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Mr M C Ramaphosa President of the Republic of South Africa PO Box 15 Cape Town 8000

Dear President Ramaphosa,

DEMOCRATIC ALLIANCE PROPOSALS ON SOUTH AFRICA'S G20 APPROACH AND DESIRED OUTCOMES

As South Africa prepares to take over the G20 Presidency on the 1st of December 2024, our country is preparing for a meaningful G20 Summit, highlighting South Africa's international economic potential and diplomatic prowess.

While South Africa's G20 presidency will be the first of its kind on the African continent, it also coincides with our country's new political reality under the Government of National Unity (GNU). Our G20 Summit is South Africa's very first step into the international arena as a state under the direction of a plurality of parties and voices, and this more holistic representation of South African society within our national government must now reflect in our international engagements.

Section 11.9 of the Basic Minimum Programme of Priorities in the GNU's Statement of Intent outlines, albeit very generally, South Africa's foreign policy under this new administration of shared power. While much of the G20 preparations may have taken place prior to the 2024 General Election, all activity henceforth must be a product of the GNU rooted in the statement of intent and the constitution. In this way, South Africa's GNU foreign policy can begin to take root and will enable the various GNU ministers to execute their mandates and realise the statement of intent with the requisite international cooperation.

As the Democratic Alliance (DA), we advocate for a foreign policy that is both principled in its adherence to, and promotion of, the South African constitution while being

pragmatic in its pursuit of international trade and cooperation, which are in our country's national interest. This must be undertaken in a manner that is cognisant of South Africa's role as a regional power, a representative of both the global south and developing nations, and a crucial interlocutor between Africa and the world. South Africa has a responsibility to advance the ideals of freedom, democracy, and human rights on the continent while fostering a growing and inclusive economy to give weight to our broader international project. South Africa must also champion Africa's cause as the sole African member state of the G20.

The DA would like to submit the following key proposals as to the execution of South Africa's G20 Presidency to ensure that we achieve maximum benefit from this window of immense international opportunity:

G20 Inter-Ministerial Committee (IMC)

The re-establishment of the G20 Inter-Ministerial Committee (IMC), which now also comprises DA Ministers Steenhuisen, Gwarube, Malatsi, and George, must become South Africa's GNU foreign policy engine room. The IMC must be tasked with unpacking and giving effect to South Africa's G20 Presidency theme: Fostering Solidarity, Equality, and Sustainable Development. This task must ensure the seamless transfer of work undertaken by Brazil in its 2024 G20 Presidency while providing the basis for the business of both South Africa's Leader's Summit and the Sherpa Track.

As the IMC undertakes to provide policy guidance and recommendations to cabinet regarding the substantive and logistical preparations of South Africa's G20 Presidency, this committee must also serve as the platform where the GNU foreign policy can be developed and ratified in conjunction with our G20 theme, using the constitution and the GNU statement of intent as its policy compasses.

This reimagining of South African foreign policy must always seek to achieve the statement of intent's Basic Minimum Programme of Priorities to ensure that South Africa's G20 Presidency is beneficial for all South Africans and for the project to create a more united, inclusive, and open society. The process must be data-driven and focused on tangible and sustainable outcomes, with consideration for international organisations such as the United Nations Development Programme¹ (UNDP) proposals and seeking to achieve the United Nations Sustainable Development Goals (SDGs).

Economic Recovery and Resilience

South Africa's G20 Finance Track will occur as our country pursues its own critical economic recovery, as outlined in the GNU statement of intent, after an extended period of low economic growth and high unemployment levels. In our pursuit of economic

¹ https://www.undp.org/south-africa/blog/what-should-be-south-africas-vision-its-g20-presidency-2025

recovery and resilience, South Africa will also need to navigate drastic political shifts in leading international economies, which will have a bearing on the international political economy.

The Finance Track will thus be crucial in grappling with these global shifts since Brazil's G20 presidency and will require the expertise and executive will to adapt to an evolved global order. South Africa will also likely co-chair the Global Sovereign Debt Roundtable with the World Bank and International Monetary Fund (IMF), opening up opportunities to restructure and reform financial systems to ease debt servicing costs for developing nations. In this environment, South Africa will need to work towards the following:

- Protecting the global financial system and the developing world from unpredicted shocks and unnecessary economic protectionism in the greater global economy.
- Leading the development of equitable debt restructuring frameworks to address Africa's sovereign debt crisis.
- Working towards debt sustainability for South Africa and other emerging markets.
- Lowering the cost of capital for South Africa and emerging markets through reforms in Development Finance Institutions (DFI).
- Pushing for reforming the International Financial Architecture to ensure multilateral development banks (MDBs) are fit for purpose in addressing sustainable development and cross-border challenges.
- Promoting policies that ensure economic benefits reach every corner of society, particularly marginalised communities.
- Initiating a study on the evolving roles of international financial institutions and their relationship with G20 members to identify innovative financing solutions for development gaps and reforms to align global economic governance with contemporary challenges.

Energy Reform and Sustainability

While the rapid uptake in solar photovoltaic energy generation has enhanced energy security and reduced load-shedding, South Africa remains in an energy crisis both in terms of supplying the increasing demand for economic growth and meeting our commitments as part of the Just Energy Transition (JET). Lessons on innovation and sustainability from fellow emerging economies such as India, Brazil, and Indonesia, as well as from the European Union (EU) and China, must be leveraged to assist in South Africa's JET with the assistance of our developed world partners. This work should include:

- Developing a sustainable and balanced approach to meeting South Africa's increased energy demands while moving steadily towards a renewable future.
- Meeting existing climate financial commitments to assist in transitioning to a low-carbon economy and enforcing accountability on existing pledges.

- Creating innovative financial tools which enable developing economies, especially those in Africa, to meet climate goals.
- Spearheading the Southern African Development Community's (SADC) move towards energy sustainability to meet regional energy needs and pursue a carbon-neutral future. This is particularly important to address the long-term issue of climate instability and the prevalence of irregular climate events and droughts.

Trade and Investment

South Africa must utilise the G20 and its Business 20 (B20) to pursue a bold investment strategy to rapidly increase foreign direct investment (FDI) for economic growth. This can be enabled by applying lessons learnt from economic policy reforms, which have already proven successful in developing G20 counterpart countries, and by embarking on a process to remove red tape and unnecessary barriers to trade and FDI in South Africa and to promote these measures in the greater region.

Concurrently, South Africa must leverage its G20 presidency to secure financing and partnerships for economic infrastructure investment, including expanding public-private partnerships. Much of this work depends on the continuity of the Compact With Africa², developed during Germany's G20 presidency, which seeks to increase the attractiveness of private investment by substantially improving the macro, business and financing frameworks. Some proposals include:

- Creating conducive investment environments and improving trade facilitation among G20 members. We can learn from India's trade policy reforms and Indonesia's job creation laws to enhance export competitiveness and attract FDI, particularly within the African Continental Free Trade Area (AfCFTA) context.
- Working towards the meaningful implementation of AfCFTA to increase intra-African trade and create a more developed and inclusive African continental economy.
- Leading efforts to reduce tariff and non-tariff barriers, especially for emerging markets, to enable stronger cross-border trade and investment.
- Greater reforms to South Africa's visa regime to complement our developing economy, learning from successful programmes in India and Brazil.
- Mechanisms to ensure that South Africa and emerging global markets in Africa can competitively participate in global value chains.
- Exploring all potential international partners for public-private partnerships, i.e. the concession of ports and harbours and key railway services.
- Exploring more sustainable, profitable, and innovative approaches within South Africa's mining sector to capitalise on mineral resources as a key investment and economic growth driver.

² https://www.compactwithafrica.org/content/compactwithafrica/home.html

Food Security and Hunger

South Africa remains one of the most food-insecure nations on earth. It is imperative that we follow in Brazil's G20 footsteps and continue the work of this member state's proposed Task Force for a Global Alliance against Hunger and Poverty.³ It aims to address the looming challenge of hunger and malnutrition, one of the root causes of socio-economic inequality and social underdevelopment in South Africa and across the continent. This work must supplement programmes by the Food and Agriculture Organisation of the United Nations and leverage South Africa's unique agricultural capacity to become a regional breadbasket. Some proposals include:

- Sharing of trade expertise and innovation in agriculture with global leaders such as France, and the Netherlands as an official G20 invitee, to leverage South Africa's untapped agricultural and agri-processing sectors to meet domestic and regional food demand and drive investment and job creation.
- Mobilising international resources for the Soil Initiative for Africa⁴ for agricultural sustainability and greener farming methods.
- Developing innovative ways to address South Africa and the southern African region's water insecurity for agricultural use by pursuing shared best practices and expertise.
 For example, this can also be leveraged to address municipal water insecurity through France's SUEZ Group.
- Fostering greater cooperation for agricultural science and research to address issues of soil quality, water management, fertilisers, and the quality of seed to improve crop yield.
- Advocating for increased climate finance and a shift towards renewable energy projects. The world is facing a food security crisis due to climate change. It is, therefore, important to focus on building climate-resilient food security.

Technology, Innovation and the T20

The Think 20 (T20) engagement group must seek to address current and emerging challenges to South Africa and the G20 through innovation and data-driven approaches to sustainable governance. For South Africa and the region, this must bring together local and international experts, academics, and industry leaders to pursue greater collaboration between private expertise and the state apparatus. We note that the Department of International Relations and Cooperation (DIRCO) has appointed The Institute for Global Dialogue (IDG), the South African Institute of International Affairs (SAIIA), and the Institute for Pan-African Thought and Conversation⁵ as esteemed think tanks to the T20, but the invitation can still be cast far wider.

³ https://www.g20.org/en/tracks/sherpa-track/hunger-and-poverty

⁴ https://faraafrica.org/soil-initiative-for-africa/

⁵ https://igd.org.za/2024/11/01/dirco-appoints-prominent-think-tanks-to-lead-the-t20-during-south-africas-g20-presidency/

While DIRCO has approached Investec as a private sector partner in its G20 presidency, it is unfortunate that no other private sector partnerships have yet been forged to assist in hosting South Africa's summit. This must be addressed urgently, especially in sectors relating to public healthcare and education, communications and digital technology, and public financing. Some proposals for technology and innovation are as follows:

- Greater collaboration to improve and bolster South Africa and the SADC region's digital and information technology infrastructure and capacity.
- Involving private sector expertise, specifically within the health and education sectors, to assist in the reform of South Africa's education and healthcare systems to enhance the roll out and quality of these crucial public services.
- Securing best practice frameworks for public broadcasting ownership models and IT infrastructure to advance public sector service delivery in the digital age.
- Developing IT infrastructure to modernise South Africa's digital capacity to meet the demands of a growing economy.
- Leveraging international best practices in technology and innovation to complement and support South Africa and the region's Small, Medium, and Micro Enterprise (SMME) environment.
- Pushing for greater international cooperation and support for South Africa's growing tech start-up environment and tech innovation spaces.

African Democracy and Governance

As the only African member state of the G20, South Africa must use its presidency to develop and protect African multilateral organisations and democratic institutions, fostering freedom, democracy, and human rights on a continent and within a region where democratic societies are increasingly fragile. This includes conversations around potential reforms within the African Union (AU) and SADC and, perhaps to a lesser degree, amendments to the structure of the United Nations Security Council for greater representation of African and developing world countries.

This work is crucial to ensuring that South Africa's new GNU foreign policy is always conducted within the confines of our constitution. It seeks to impart its values and principles in Africa to bring real and effective diplomacy, greater stability, and prosperity to the region.

Democratic Oversight and the P20

The Parliament 20 (P20) and the G20 Speakers Summit will come to South Africa at an opportune time, given that our republic is in the process of rebuilding and modernising our own national legislature. The P20 must thus make full use of South Africa's G20 presidency to ensure that South Africa's new parliament is rebuilt using the most cutting-edge technology and legislative tools available to modernise, enhance, and finetune our nation's chief oversight body as the engine room of democracy. South Africa must also

seek to recapacitate parliament's institutional might and knowledge, utilising shared expertise among its P20 counterparts, especially in the wake of State Capture, which hollowed out the legislature's oversight and lawmaking capabilities. Some proposals include:

- Collaboration with the EU to develop South Africa's interpreting services by leveraging the best interlingual communication systems and personnel. This could also be a focus of the T20.
- The exploration of digital tools and greater technology to make parliament's voting mechanisms and systems more efficient.
- The exploration of more effective public participation methods, including broadcast services of parliamentary sittings and committees, to once again ensure parliament's transparency and accessibility to the public.

Conclusion

The DA is looking forward to South Africa's G20 Presidency, and we will help ensure that this momentous opportunity is leveraged to South Africa and Africa's maximum benefit. The business of South Africa's Sherpa Track and the Leader's Summit must be rooted within a new GNU foreign policy framework reflective of both the GNU statement of intent and the South African constitution. As it stands, South Africa must include greater private sector involvement in our presidency and push for greater collaboration to achieve the GNU's Basic Minimum Programme of Priorities.

We are aware that the needs of South Africa's G20 presidency will evolve throughout 2025; however, we trust that South Africa will always approach its G20 engagements in the spirit of the GNU and the best interests of South Africa and the developing world. We look forward to participating in this exciting year for our country.

Yours sincerely,

Ryan Smith

Democratic Alliance

International Relations and Cooperation (DIRCO)