

Speech by Deputy Minister of Finance

KEYNOTE ADDRESS BY DEPUTY MINISTER OF FINANCE, DR DAVID MASONDO AT MISTRA'S POST-G20 ROUNDTABLE

FOCUS: REFLECTION ON SOUTH AFRICA'S G20 PRESIDENCY

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Translating G20 Commitments into Concrete Action for Africa

Programme Director,
Distinguished guests,
Representatives from government, business, labour, academia, civil society, and the diplomatic community,

Thank you for the opportunity to speak with you today and to share insights into the legacy initiatives arising from South Africa's G20 Presidency—the first G20 Presidency to take place on African soil.

For us on the African continent, the central question remains clear: how do we translate G20 commitments into concrete action for Africa?

In December 2024, President Ramaphosa launched South Africa's G20 Presidency under the theme: "Solidarity, Equality and Sustainability."

The overarching objective of our Presidency was to ensure that the priorities of emerging markets and developing economies, particularly those of Africa, were firmly embedded within the G20 Finance Track agenda.

This objective was informed by a firm belief that Africa's development challenges and opportunities are not peripheral to the global economy, but central to its future resilience and growth.

The challenges facing the world, and Africa in particular, have been exacerbated by rising geopolitical tensions and growing trade fragmentation.

The recent conflict in the Middle East has triggered multiple shocks, including disruptions to energy supplies and food security, which threaten to raise inflation, increase borrowing costs, and heighten the risk of debt distress across developing economies.

Addressing these challenges requires bold and collective action.

One of the most significant outcomes of South Africa's Presidency was the endorsement of the Africa Engagement Framework for the period 2026 to 2030.

This Framework provides a structured approach to sustained G20 Finance Track engagement with Africa and is firmly anchored in the continent's own priorities.

It focuses on five key areas: addressing fiscal and macroeconomic vulnerabilities; strengthening institutions and governance frameworks; advancing regional and cross-border infrastructure aligned with Agenda 2063 and the African Continental Free Trade Area; reducing Africa's high cost of capital and enhancing private sector finance; and strengthening the role of international financial institutions in African development.

Importantly, African ownership of the Framework was explicitly affirmed by the African Union Assembly of Heads of State and Government in February 2026.

The Framework provides an enduring platform through which Africa's priorities can continue to shape global economic discussions long after South Africa's Presidency has concluded.

A central theme that emerged throughout our Presidency was the need to address Africa's financing challenges.

Against a backdrop of high global interest rates, constrained fiscal space, and rising financing costs, South Africa worked to elevate Africa's voice within the G20.

This culminated in the endorsement of the first-ever G20 Ministerial Declaration on Debt Sustainability.

The Declaration underscores the need for coordinated, transparent, and timely debt resolution mechanisms while affirming a shared commitment to ensuring that debt treatments support sustainable development outcomes.

At the heart of this work lies a simple yet powerful principle: no country should ever be forced to choose between servicing its debt and investing in its people and its future.

Yet debt sustainability alone is not enough.

Africa needs capital to overcome its developmental challenges, and that capital comes at a cost.

There are both real and perceived risks associated with investing in Africa when compared with other emerging markets. As a result, African countries continue to experience significantly higher capital costs than their advanced-economy counterparts.

We recognise that macroeconomic stability remains essential. Low inflation, positive growth prospects, and sustainable debt levels all contribute to reducing investment risk.

However, even where these conditions improve, many African countries continue to face disproportionately high borrowing costs.

Institutions such as the African Union and the UNDP have argued that African economies are often undervalued and their risks overstated by international credit rating methodologies. The consequence is that some African countries pay more for capital than economies facing greater objective risks.

Addressing these challenges requires evidence-based analysis and sustained advocacy.

It was for this reason that President Ramaphosa established the Africa Expert Panel in early 2025.

Chaired by former Minister of Finance Trevor Manuel and comprising leading African experts in economics and development, the Panel was tasked with providing strategic advice on the continent's key economic and development challenges.

Its work focused on identifying Africa's priorities, including systemic biases, regulatory constraints, and risk perceptions that continue to shape the continent's development trajectory.

I would also like to acknowledge the support provided by MISTRA, under the leadership of Joel Netshitenzhe, to the Panel's important work.

The Panel's analysis culminated in a report presented to G20 Leaders at the Johannesburg Summit in November 2025.

The report was accompanied by a Plan of Action calling for a decisive shift from aid dependence to investment-driven growth, with a focus on infrastructure, energy, human capital development, climate resilience, domestic resource mobilisation, and institutional empowerment.

Importantly, the Panel's work will continue beyond South Africa's Presidency to support the implementation of its recommendations and sustain Africa's engagement within the G20.

The Panel's findings reinforced a critical reality: sustainable growth requires significantly greater investment in infrastructure and regional integration.

Infrastructure remains one of the greatest impediments to development across Africa.

The continent continues to face inadequate transport networks, unreliable energy supply, and limited logistics systems, all of which constrain productivity, increase the cost of doing business, and hinder access to regional and global markets.

The African Development Bank estimates Africa's infrastructure financing gap at between US\$130 billion and US\$170 billion annually.

At the same time, climate change and nature loss continue to place additional pressures on economies and communities across the continent.

For these reasons, the G20 Infrastructure Working Group focused on mobilising greater private-sector participation in public infrastructure.

Under South Africa's Presidency, the Working Group prioritised the development of investable infrastructure pipelines, the scaling up of sustainable infrastructure investment through blended finance, and the delivery of cross-border infrastructure to support regional development.

These priorities are essential to accelerating infrastructure development and advancing sustainable and inclusive growth.

In South Africa, we are already implementing blended-finance solutions.

Investment in transmission infrastructure, led by the newly established Eskom Transmission Company, requires substantial funding. Government is therefore using a credit-guarantee mechanism to mobilise private capital for the expansion of the transmission network.

The plan involves the construction of 14,000 kilometres of transmission lines at an estimated cost of R450 billion, or approximately US\$25 billion.

Complementing these efforts is the Compact with Africa, which South Africa championed throughout its G20 Presidency.

Launched during Germany's G20 Presidency in 2017 and jointly chaired by Germany and South Africa, the Compact seeks to promote private investment by supporting participating countries in implementing reforms that strengthen macroeconomic stability, improve business environments, and deepen financial markets.

The initiative is demand-driven and open to all African countries committed to reform.

During our Presidency, we focused on revitalising the Compact both within the G20 and across the continent. Angola and Zambia joined the initiative during this period, bringing the total number of participating countries to fifteen.

To ensure that these initiatives translate into tangible outcomes, we have also partnered with the African Development Bank on a dedicated Legacy Project.

The objective is to raise awareness of the Africa toolkit, gather stakeholder input on how it can be strengthened, and develop a joint action plan to sustain momentum and advocacy beyond South Africa's Presidency.

South Africa used its G20 Presidency to place Africa's economic and developmental priorities firmly on the global agenda.

This was achieved in partnership with the African Union, the African Development Bank, and other key development partners.

The true measure of success, however, will not be the commitments we secured, but the impact these initiatives have on the lives of Africa's people.

Our task now is to transform commitments into implementation, investment into opportunity, and growth into shared prosperity.

South Africa remains committed to working with the G20, the African Union, the African Development Bank, and all our partners to ensure that these legacy initiatives deliver tangible and lasting benefits for the continent while advancing Agenda 2063 and the African Continental Free Trade Area.

I thank you.