030 Agenda, it is necessary to remove barriers to the full participation of women in economies and public life, and to ensure equal access to education, employment and leadership.

Investing in collective action, especially with a focus on women, is vital for advancing the SDGs.[2] Collectives that unite communities to achieve a common goal or address a shared problem are rooted in principles of inclusivity, cooperation, and people-centred growth. They are known to drive inclusive and sustainable solutions by localising and actualising the 2030 Agenda. Community-based collectives, such as Self-Help Groups (SHGs), cooperatives, savings circles, and grassroots advocacy networks, empower communities, advance gender equality, foster sustainable livelihoods, and strengthen local resilience and self-reliance.

To build on the transformational potential of collectives, the United Nations General Assembly (UNGA) has proclaimed 2025 as the International Year of Cooperatives, recognising their vital role in driving sustainable development and strengthening the entrepreneurial ecosystem in which cooperatives can thrive.[3]

Collectives provide women with platforms to pool resources, access financial services, and generate income, directly improving household savings and women’s economic security. They catalyse improvements not only in income and employment but also in health, education, and access to resources and services.[4]

In India and across Africa, where shared development challenges such as poverty, the impacts of climate change, and food insecurity persist, women face common barriers to economic empowerment and to accessing productive resources such as land, finance, and information. In this context, collectives have emerged as innovative, scalable, and sustainable solutions to some of the most pressing challenges.[5]

A 2019 study on women's collectives in two South Indian states, Telangana and Kerala, brought together socially and economically disadvantaged women for group farming. It found that participation in such collectives improved women's access to inputs, especially land, boosted productivity and profits compared with individual farms, and enhanced their farm management capabilities. This economic empowerment, in turn, led to social empowerment and increased the women's bargaining power within households.[6]

This chapter analyses women's collectives in India and Africa, such as SHGs, savings circles, cooperatives, and farmer-producer organisations (FPOs), and draws key insights from their implementation. Further, it offers recommendations for knowledge exchange and capacity building between the two regions, with a focus on investing in collectives to promote inclusive growth, gender equality, and social transformation.[7]

Collectives in India: Targeted Strategies and Multi-Stakeholder Partnerships

India has a long-standing tradition of collective action for social and economic development. While the formal cooperative movement started in the late nineteenth century during British colonial rule as a response to rural agrarian distress, its roots run deeper. Community-based practices of pooling resources, such as food grains and funds have been part of Indian society for over a thousand years, reflecting a culture of mutual support and collective resilience.[8]

Women's SHGs were started in the 1980s as savings groups of 10–20 women. Since then, they have grown into the largest self-help movement in the world, with over 100 million women participating as of 2025.[9] SHGs have been effective in promoting poverty reduction, women's empowerment, and in improving outcomes in health, nutrition, and education.[10] The success of the programme across a range of indicators is well documented. Since 2013, women SHGs have accessed credit worth INR 10,200 billion from banks, expanding access to financial services.[11] This access has fostered enterprise development, benefiting nearly 0.487 million non-farm enterprises and 0.195 million producer groups, and has led to increased incomes, with nearly 65 percent of rural SHG members reporting improved income levels between 2019 and 2024, according to a study by the State Bank of India.[12,13] The initiative has also strengthened women's leadership and delivered a wide range of social impacts.

The success of SHGs in India is based on a coherent policy framework. Since 2011, SHGs in India have been promoted under the National Rural Livelihoods Mission (NRLM), a central government programme that works with multiple stakeholders, including state governments, district agencies, financial institutions, civil society, and technical advisers, to build strong grassroots institutions and strengthen community capabilities. It has been strengthened through interlinkages with other programmes and institutions. The SHG Bank Linkage Programme, for instance, is a pioneering initiative of the National Bank for Agriculture and Rural Development (NABARD) to connect SHGs with the formal banking system, and has successfully provided access to affordable and sustainable credit and financial services to 178 million rural households.[14] Similarly, NRLM is linked with other national programmes for skilling (Skill India), financial inclusion, and enterprise development (Start-up Village Entrepreneurship Program), to ensure that women benefit from a seamless ecosystem.

Like SHGs, the cooperative movement in India is widespread and has been a key driver of socio-economic change. There are more than 0.8 million cooperatives in the country, with 300 million members, operating in diverse sectors such as housing, dairy, consumer, marketing, fisheries, textiles, services, and processing. To provide a policy, as well as a legal and institutional framework to strengthen the cooperative movement, the government set up the Ministry of Cooperation in 2021. There are several successful examples of women's cooperatives, such as the Self-Employed Women's Association (SEWA), a national union of 1.5 million informal women workers in 14 states, which promotes more than 115 cooperatives across the country. Numerous studies show that cooperatives have supported rural women by building financial literacy, fostering entrepreneurship, and expanding access to vital services, such as banking, housing, healthcare, and education, while also advancing their social and political empowerment[15]

Building on the success of cooperatives, the government is promoting FPOs, a hybrid model combining features of cooperative societies and private limited companies. FPOs aim to empower small and marginal farmers by addressing challenges such as fragmented landholdings, lack of bargaining power, poor market access, and limited resources through collectivisation. By pooling their resources, knowledge, and negotiating power, members of FPOs can access larger markets, secure better prices, invest in technology, and improve productivity. It is estimated that nearly 35 percent of the 1.9 million farmers associated with FPOs in India are women.[16] These producer collectives have supported marginalised women farmers, enabling them to overcome traditional barriers to invisibility in decision making and resource control.

Collectives in India have been scaled up through unique partnerships, support structures, targeted initiatives, and strategies. Their success demonstrates how grassroots initiatives can address local development challenges, promote gender equality, and contribute to national economic prosperity.

Despite their successes, women's collectives continue to face gender-based challenges that constrain their effectiveness, including limited access to credit, weak market linkages, and capacity gaps among members. Investing more in capacity-building can strengthen the effectiveness of women's collectives, while robust institutional support can enable them to secure better access to credit and markets.

To unlock the full potential of collectives in India, it is necessary to address these challenges by promoting gender-sensitive policies, which include addressing impediments to mobility, recognising women's unpaid care work, and expanding access to care services.

Collectives in Africa: Shaping Resilient, Inclusive Futures

The history of collective action in Africa is shaped by colonial histories, post-independence reform, and innovations based on community needs. Collective action has been a formidable force for socio-economic transformation, empowering marginalised groups, enhancing livelihoods, and improving social cohesion.

In post-colonial Africa, informal collective systems, known by many names such as *tontines* in West Africa (adopted from French to mean mutual aid), *stokvels* in Southern Africa (derived from "stock fairs" for savings clubs based on solidarity), and *chamas* in East Africa (from Kiswahili, denoting associations or societies), prospered and remain deeply embedded in societies. These rotating savings and credit associations have become crucial instruments of financial inclusion, providing basic community-based avenues for saving, borrowing, and mutual support, particularly in areas without access to formal banking.[17] These grassroots networks demonstrate the creativity and resilience of African communities in confronting challenges through collective action.

Resource pooling increases members' bargaining power, expands access to inputs and training, and allows collective marketing. In Africa, well-run cooperatives such as Maraba Coffee in Rwanda, Kuapa Kokoo in Ghana, Oromia Coffee Farmers' Cooperative Union in Ethiopia, and the Kilimanjaro National Cooperative Union in Tanzania demonstrate how rural producers can advance beyond national markets and integrate into global value chains.[18] Village Savings and Loan Associations, in countries like Kenya and Tanzania, on the other hand, illustrate how local communities address gaps left by formal banking systems by pooling modest member contributions to facilitate access to credit, invest in microenterprises, cover expenses such as school fees and healthcare. These associations foster a culture of trust, solidarity, resilience, and mutual cooperation, contributing to sustainable livelihoods.[19]

Advancing gender equality is arguably one of the most transformative impacts of collectives in Africa. Women, who have traditionally faced great hurdles in accessing financial services, in participating in decision making, and in securing land ownership rights, leverage collectives to overcome these obstacles and gain access to savings, credit, and markets.[20] Financial independence does more than put money in their pockets; it also translates into greater control over household economic decisions, improving the overall welfare of the family and laying a solid foundation for intergenerational change.

In West Africa, women-led shea butter cooperatives in Ghana, Burkina Faso, and Mali illustrate how collective action enables producers to access the entire value chain from processing to export. By creating direct alliances with international cosmetics companies, these cooperatives have increased women's incomes and elevated their social status.[21] In Rwanda, the Abahuzamugambi Ba Kawa cooperative is another example that has transformed livelihoods by providing training, securing fair prices, and linking smallholder farmers to global markets. The organisation has 1,582 members, of whom 833 are women, many of whom belong to the Abizerwa Women Group, a subgroup that focuses on women-specific coffee production and the incubation of women's leadership. Through inclusive policies, these women are breaking into traditionally male-dominated roles such as accounting and quality control, leading to improved incomes, that translate into better educational opportunities for their children and greater influence in the household.[22] Similarly, women market associations in Nigeria attract thousands of traders to lobby for improved infrastructure, fair taxes, and enhanced security, showing that collectives can be a driver of policy change.

Women organised in cooperatives, such as the Rambagirakawa association and Hingakawa Women's Group in Rwanda, Meru Dairy Union in Kenya, and Dairy Cooperative Unions in the Amhara and Oromia regions of Ethiopia, have been shown to gain greater access to financial services and to secure better land rights, thereby positively impacting their influence over farm decisions and market strategies.[23,24,25] These examples show that grassroots collectives are not only economic actors, but also drivers of policy change and creators of equitable working conditions.[26]

Building on such successes, countries in Africa are designing and implementing rural development programmes that place women's collectives at the core. Initiatives such as the Nigeria for Women Project and the Women's Development Initiative Project in Ethiopia aim to strengthen women's social inclusion and economic empowerment. These policies envision financial inclusion, access to markets, and skills transfer through collective action, while positioning women-led collective action as a key driver of sustainable development and poverty eradication.

In Kenya and Tanzania, informal investment groups known as *chamas,* composed of 10–30 members, predominantly women, are founded on trust and common social norms. They facilitate periodic savings, in which each member contributes a set amount within a set period to build a pooled fund, and rotating credit, through which members borrow from the fund in turns to meet basic needs, start or expand businesses and sometimes for emergencies without the need for collateral required in formal banking systems, thereby avoiding the high interest rates charged by moneylenders. The groups also engage in mutual investments in assets such as land, housing, and wholesale businesses, thereby creating long-term wealth. Table banking, a Kenyan innovation that allows members to pool their contributions at each meeting and lend the funds to one another with little or no collateral, has further expanded financial access. The Kenya Women Enterprise Fund, alongside NGOs, has scaled up table banking by providing training to the groups and linking them with formal microfinance institutions.[27]

Indigenous collective models vary in form and emphasis, but they share common characteristics: memberships based on trust, periodic contributions, social solidarity, sharing of information and knowledge, and the ability to operate outside overly restrictive formal financial systems. They also highlight the flexibility of collective action in response to the continually shifting social needs, with *stokvels* evolving into investment clubs, *chamas* expanding to joint ventures in real estate development, and market associations taking up political action. These examples demonstrate Africa's socio-economic diversity and reaffirm the central role of women in shaping context-specific community-driven solutions.

Beyond economic benefits, collectives are powerful enablers of women's political participation. They provide safe spaces where women build confidence, share experiences, and cultivate leadership skills. These networks foster solidarity and open avenues for questioning restrictive cultural norms, enabling women to play a more active role in community development. From the practical experiences of running joint ventures, many women participate in local governance, advocating for improved infrastructure, education, taxation, and security. Evidence from women-led collectives in Côte d'Ivoire shows that such economic collectives also foster leadership.[28] In doing so, collectives not only empower women with financial tools but also with voice and agency needed for impactful societal change.

Recognising the transformative potential of collectives, governments and regional authorities have developed policies and structures to facilitate their growth. The African Union's Agenda 2063 highlights gender equality and economic empowerment, positioning collectives at the heart of sustainable and inclusive development.[25] At national levels, policies such as Ethiopia's Cooperative Proclamation encourage fair participation and leadership opportunities for women in the cooperative movement.[26] Partnerships with global development agencies further strengthen collective power through training, expanded market access, and increased financing for small producers.

Recommendations: Converging Efforts on Collectives

India's and Africa's experiences with collectives illustrate how they function as transformative platforms with multidimensional social goals, going beyond income generation to promote a more inclusive, participatory, and equitable model of rural development.

Women's collectives in both Africa and India have fostered economic and social empowerment, but they have evolved in different contexts. In India, they have been catalysed by government-led initiatives, supported by strong institutional frameworks and integration into rural development programmes, while in Africa, most collectives have been community- or NGO-driven, with weaker linkages to formal banking systems.

Both India and Africa are committed to addressing key development issues through regional cooperation. The growing alignment of their interests provides a foundation for enhanced collaboration, particularly in areas such as gender equality and inclusive growth. There is increasing potential for both parties to converge their efforts in knowledge exchange and capacity-building to promote women's collectives.

The following recommendations aim to create more inclusive, sustainable, and gender-responsive approaches for promoting collectives:

1. **Jointly promote community-determined, and locally-led models of engagement**: The participatory model of collectives fosters accountability, transparency, and a strong sense of ownership among members, empowering communities to make informed and inclusive decisions. Both India and Africa have long championed locally-led development solutions. Going forward, they could jointly initiate projects with greater involvement from civil society organisations and women's groups by establishing exchange platforms where collectives share best practices, co-develop enterprises, and secure funding for locally-driven initiatives.

2. **Employ South-South and Triangular Cooperation (SSTC) frameworks**: South-South and Triangular Cooperation have emerged as transformative frameworks to address evolving development challenges, facilitating the sharing of expertise, technology, and resources. India could work with countries in Africa to promote policy frameworks such as the NRLM for enhancing collectives. For example, they could create a joint India-Africa capacity-building programme for training women's collectives in financial literacy, enterprise development, and digital tools under a triangular cooperation model.

3. **Leverage technological cooperation**: India's inclusive and interoperable Digital Public Infrastructure (DPI) is being harnessed to promote the digitisation of women collectives like SHGs and cooperatives across the country. Similarly, countries in Africa have adopted initiatives to develop DPI. Both can collaborate to enhance the digital and financial inclusion of women's collectives, as well as expand access to skilling, credit, and formal markets by establishing a digital platform for knowledge exchange and capacity building.

4. **Increase public and private financing for collectives**: The current geopolitical and climate crisis has depleted financing for gender-related development. India and Africa should increase their investment in

gender equality by investing in initiatives for collective action, as well as prioritising the mobilising of private finance to support capacity-building and leadership training for women.

5. **Prioritise women's economic empowerment through multilateral engagement**: Africa and India are active members of regional and multilateral groupings like the G20 and BRICS, where they can collaborate on promoting women's economic empowerment. The G20 is committed to advancing women's economic empowerment, and under the Indian presidency, women-led development was a core priority. It can support platforms for knowledge exchange and capacity building to strengthen women's collectives, as well as promote collaboration among stakeholders such as governments, financial institutions, and civil society organisations.

6. **Enhance the availability of gender-disaggregated data**: India and Africa must collaborate to address and end data gaps that impede evidence-based policymaking. These gaps are evident in incomplete data on key dimensions of women's lives, such as employment, wages, unpaid care work, health, education, asset ownership, and participation in decision-making processes. To mitigate these deficiencies, both regions should jointly design and invest in programmes aimed at strengthening gender data systems and incorporating digital tools and surveys to monitor women's involvement in collectives.

Conclusion

In both Africa and India, collectives are powerful drivers of the achievement of SDG 5 on gender equality by enabling women to mobilise resources, develop leadership skills, and enhance economic empowerment. They are also important contributors to SDG 10, as they foster inclusive economic participation and address systemic inequalities that cannot be effectively tackled by individuals acting alone. In Africa, various models demonstrate how informal and formal collectives contribute to transformation through community empowerment, poverty alleviation, and the advancement of gender equality. They open opportunities for millions of women through shared resources, collaborative decision-making, and collective advocacy.

Accordingly, they contribute to improved and sustainable livelihoods, challenge entrenched social norms, and facilitate women's exposure to and participation in leadership roles and governance within their communities.

India's longstanding cooperative movement, self-help groups, and producer organisations illustrate how prioritising institutional strengthening through multi-stakeholder partnerships, and context-specific policies can scale women's collectives to promote economic empowerment, social protection, and political participation. This experience highlights the importance of mainstreaming gender considerations within collective action frameworks.

Ultimately, maximising the potential of collective action to advance gender equality and reduce inequalities requires well-designed policies, ongoing capacity building and training, and recognition of women as active agents of inclusive and sustainable development.

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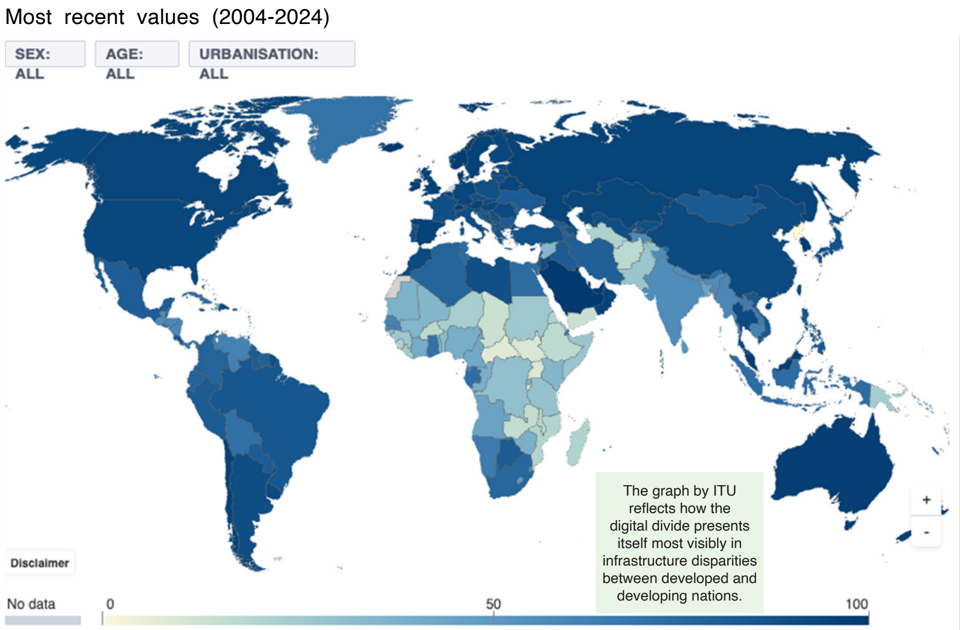
Closing the Digital Divide for Inclusive Development

Baratang Miya

Digital inclusion is a strategic imperative for South Africa's Presidency of the G20. As South Africa assumed the G20 Presidency in 2025, it placed a critical focus on the African continent, home to over 1.5 billion people, which is about 18 percent of the global population, and possessing the world's youngest median age of 19 years. While digital technologies, from mobile banking in Kenya to telemedicine in India, have demonstrated their capacity to leapfrog development barriers, a paradoxical reality persists: billions across the Global South remain structurally excluded from these benefits.[1] This persistent digital divide directly contradicts the G20 principles of solidarity, equality, and sustainability which form the cornerstone of South Africa's agenda, making the 2025 host year, a pivotal opportunity to shift from diagnosis to decisive action. Addressing this challenge is not a mere technological consideration, but a fundamental requirement for achieving inclusive development and securing an equitable global digital future. This paper explores the multidimensional nature of digital inequality, demonstrates how digital inclusion advances the G20's core pillars, and outlines a strategic policy framework focused on Digital Public Infrastructure (DPI) and Artificial Intelligence (AI).

The Multidimensional Nature of the Digital Divide

Figure 1: Percentage of Individuals Using the Internet



Source: International Telecommunication Union (ITU), via World Bank (2025), with minor processing by Our World in Data.[2]

The digital divide is a multidimensional, layered phenomenon that extends far beyond basic physical connectivity, operating through structural deficits in infrastructure, affordability, device access, digital skills, and content relevance. As articulated by Graham and Dutton, digital exclusion is rooted in entrenched barriers, where financial constraints limit government deployment capacity and impose 'cost-prohibitive burdens' on end-users.[3]

The infrastructure gap is particularly stark across the African continent. Data from the ITU reveal that while urban populations in high-income countries enjoy 4G coverage, broadband access in regions such as Africa remains critically low, creating what has been termed a 'bandwidth apartheid.'[4] This quantitative deficit is compounded by a qualitative disparity, with users in the Global South typically experiencing slower speeds, which limit their ability to engage with bandwidth-intensive applications such as e-learning and advanced telemedicine. The rural-urban divide remains especially pronounced; even as mobile networks expand, high-capacity fibre backbones frequently bypass rural and remote communities, forcing them onto unreliable or expensive satellite alternatives.[5] Even where networks exist, affordability remains a pervasive barrier. Research from the Alliance for Affordable Internet (A4AI) highlights a 'cost paradox', where the price of 1GB of data consumes a high percentage of average monthly income in the Global South compared to developed regions.[6] The United Nations Broadband Commission's '2-for-1' target 1GB of data for no more than 2 percent of average monthly income is missed by the majority of low- and middle-income countries, demonstrating that connectivity remains a luxury, rather than a utility.[7]

This exclusion is further deepened by the device gap, with smartphone ownership in low-income nations lagging behind that of advanced economies, and leading to a persistent 'participation gap'.[8] Perhaps the most insidious layer is the usage gap, which the United Nations Economic Commission for Africa (UNECA) has identified: even with connectivity and devices, an estimated 42 percent of Africans lack the basic digital skills necessary for full economic participation.[9] This skills deficiency intersects sharply with gender disparities, with African women less likely than men to use mobile internet.[10] Ultimately, this layered digital exclusion reinforces and exacerbates existing social and economic inequalities, creating populations of 'digital subalterns'.[11]

Digital Inclusion as a Driver of the G20 Pillars

The core pillars of the G20 agenda: Solidarity, Equality, and Sustainability, find their most tangible policy expression in commitments to digital inclusion, transforming digital development from a technical concern into both an economic and ethical imperative.

Solidarity and Global Economic Resilience

Solidarity is realised through collective action to ensure no population is left behind. As digital networks have become the fundamental organisational form of the contemporary era, exclusion risks complete social and economic marginalisation.[12] The COVID-19 pandemic offered definitive evidence, revealing how communities without digital access were systematically excluded from emergency cash transfers, remote education, and telemedicine, thereby, exacerbating existing vulnerabilities and impeding global recovery.[13] Furthermore, the integration of digitally connected nations into global value chains enhances collective economic resilience. When populations participate digitally, they contribute to a more stable, diversified, and less shock-prone global economy. The G20's commitment to multilateralism is reinforced when technology functions as an accelerator of shared prosperity, rather than a divisive wedge between the Global North and South.

Equality and Expanding Human Capabilities

Equality demands that the G20 address the structural barriers that perpetuate digital exclusion. Sen's (2000) capability approach provides the appropriate framework, asserting that digital inclusion expands individuals' substantive freedoms by ensuring access to essential services and information, thereby enhancing human agency.[14] Yet, current disparities are severe. The United Nations Children's Fund (UNICEF) reports that a significant number of African students lack internet access for basic homework, while the World Health Organization (WHO) reports that a large percentage of Africans cannot access e-health services, directly undermining human capital development and health outcomes.[15]

Digital equity is fundamentally linked to data rights. The G20 must ensure that data generated by DPIs are harnessed for development while safeguarding privacy and security, as outlined in the High-Level Principles for Harnessing Data for Development (D4D) (G20, 2023b). Achieving genuine equality requires moving beyond mere access to guarantee secure, trusted, and meaningful use, ensuring that digital systems empower citizens rather than subject them to new forms of surveillance or exploitation (Zuboff, 2019).

Sustainability and Climate-Smart Development

Sustainability demonstrates critical synergies with digital inclusion. Distributed digital technologies advance both environmental sustainability and social equity. Precision agriculture technologies, for instance, are vital for smallholder farmers to adapt to climate change and increase yields, yet they remain inaccessible to those lacking connectivity.[16]

Crucially, digital inclusion can catalyse the circular economy and energy transitions. Microgrids and solar-powered internet kiosks deliver not only sustainable energy but also connectivity solutions for off-grid communities, illustrating the potential for digital pathways to align with climate objectives.[17] By promoting climate-smart infrastructure, such as disaster-resilient network systems and energy-efficient data centres, the G20 can ensure that digital expansion supports, rather than burdens, environmental sustainability.

A Comprehensive Policy Framework for Digital Inclusion

Addressing digital divides requires a multifaceted policy approach that recognises the interconnected nature of the challenges. A successful framework must strategically integrate interventions across infrastructure, affordability, digital skills, and governance.

1. **Infrastructure Development: From Access to Capacity**

Infrastructure development must form the foundation, but as Muller and Tan (2022) argue, it must be infrastructure designed with inclusion as a primary objective.[18] South Africa's SA Connect programme, which combines public investment with innovative public-private partnerships to extend broadband to rural areas, offers one model. The G20 must champion innovative financing mechanisms, such as encouraging development banks to prioritise open-access fibre networks that reduce operational costs for multiple service providers, thereby fostering competition and lowering end-user prices.

Furthermore, the G20 should address the governance of spectrum, an essential, finite resource for mobile connectivity. Transparent, and cost-effective spectrum allocation is critical to reducing the price of mobile data. As a deliverable under the 2025 South African Presidency, the G20 Digital Economy Working Group (DEWG) will focus on 'Connectivity for Inclusive Digital Development', including development of a framework for analysing and measuring the socio-economic impact of, and funding models for, achieving universal and meaningful connectivity.[19]

2. **Leveraging Digital Public Infrastructure**

Leveraging DPI is a strategic imperative for G20 nations. DPI, modelled on successes such as India's 'India Stack', represents a crucial, population-scale investment in open and interoperable digital foundations, specifically in identity (like Aadhaar), real-time payments, such as Unified Payments Interface (UPI), and secure data exchange. This framework substantially reduces the cost of digital participation, accelerating financial inclusion, economic empowerment, and government service delivery to marginalised communities.[20]

For South Africa, championing DPI domestically and globally is central. The 2025 G20 DEWG agenda includes concrete deliverables to support this, such as developing a readiness self-assessment tool, DPI blueprints that reflect regional context, and establishing

Guidelines on Integrated Governance Frameworks for Equitable DPI.[21] This moves the G20 beyond merely recognising DPI's value to providing practical instruments for implementation across the Global South. A focus on 'DPI for all' must prioritise:

i. **Interoperability:** Ensuring local DPIs can communicate across national borders and sectoral silos.
ii. **Privacy-by-Design:** Embedding robust security protocols and data protection principles into the architecture itself, addressing the imperative of trust.[22]
iii. **Local Context:** Developing DPI blueprints that are adaptable to the distinct infrastructure and linguistic needs of African nations.

3. Responsible Artificial Intelligence and Skills

Building on the foundation of DPI, AI offers the next transformative solution for the Global South, directly targeting pervasive gaps in literacy and meaningful participation. AI's core value lies in its ability to personalise service delivery and scale human capacity. Specifically, AI applications such as indigenous Large Language Models (LLMs) that address language fragmentation (the Bhashini model is a key example) and AI-powered educational tools provide tailored, simplified e-governance and digital skills training, effectively addressing usage and literacy deficits at population scale. The strategic pursuit of frugal AI innovation ensures that these advanced capabilities are delivered affordably, turning digital access into genuine social and economic empowerment.[23]

However, this adoption must be responsible. The 2025 South African Presidency has designated 'Equitable, Inclusive, and Just Artificial Intelligence' as a key priority. Deliverables include a workshop on AI and inequality, and the creation of a toolkit to reduce inequalities associated with the use of AI.[24] This commitment ensures that AI investments in talent and infrastructure are anchored in ethical frameworks, positioning AI as an equitable force that turns digital access into meaningful use. Complementary to AI must be a renewed focus on holistic digital literacy. The G20 must support programmes that move beyond basic computer skills to encompass media literacy (critical evaluation of online information) and data literacy (understanding how personal data is collected and used). These are essential elements for navigating the complex digital landscape and preventing digital exploitation.[25]

The G20's Role in Forging an Inclusive Digital Future

The G20's mandate as the premier forum for international economic cooperation necessitates a sustained commitment to a digital future that is both inclusive and equitable. The forum's previous work, notably the G20 High-Level Principles for Digital Financial Inclusion (G20, 2016), established a critical baseline. This was advanced during the Indian Presidency (2023), which delivered a robust framework for DPI and the D4D Principles (G20, 2023a; G20, 2023b). These efforts were further consolidated in the 2024 Rio de Janeiro Leaders' Declaration (G20, 2024).[26] Building on this sustained momentum, the 2025 presidency under South Africa presents a pivotal opportunity to transform these non-binding principles into actionable, measurable commitments. To operationalise this vision, the G20 must champion innovative mechanisms for global governance and finance.

I. Operationalising the Digital Mandate: Governance and Finance

On governance, the G20 should actively champion the Global Digital Compact, building upon the UN Secretary-General's Roadmap for Digital Cooperation (United Nations, 2020), to establish binding targets and ensure accountability, particularly ahead of the 2025 review of the World Summit on the Information Society (WSIS+20).[27] Concurrently, resource mobilisation is critical. The G20 should pioneer financial instruments such as 'debt-for-digital swaps', adapting the successful model of debt-for-nature exchanges to fund broadband rollout and digital literacy programmes, thereby securing essential public goods.[28] Furthermore, the establishment of a 'G20 Digital Resilience Fund' is essential to support climate-smart digital infrastructure in vulnerable regions, thereby applying the principles of climate justice as a core tenet of digital development.[29]

II. South-South Cooperation and Knowledge Transfer

Underpinning these structural efforts must be a renewed commitment to South-South cooperation as a catalyst for tangible progress. The G20 can serve as a platform for horizontal knowledge transfer, facilitating the adoption of transformative models suited to developing economies. This includes leveraging the pioneering experience of India's DPI framework, Brazil's community-driven social technology movement,[30] and South Africa's focus on equitable AI development. The DEWG priorities specifically aim to facilitate knowledge transfer through workshops and the development of regional DPI blueprints. By embracing models that prioritise grassroots innovation and local adaptation; such as leveraging existing mobile money ecosystems like M-Pesa in Kenya, the G20 can foster a new social contract for the digital age,[31] ensuring the forum moves beyond dialogue to deliver concrete outcomes that truly ensure no one is left behind.

Conclusion: Towards an Inclusive Digital Future

South Africa's 2025 G20 Presidency presents a critical juncture to define a Global Digital Commons that is genuinely inclusive. The digital divide represents not just a technological challenge but a fundamental development imperative; and the cost of inaction, with social and economic marginalisation, is too high to contemplate.

The strategy for closing this divide requires moving beyond mere connectivity to a comprehensive approach that institutionalises public access through DPI and ensures meaningful use through Responsible AI. This necessitates robust, inclusive governance where ethical AI is tempered by diverse perspectives, data sovereignty is protected by interoperable and privacy-centric frameworks, and digital economies are bolstered by targeted capacity-building. By championing this full spectrum of intervention; from foundational infrastructure and innovative financing to human-centred skills development and culturally relevant content, G20 members can collectively build a more equitable, resilient, and sustainable digital future for the Global South and the world. This would represent the truest embodiment of solidarity, equality, and sustainability in action.

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Mineral Rebalancing and Africa's Fifth Commodity Boom Opportunity

Vera Songwe

Africa's mineral endowment is abundant yet underperforming. Africa hosts 70 percent of global cobalt reserves in the Democratic Republic of the Congo (DRC), 91 percent of global platinum reserves in South Africa, and large deposits of manganese in Gabon, amongst others. Of the 50 critical minerals, including rare earths, Africa has over 35 of them in at least one country.[1] Mining contributes 6–10 percent of Africa's Gross

Domestic Product (GDP), comparable to Latin America and the Caribbean at 10 percent. The total value of Africa's mining sector, including metal exports, is estimated at US$185 billion, accounting for approximately 29 percent of the continent's exports in 2024. Some resource-rich countries such as Botswana, DRC, and Zambia rely on mining for over 50–80 percent of their total exports.

Despite its substantial resources, Africa's resource endowment has not supported economic or societal transformation since the end of the colonial period in the 1960s, when African countries were often named after their minerals. The literature on Dutch disease, jobless growth, and the lack of trickle-down effects has been discussed in many papers,[2,3] and this essay will not dwell on them. It will also not tackle the issue of illicit financial flows, base erosion, and price shifting, which are prevalent and practised by multinational companies in the sector. The focus will be on unleashing the growth and transformative capacity of the sector within a changing geoeconomic landscape.

The fourth post-colonial mining boom is currently underway, driven by the global energy transition and the artificial intelligence (AI) and technology revolution. Africa has another opportunity to redress some wrongs of the past and to deliver jobs and prosperity to its citizens. This is even more crucial now, as Africa's share of the global population has doubled to 18 percent and is expected to reach 25 percent by 2050. One in four people will be African, and their well-being will be critical for global stability.

Economic growth

First, the history of Africa's mineral endowment is one of missed opportunities, weak institutions, poor leadership, and inadequate partnerships. Over 65 years after independence, despite its abundant resources, Africa is yet to invest in its mining sector. Fewer than 10 percent of African countries possess the tools, financial resources, or technical expertise required to develop a comprehensive map of their mineral assets. As a consequence, African countries continue to rely on mines discovered by foreign investors.

Second, Africa's mineral sector remains focused on extraction. Fewer than 15 percent of Africa's minerals are processed prior to export. Only around 7 percent of copper is refined in the DRC and even less, just 1.3 percent, is refined in Zambia.[4] Some countries, such as South Africa, Morocco, and Botswana, predominantly process their raw materials at source. Others, including Ghana and Namibia, have adopted legislation to promote local processing, but most still lack the requisite technical expertise.

While the mineral sector has supported some growth spurts in African history, these have not been sustained. Many African countries have witnessed an increase in revenue and GDP growth due to rising mineral prices and global demand in the recent times. Tanzania, for example, has seen the value of mineral exports rise to over US$16 billion, as the mining sector's share of GDP has risen from 3.5 percent in 2008 to 10.1 percent in 2024, driven by gold, tanzanite, and graphite mining. However, in countries such as Sierra Leone, while the mining boom of the early 2000s led to a rapid increase in GDP, this growth was not sustained.[5]

Third, African governments have invested very little in the mineral sector, whether in exploration, mining, or capacity development. In 1991, Africa's share of global mineral exploration was only 4 percent, rising to 17.5 percent by 2000.[6] Successive crises have constrained fiscal budgets, and by 2024, Africa's share of global mineral exploration budgets had fallen to 10.4 percent.[7] African governments have also underinvested in skills and capacity-building, with most accredited mining universities on the continent located in Southern Africa—and particularly in South Africa. FDI flows in the 1980s averaged just under US$0.2 billion. This figure increased modestly in the 1990s, as mining investment rose from an annual average of US$1.7 billion in that decade to US$6.8 billion by 2005, and further to over US$15 billion in 2024, dominated by the Rio Tinto Simandou Mine in Guinea.[8] This increase in investment was driven by expanded privatisation, and a more accommodating incentives regime.

To date, ownership and investments in the African mining sector are dominated by foreign direct investment (FDI). Mining FDI in Africa far exceeds domestic investment, providing most of the capital for new mines, exploration, and expansion. In 2023 and 2024, for example, FDI made up more than 70–80 percent of mining investment continent-wide, with national investment generally focused on small-scale artisanal mining. Six decades after the emergence of mining as a critical part of the African economy, governments and nationals still do not control most mineral investments due to limited access to finance, high borrowing costs, and weak policy and governance environments. The ownership structure is similar in Latin America, where mines are mostly foreign owned; however, in Chile the state own's Codelco, and in Brazil the state owns the largest mine, Vale. This is comparable to Société Nationale Industrielle et Minière (SNIM) in Mauritania and the phosphates company Office Chérifien des Phosphates (OCP) in Morocco. These four countries have performed better in managing their natural resources.

Mining has not led to substantial infrastructure development in many parts of Africa, despite decades of resource exploitation. Africa created the world's largest gold-mining city in Johannesburg, South Africa, while Rustenburg boomed on coal and platinum. Johannesburg was founded in 1886, and mining drove its explosive growth, shaped its infrastructure and its urban design. In principle, mining should catalyse infrastructure development, improve energy access, upgrade transportation, and foster technological adoption. However, the mining model long pursued in Africa has not been an integrated development model. As a result, when mines close, cities are abandoned, and open pits now litter the landscape in many mining towns.

Evidence of poor integrated development models is the absence of energy infrastructure in many mining towns across the continent. This is evident in Lumumbashi in the DRC, and Nchanga North in Zambia.[9] In many mining towns, electricity grids hover over the populations, but transmission lines never drop to be connected. Rail lines exist to transport mineral commodities, yet passenger wagons are non-operational. This persistent disconnect between mines and local populations has slowed growth and fostered distrust between mine operators, the local populations, and governments.

Africa has faced, and continues to face, multiple challenges in its attempt to use the mining sector as an anchor for economic diversification, job creation, and growth. However, there are new models emerging that could point Africa in a different direction. Botswana, for example, has successfully moved up the value chain by renegotiating its contract with De Beers, making it one of the few countries to break with the tradition of exporting raw materials in favour of maximising in-country value addition.

Seizing the Critical Minerals Boom

In the wake of the new mineral boom, and as critical minerals refocus attention on the mining sector, it is imperative that Africa learn from its past failures and complicities, and reverse the prevailing trend. Could this be the mineral boom where Africa gets it right, or at least sufficiently right? Are some of the necessary tools now in place? How should success be judged in the aftermath of this new commodity cycle?

The orthodox view on resource endowment holds that it supports countries in their early stages of development, but as societies become more sophisticated and adopt new technologies, the mineral sector diminishes in importance and productivity shifts to other parts of the economy.[10] This assumption holds true for many countries; however, in others, greater specialisation in the mining sector has helped sustain growth even as they diversify, such as in Norway, Chile, and Australia.

One crucial development in the mining landscape is the emergence of the United States (US) as a second major market for commodities, creating competition between the US and China for mineral access, alongside the rising demand for critical minerals driven by the energy transition in Europe and across the developing world. In some cases, this has created a seller's market, enabling countries to recalibrate their policies in response to shifting market dynamics. This has led to a substantial rebalancing of mining policies in many developing countries, including across Africa.

Table 1: Historical Mineral Booms in Africa

Period	Main Drivers	Commodities	Principal Countries Affected
1930–1950	WWII/ post-war construction; demand for infrastructure	copper, gold, and platinum	new mine openings in Zambia, DRC, Zimbabwe
1970–1980	Oil boom; European boom; and commodity supply disruptions in parts of the world as the cold war intensified	oil, coal	Nigeria, Angola Algeria, Congo, Equatorial Guinea
	Collapse of Bretton Woods system	gold and platinum price surge	South Africa, Ghana
1990–2000	Post-Apartheid investment surge; China joins WTO and drives global demand	diamonds, gold, platinum, iron ore, copper, bauxite	South Africa, Botswana, Zambia, Ghana, Tanzania, Mauritania
2003–2012	China super cycle; massive price surges; launch of the Belt and Road Initiative	iron ore, copper, cobalt, gold, lithium, rare earths	DRC, Zambia, Ghana, South Africa, Angola, Nigeria, Guinea
2019–2025	Paris Agreement; renewables / energy transition; EV transition; artificial intelligence and data economy; dollar volatility	critical minerals (lithium, cobalt, manganese, graphite, rare earths), gold	DRC, Madagascar, South Africa, Namibia, Morocco, Ethiopia, Gabon, Tanzania, Burundi, Guinea, Zambia, Zimbabwe, Ghana, Chad

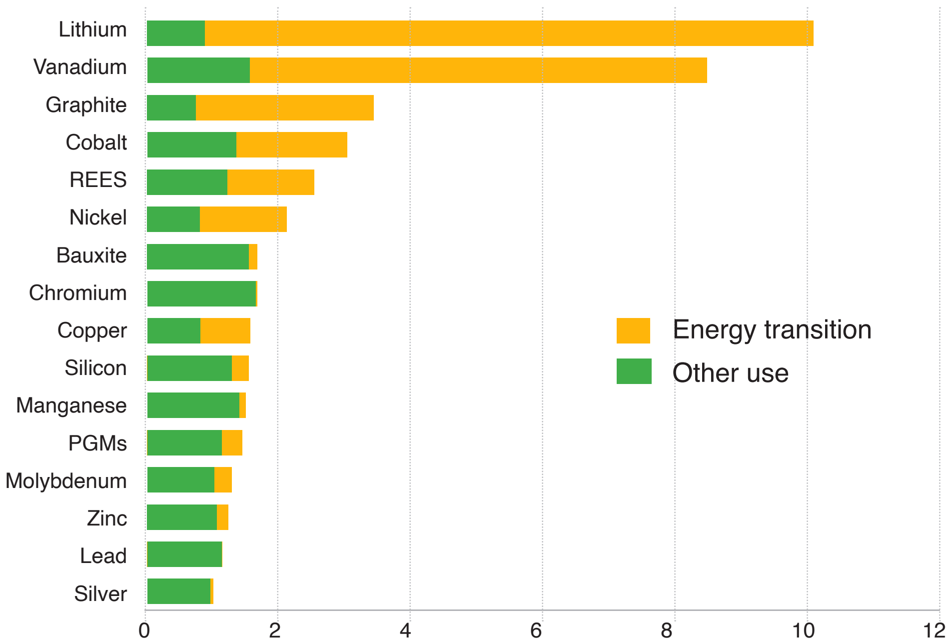
Source: Author's own

Every decade has delivered an increase in commodity prices, but never has the surge been so intense, nor the competition for resources so deeply intertwined with geopolitical competition and hegemonic ambitions. This mining boom is also unfolding in a liquid capital market, and investors have resources to deploy. Technology is more advanced, yet there remains limited capacity to alter some of the fundamentals of the market. The policy landscape is more accommodative of unconventional approaches. However, the time required to open a mine remains prohibitive. Africa occupies a unique position: in some cases, mines have begun production but have halted due to technological constraints or lack of financing.

Figure 1: Projected Demand Growth for Energy Transition Minerals Under a Net Zero Scenario (2050 vs 2022)

A critical surge
Global demand for energy transition minerals will increase significantly in the coming decades.

Ratio of 2050 to 2022 demand under a net zero emissions scenario



Note: The chart shows the IEA's projected increase in mineral demand (in quantity terms) broken down by sector as a ratio of 2050 to 2022 demand, under the IEA's net zero emissions transition scenario. REE = Rare Earth Elements; PGMs = Platinum Group Metals.

Source: IIMF News[11]

Africa must position itself to capitalise on emerging market conditions and strengthen its bargaining power. Chile, Indonesia, China, and Australia have witnessed impressive economic expansions by revising and amending their policies to maximise returns from the mining sector.

Indonesia holds around 43 percent of the world's nickel reserves and is the largest producer globally. In 2014, Indonesia banned nickel ore exports to promote domestic processing. This act of resource nationalism triggered billions in foreign direct investment (FDI) into downstream processing, expanding the number of nickel smelters from two in 2014 to 43 by mid-2023. Indonesia's Freeport-McMoRan deal is an example of how governments can strengthen their bargaining power in the mineral sector and empower not only the state but also local communities. Prior to 2018, Freeport-McMoRan controlled 90 percent of Indonesia's Grasberg mine. The Indonesian government and local communities in Papua held minimal shares. After 2018, the Indonesian government, through a state-owned enterprise, acquired a 51.2 percent majority stake in the mine, with Freeport-McMoRan retaining 39 percent and the local government receiving a 10 percent stake.

This new arrangement led to increased revenues for the government and the local community, as well as better oversight of the company's activities. Dividends and retained earnings remained in Indonesia, the government received royalties and taxes, while the local government also saw a rise in its revenues. In addition, because the government held a controlling share in the company, it was able to demand and secure the construction of a new smelter in Indonesia, further enhancing domestic value addition, generating new revenue streams, and creating jobs for local populations. This rebalancing of ownership is a key component of how countries have successfully moved up the value chain in the mining sector.

In Indonesia, the rebalancing process led to a rise in export revenues—from US$6 billion in 2019 to US$33.9 billion in 2024. Government policy shifted Indonesia from a raw ore exporter to a global leader in processed nickel products, particularly Nickel pig iron, stainless steel, and battery materials critical for the clean energy transition.

Indonesia's new legislation did not only increased government revenue, but also created over 80,000 direct and indirect jobs in the mining regions alone. New mining towns with schools, health clinics, and financial centres are emerging. Improved infrastructure has delivered positive externalities across the affected regions and beyond. A more resilient economy has emerged in Indonesia as a result of its policy shift. Many countries are now rebalancing their mining contracts, as shown in Table 2. A survey by the Fraser Institute showed that over 38 developing countries in 2023 are reviewing and rebalancing mining contracts.[12]

Botswana has had a similar experience with rebalancing its mining contracts. The new agreement increased the government's share of Debswana diamond output for domestic sale from 25 percent to 30 percent, with a pathway to raise domestic sale content to 40 percent within ten years. The Government also secured from De Beers a Diamond for Development Fund of one billion pula, dedicated to social infrastructure, jobs, and industrial upgrading.[13]

Table 2: Countries Rebalancing Mining Contracts and Summary of Actions Proposed

Country	Summary of Actions Proposed
Chile	New mining royalty law 2024-2025; new set of tax reforms. one percent ad valorem tax on copper sales by large producers; sliding scale on tax profits (mining margin) with maximal government take of 45.5 to 46.6 percent of operating income of large mines; state owned company remains a majority owner
Peru	Renegotiated contracts and or asserted more local content; requested state equity. Focused on integrating informal and small-scale miners into the regulated sector; centralised oversight and traceability mechanisms introduced.

Mexico	Increased state involvement; contracts approved for a maximum of 30 years with only one extension; public auctions for all contracts; right to expropriate land for mining activity eliminated; heightened environmental standards; stricter compliance and penalties
Indonesia	State now holds majority stake in major mining projects.
Mongolia	Enhanced state involvement; ownership cap at 34 percent; Sovereign Wealth fund receives mining revenue; tax increase; SOEs own and manage large mines to ensure fair revenue sharing.
Namibia	Increased minimum local ownership to at least 15 percent.
Burkina Faso	Increased free-carried equity in gold projects raised from 10 percent to 15 percent.
DRC	Royalty rates increased; stronger local content requirements imposed
South Africa (Mining Charter I and III)	Requires 70 percent of goods and 80 percent of services to be locally procured; mandates that half of board members and 60 percent of senior management must have black representation, and 50 percent must be women; direct community benefit; wider community consultation; royalty rates increased.

Zambia	Minerals Regulation Commission Act in December 2024, created a new regulatory body for the sector allowing the state to negotiate up to 30 percent equity in new mining projects through a new state-owned corporation.
Zimbabwe	The Zimbabwe Mines and Minerals Bill of 2025, accelerates a ‘use it or lose it’ principle, requiring miners to actively work claims and meet development, environmental, and social responsibility obligations to retain rights. Ending speculative hoarding and designates ‘strategic minerals’ (e.g. lithium, rare earths, uranium) with special state oversight and partnership/indigenisation requirements, including minimum investment thresholds.

Source: Author’s Compilation

A New Blueprint for Africa’s Mining Sector

Africa has a unique opportunity to benefit from the current mining boom. To realise this potential, Africa must undertake a series of reforms which include:

- First, it must review and rebalance all mining contracts to reflect the needs of its populations, ensuring that revenue streams deliver measurable returns through royalties, taxes, output sharing agreements, and other transparency and equity-based standards

- Second, to stimulate local economies, local content and procurement provisions must support domestic businesses without compromising mine operations.

- Third, local and national ownership is essential, but must be accompanied by appropriate fiduciary and oversight responsibilities that do not compromise the functioning and performance of the mine. This is the most effective way to facilitate technology and knowledge transfer, and to ensure that mine operations are aligned with both shareholders and national interests.

African countries must also draw on regional strategies such as the African Continental Free Trade Area (AfCFTA), the African Green Minerals Strategy, and the African Mining Vision to leverage collective strengths and markets, and to build sustainable, green, and integrated value chains. Economies of scale could reduce costs and enhance competitiveness. One example is the Lobito Corridor project—a railway project that stretches from the Angolan port of Lobito to the city of Kolwezi in the DRC, a city that houses one of the largest copper and cobalt mining deposits in the world, and passes through Zambia. The railway spans over 1,300 kilometers end to end. The corridor is expected to stimulate trade, generate employment, and support agricultural value chains across these countries and regions. Building on the Lobito corridor experiment, Tanzania and Zambia are planning to build a railway line linking the two countries, creating a connection from the Atlantic to the Pacific, enabling goods to flow from Angola to Kenya and back.

A functioning and modern rail network would support the implementation of the AfCFTA, industrial development, and improved overall access to infrastructure, while reducing transportation costs and time. Financing mining development and exploration remains a challenge for many countries. Multilateral Development Banks (MDBs) should work with countries to identify innovative ways to access concessional resources, first-loss capital, or debt financing for exploration and value addition. The natural resource product cycle is inherently cyclical, but Africa is well poised to capitalise on current market demand for commodities. To do so, African countries must create enabling environments to attract both domestic and foreign investment into the sector. Concessional finance and technology partnerships will be essential, and MDBs as well as National Development Banks have a critical role to play in crowding in finance, reducing risk, and structuring projects to attract private sector participation.

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