

Boosting Africa's and LDCs' Agency in the G20

by Elizabeth Sidiropoulos



ABSTRACT

African countries have always played a limited role within the G20 decision making processes. Such a lack of adequate agency – particularly of least developed countries (LDCs) has affected the credibility of the G20 with regard to development issues. However, covid-19 has brought to the fore a series of key topics (e.g. trade, green transition, fair financial architecture) as well as new actors (e.g. the African Standing Group within the Think20) that could be brought to the table to ensure a more decisive and impactful role for LDCs and African countries in the G20 policy processes.

G20 | Africa | Sustainable development

keywords

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Introduction and background

The agenda of the G20 has grown since it was first elevated to a Leaders Summit in 2008. While it is an exclusive club that does not include any low-income countries and only one African country – it has been established to bring together those countries from the developed and developing world that are systemically important – the G20 has nevertheless built up an agenda that reflects most of the pressing global economic challenges of our time. Although an informal body, the G20's discussions and decisions shape global rules and processes that affect non-member countries as well, as agreements there carry clout in other multilateral fora where the rules are formally agreed.

In 2010, barely two years after the outbreak of the financial crisis, the Toronto and Seoul G20 summits¹ recognised the importance of narrowing the development gap and reducing poverty if strong, sustainable and balanced growth, and a more robust and resilient economy for all are to be achieved. More specifically, the impact of policy actions on Africa and the least developed countries (LDCs) were singled out as requiring particular attention.

The G20 Development Working Group (DWG) was established with the intention of narrowing the development gap. Its mandate has broadened over the last decade,

¹ G20, *The G20 Toronto Summit Declaration*, 26-27 June 2010, <http://www.g20.utoronto.ca/2010/to-communicate.html>; G20, *Seoul Development Consensus for Shared Growth*, 2010, <https://www.oecd.org/g20/topics/development/Annex1-Seoul-Development-Consensus-Shared-Growth.pdf>.

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focusing on key themes such as: infrastructure, domestic resource mobilisation, financial inclusion and remittances, food security and nutrition, and human resource development. At the 2015 Antalya G20 summit, the Inclusive Business Framework was established to explicitly recognise the private sector's role in development. In Hangzhou the following year, the United Nations Sustainable Development Goals (SDGs) were integrated into the DWG's mandate, and the G20's Initiative on Supporting Industrialisation in Africa and Least Developed Countries was launched (2016). The initiative set out a number of voluntary policy options for G20 members to "consider taking actions on" including: collaborate in promoting inclusive and sustainable structural transformation and industrialisation in Africa and LDCs through knowledge sharing and peer learning; support sustainable agriculture, agri-business and agro-industry development; facilitate technology transfer to Africa and LDCs in, among others, irrigation systems, water harvesting and sustainable agriculture technologies; explore ways to develop North-South and South-South and triangular cooperation in vocational training and industrial production; promote investment in sustainable and secure energy, renewables and energy efficiency, and sustainable and resilient infrastructure and industries; support industrialisation through trade and identify related infrastructure gaps; leverage domestic and external finance and support equitable access to finance; and promote science, technology and innovation as essential means for industrialisation.²

In 2017, the German G20 Presidency implemented the G20 Africa Partnership, which was adopted at the summit and included the G20 Initiative for Rural Youth Employment in developing countries, with a focus on Africa and an aim to help create 1.1 million new jobs by 2022. The #eSkills4Girls Initiative was also implemented to promote opportunities and equal access for women and girls in the digital economy, in particular for low-income and developing countries. Other initiatives included the launch of the Women Entrepreneurs Finance Initiative and the Compact with Africa.³ The Compact with Africa, in particular, was seen as an important means of mobilising private sector investments by encouraging governments, together with their international partners, to undertake economic reforms which would help in this regard.⁴

The results of the above initiatives have been mixed, as the 2020 pandemic dealt all developmental outcomes a severe blow. The pandemic highlighted the pattern of interdependence across countries and sustainable development dimensions. Furthermore, it starkly revealed the uneven pattern of vulnerabilities to exogenous shocks across the world, with developing countries generally having far fewer

² G20, *G20 Initiative on Supporting Industrialization in Africa and Least Developed Countries*, Hangzhou, 27 September 2016, <http://www.g20.utoronto.ca/2016/supporting-industrialization.html>.

³ Cobus van Staden and Elizabeth Sidropoulos, "G20-Africa Engagement: Finding a Roadmap to Shared Development", in *SAIIA Occasional Papers*, No. 294 (February 2019), <https://saiia.org.za/?p=28203>.

⁴ Rob Floyd, Kapil Kapoor and Laura Sennett, "G20 Compact with Africa", in *T20 Japan Policy Briefings*, March 2019, <https://t20japan.org/?p=13959>.

means to respond to the crisis than countries in the Global North. Simultaneously, the pandemic underscored that vulnerability in the face of a systemic shock is not only the domain of poorer countries. Middle-income countries (including those that recently emerged from low-income status), proved to be particularly vulnerable as shown by the ongoing two-speed recovery.

LDCs in Africa are amongst the most vulnerable and have very limited voice within the G20. At present, the overwhelming majority of LDCs (33 out of 46) is located on the African continent (the latter's share of LDCs will increase over the medium-term as many LDCs in Asia and the Pacific are in the process of graduation from the category). Moreover, according to the World Bank classification for the 2022 fiscal year, of the 46 LDCs: 25 are Low Income Countries (LICs), twenty are lower-middle-income countries (LMICs) and one is an upper-middle-income country (UMICs). Similarly, of Africa's 54 economies: 23 are LICs, 23 are LMICs, seven are UMICs and only one is a high-income country (HICs). These distinctions are important because the G20 initiatives on debt issues, for example, have partly addressed LICs' problems, but have not addressed the challenges of other developing countries facing similar problems.

1. Impact of covid-19 on Africa and LDCs

In 2020, the African continent as a whole experienced the first GDP contraction in 25 years. From a health perspective, Africa was not as badly hit in 2020 as many expected. However, this changed in 2021. Moreover, the health emergency will likely linger for a longer span of time, due to the extremely unequal access to vaccines worldwide. Data in 2021 indicate that there was a big shift in the mortality distribution to the developing world, and that the number of covid-19 cases and deaths were largely underestimated.⁵ Though the socio-economic impact of the pandemic has been severe across most of the world, it was in this sphere that Africa and LDCs were disproportionately affected. LDCs suffered a 2.6 per cent reduction in per capita income in 2020, with 43 of the then 47 LDCs experiencing a fall in average income levels. It was the worst economic outcome in thirty years.⁶ Progress on the SDGs and the Istanbul Programme of Action (IPoA) in LDCs were severely affected by the pandemic. The gender gap was accentuated, as was the vulnerability of these economies, which have high informality. In 2020, some 32 million people in LDCs descended into extreme poverty, with the deepest impact in Africa and island LDCs.⁷ Their constrained fiscal space was exacerbated by rising

⁵ Indermit Gill and Philip Schellekens, "COVID-19 Is a Developing Country Pandemic", in *Brookings Future Development Blog*, 27 May 2021, <https://brook.gs/3fRA2vr>.

⁶ UNCTAD, *The Least Developed Countries Report 2020*, Geneva, United Nations, 2020, <https://unctad.org/webflyer/least-developed-countries-report-2020>. Please note that Vanuatu graduated from the official list of LDCs in December 2020, leaving the total number of countries in the category to the current 46. Since the establishment of the LDC category in 1971, Vanuatu was only the sixth country to graduate.

⁷ *Ibid.*

debt. Not all countries eligible to join the G20 Debt Service Suspension Initiative did so, and its impact has been limited. For 2021, the trajectory of the virus, along with its constant mutations and the slow rollout of vaccines, may deal a further blow to both LDCs and other developing countries.

The reasoning for the G20 to consider specific interventions at this precise juncture is broadly the same as in 2010, namely that unless it gives attention to the development gap, an inclusive and sustained economic recovery will not be possible. The G20's overall score card in the efficacy of its response has been mixed, but perhaps it could be galvanised to do better this time.

In seeking to address the challenges faced by Africa and LDCs, it is important to recognise that there are two dimensions – the first is the need to respond to the more urgent and immediate issues, dealing with the economic and health hardships caused by the pandemic to ordinary people, and the constrained ability of governments to respond due to growing debt and very limited fiscal space. The second relates to the longer-term considerations of building back better, including green transformation. While the two may not necessarily be conflicting, there may be instances where the most urgent, in terms of lives and livelihoods, must take precedence.

2. The need for a greater agency by Africa's LDCs

The outbreak of the covid-19 pandemic in 2020 and the concern across Africa about its possible impact on economies and societies saw a strong coordinated African response, both at a regional level and in the way in which the continent engaged with the international community on debt and access to vaccines. The continent adopted a collective approach to lobby on debt and develop proposals for dealing with the pandemic and its fallout⁸ and created an electronic platform for medical supplies procurement and later for vaccines.⁹ This was an impressive display of agency – African countries being proactive in taking measures to curb the pandemic early, but also mobilising to advocate for specific issues internationally.

In general, for smaller, less economically and politically powerful countries, a collective approach is premised on strength in numbers. Moreover, the regional arena provides a critical platform for South-South cooperation, with promising benefits particularly in relation to knowledge and experience sharing, as well as institutional capacity development and sharing of best-practices. These aspects

⁸ Jonathan Wheatley, David Pilling and Andres Schipani, "Emerging Economies Plead for More Ambitious Debt Relief Programmes", in *Financial Times*, 12 October 2020, <https://www.ft.com/content/edb18d34-844b-43b5-a78a-fec73f1d0583>.

⁹ Afreximbank et al., *AMSP Opens COVID-19 Vaccines Pre-orders for 55 African Union Member States*, 19 January 2021, <https://amsp.africa/amsp-opens-covid-19-vaccines-pre-orders-for-55-african-union-member-states>.

need to be an important consideration for any G20 initiative intended to help developing countries.

Increasing African and LDC agency in international affairs has grown in importance in the narrative of greater inclusivity in global (and national) decision-making. Greater agency is understood to mean an ability of weaker, more vulnerable countries to influence outcomes at the international level in a way that encompasses those countries' main concerns and interests. Of course, the ability to exercise agency is value neutral; it can be used for positive or negative outcomes. For example, incumbent governments can take actions to protect their own power base or exclude other groups.¹⁰ While this is clearly a form of agency, it is not the kind of which concerns LDCs and African agency in global forums. Coordination among such states at a regional level is a critical element of agency, insofar as it enables greater heft in numbers.

Agency is about effective and impactful involvement. Measurement of such effectiveness for medium to small sized countries in multi-member institutions is not an easy task. Effectiveness can relate to setting the agenda, determining processes and having outcomes in these institutions that reflect a country's objectives and interests. Part of it relates to an individual country's prestige and soft power, in terms of whether it is invited into positions/chairs that are not based on rotation. Effectiveness may also include the extent to which a country can mobilise coalitions within bigger groupings to advance certain objectives and interests.

Agency may also be executed in other ways. For example, an expert assessment of the participation of developing countries in global tax negotiations found that the expansion of the Inclusive Framework on base erosion and profit shifting (BEPS) to include more "lower-income countries" did not result in greater participation by these countries in the technical policy work.¹¹ The expert assessment identified four change mechanisms that could redress this outcome:¹²

- "Lower income countries" could take advantage of reforms pursued by more powerful states, leading to change by association;
- Influential individuals, including secretariats (e.g., African Tax Administration Forum) and delegates from more powerful countries could anticipate and promote the interests of "lower income countries";
- Collaboration among "lower income countries", and with countries with

¹⁰ Chris Alden, Cobus van Staden and Yu-Shan Wu, "In the Driver's Seat? African Agency and Chinese Power at FOCAC, the AU and the BRI", in *SAIIA Occasional Papers*, No. 286 (September 2018), <https://saiia.org.za/?p=22488>.

¹¹ Authors define "lower-income countries" as those in the World Bank's "low" and "lower middle" income classification, which are not OECD or G20 members. See Rasmus Corlin Christensen, Martin Hearson and Tovony Randriamanalina, "At the Table, Off the Menu? Assessing the Participation of Lower-Income Countries in Global Tax Negotiations", in *ICTD Working Papers*, No. 115 (December 2020), p. 6, <https://www.ictd.ac/?p=6823>.

¹² *Ibid.*, p. 7.

- common interests, could increase their influence; and
- Individual authority in negotiations came with having people with expertise, personal experience and networks representing "lower income countries".

Agency is ultimately about empowerment, which entails emphasis being placed on the development of institutional capacity. This is particularly important in the context of LDCs, many of which are faced with multifaceted, long-standing institutional constraints (including in some instances the legacies of protracted conflicts), while simultaneously being relatively more dependent on international development assistance.¹³

In her book on "poverty narratives" as powerful tools for weaker states, Amrita Narlikar identifies three types of actors that help shape narratives that often are crucial to effecting agency: coalitions of states, transnational social movements, and multi-stakeholder networks of states, NGOs, business and so on.¹⁴ This recognises implicitly the armoury of actors required to influence outcomes (or the narratives that enable outcomes that favour weaker states).

Having a seat at the table does not in and of itself mean greater influence in the outcomes of negotiating processes; this should not be interpreted to mean that a seat at the table is not required. Rather, it is to consider this among a series of interventions that can help to build up African (and LDC) agency, transforming seeming "powerlessness" into power among the most marginalised states in the international community. Collective approaches on the part of LDCs/Africa are critical in this regard, as are the responses and initiatives of bodies, such as the G20. The interplay of these two dimensions deserves careful consideration because some of the G20 measures risk diluting the collective action strength by adopting a case-by-case approach. For example, the fact that some recent debt-related initiatives addressed to African/LDCs have been conducted on a case-by-case rather than on a collective approach may entail challenges in terms of transparency and institutional capacities. In this respect, if the need for case-by-case assessments and negotiations is fully understandable, it would be essential to agree on some broad, but uniform guidelines to be applied to all African/LDCs, to prevent a situation where each debtor would have to enter into complex and lengthy discussions with a range of creditors under limited transparency.

There is not only one way to make the G20 more inclusive and responsive to the needs of Africa and LDCs. It is also the case that various initiatives of the G20 that have sought to elevate actions advancing Africa and LDCs developmental imperatives have not been consistently carried through. This may be because the G20 is an "imperfect forum to achieve targeted development initiatives, because it lacks an

¹³ UNCTAD, *The Least Developed Countries Report 2019*, Geneva, United Nations, 2019, <https://unctad.org/webflyer/least-developed-countries-report-2019>.

¹⁴ Amrita Narlikar, *Poverty Narratives and Power Paradoxes in International Trade Negotiations and Beyond*, Cambridge, Cambridge University Press, 2020.

implementation architecture and because its commitment to the developing world is filtered through member countries' own self-protective views".¹⁵ However, are there ways of improving the engagement and the accountability?

3. Role of G20 in highlighting African and LDC developmental imperatives

Historically, the G20 has been present in discussions about the specific challenges of LDCs and African states. As previously mentioned, under various presidencies the G20 has undertaken a number of initiatives intended to address the developmental needs of the most marginalised states. However, the nature of the G20 creates variations in prioritisation under new presidencies. A more concerted and systematic effort by the G20 to highlight African and LDC developmental imperatives is needed. Such an effort requires the G20 to engage "with" the LDCs rather than "for" the LDCs.

Furthermore, given that the G20 is the premier global economic governance forum, it should focus specifically on initiatives that relate to removing constraints and obstacles from Africa and LDCs at the global policy making level. For example, in pledging to support Africa's enhancing market access for agricultural exports, the G20 in 2016 made no mention of the constraints resulting from the G20-member countries' domestic agricultural subsidies.¹⁶

Therefore, coherence in the actions adopted by G20 states, both as a collective and as individual actors in terms of how these policies may help address the challenges faced by African countries and LDCs, is a critical consideration that is too often ignored. In addition, better coordination by donor countries and international institutions is necessary. An effective international response to the pandemic, especially for LDCs, requires better harmonisation of initiative and responses launched by individual G20 members and multilateral fora where G20 states are involved. The G20 could give consideration to a mechanism that more adequately reflects LDCs' interests in the process of discussions in the grouping. Importantly, this should not only be in the Development Working Group; rather, the focus should be on mainstreaming the LDCs' inputs into work streams that include climate change, global financial regulation, remittances, taxation, digital economy and trade. This mainstreaming should be in both the sherpa and the finance track.

The G20 could consider the creation of an outreach mechanism to LDCs (and other developing regions). A more inclusive outreach structure could have rotating membership. For the past decade, Africa has had two observer seats at the G20.

¹⁵ Cobus van Staden and Elizabeth Sidiropoulos, "G20-Africa Engagement: Finding a Roadmap to Shared Development", cit., p. 16.

¹⁶ Ibid.

These are held on rotation by the chair of the African Union and the chair of the AUDA-NEPAD Heads of State and Government Committee. The proposal envisages that these representatives would participate in the structure, but the challenge has been building up capacity when the countries that chair these bodies change annually. The proposal for country representatives to have longer terms would address this challenge.

Continuity from year to year in LDC/developing country representation is important, given that the presidency of the G20 rotates annually. Whereas the countries taking up the G20 presidency are full-time participants in the G20 process, and thus invest resources in building up capacity, the same would not be the case for LDCs engaging in such an outreach. A longer period allows a country to build up some expertise in the process from year to year, with a process for involving successors in advance of their taking over the seats in this outreach formation.

This outreach mechanism could be deployed in two ways – in the formal sherpa and finance tracks, and in more informal emerging economies caucus. A pilot test could be tried in the Development Working Group of the sherpa track, with the objective to mainstream the outreach across G20 workstreams. Thus, the same arrangement could be considered for the G20 finance track, since many of the decisions that affect LDCs also have a clear financial component.

As a first stage of engagement, however, the emerging economies caucus could be used to better effect in terms of channelling LDC inputs. South Africa could propose that the outreach mechanism set out above be adopted in the caucus initially at an informal level. Emerging economies differ among themselves in their economic systems and priorities, making joint positions within the broader G20 much more difficult. However, the issue of LDC concerns could be one way of creating deeper cooperation on the G20 agenda.

Furthermore, such an arrangement can also serve another intermediate objective – easing engagement of LDCs into the G20 processes. In already well-established groups, the ability of new members/participants to exercise agency is hampered by structural obstacles, such as the pace and intensity of discussions, policy making culture in specific bodies, and the extent of technical knowledge required.¹⁷ Having some of these discussions initially with other developing countries may make a more open and frank discussion easier and create a bridge to the broader G20 negotiations.

It is important to recognise and allow the voices of Africans and LDCs to identify and articulate their priorities. For example, the current discussion is about the post-pandemic recovery. The G7 countries have made a strong bid for green

¹⁷ Rasmus Corlin Christensen, Martin Hearson and Tovony Randriamanalina, "At the Table, Off the Menu?", cit.

recovery as the priority. However, for many developing countries, that approach may make getting out of the pandemic crisis much more costly and difficult. Such decisions cannot be made without a substantive focus on the requisite financing, with the provision of adequate climate finance being a key element. This requires the Global North, led by the G7, to act on their commitments enshrined in the Paris Agreement and scale them up further. There is a need to balance the green dimensions of the recovery with the urgency of dealing with absent social safety nets, high informalisation, growing extreme poverty and vaccine access.

The G20 expresses the importance of championing an inclusive agenda, but whether this intent is reflected in the perceptions of those outside the group membership remains debatable. Creating a policy dialogue space for LDCs in the G20, given that many of the global governance bodies also participate in the G20 meetings, is one step towards unpacking the inclusion agenda more meaningfully for these states.

4. T20 Africa Standing Group support and South-South cooperation

The Think 20 Africa Standing Group (ASG) was established in 2017 during the German G20 presidency. It brought together a number of African think tanks and think tanks from G20 countries. The main driver for its creation was that several issues on the G20 agenda needed to be more widely debated in Africa because of their impact on the continent; these included both global governance and development-related issues. The German Development Institute and the South African Institute of International Affairs constitute the ASG secretariat, and its board includes the United Nations Economic Commission for Africa (UNECA).

During the first three G20 presidencies since the ASG was established, there were specific task forces focusing on Africa. Since the 2019 Saudi presidency, the focus of the G20 has been more thematic, allowing African think tank voices to be heard across all relevant task forces that have a direct impact on African concerns. T20 Africa members have contributed policy briefings to various task forces, working together with think tanks from other regions.

A more thematic approach to engagement in the T20 requires a more institutionalised troika approach. A dialogue with the Italian and future presidencies of Indonesia and India is proposed to elaborate the possibilities further. The ASG could also act as a spur to create similar groupings with the think tanks of other developing regions. As the T20 becomes more inclusive every year, involving think tanks from across the world, establishing a structure for non G20 think tanks could make regional inputs on priority topics more effective. Lastly, the T20 ASG will explore ways of engaging with the incoming G7 2022 German presidency, as the group is an important caucus for broader G20 engagement.

5. Crucial themes for Africa and LDCs

Since its establishment in 2017, the ASG has produced a number of policy briefs for the T20 process, under the various G20 presidencies. These have ranged from issues of debt, private investment and taxation, to trade, education and migration. The recommendations remain relevant today, as new briefs are being produced. These policy briefs should be considered in the deliberations of the Italian presidency, but also with the Indonesian and Indian presidencies that will follow. The T20 ASG would propose the engagement of the three consecutive G20 presidency of Italy, Indonesia and India during the course of 2021. This so-called 3I's engagement should be structured around some of the most critical and relevant recommendations made in those briefs. From an African perspective, this engagement could contribute to the thinking of the Indonesian and Indian G20 presidencies in shaping their outreach to Africa and LDCs. In addition, this engagement would consider additional priority themes raised by the T20 ASG that may not have been part of previous policy briefs, especially related to the ongoing pandemic and the current challenges faced by African states and LDCs.

In May 2021, members of the T20 ASG met to discuss what issues were current priorities for Africa and LDCs. The meeting included both G20 and African think tank representatives. The issues raised coalesced around the following themes:

Determining vulnerability: The pandemic has highlighted that vulnerability cannot be assessed purely on whether a country has reached a particular per capita GDP.¹⁸ The pandemic hit many middle-income countries hard, especially some that only recently reached middle-income levels. However, the crisis has shown that countries recently crossing the middle-income threshold have not necessarily developed sustained sources of growth that could buffer their respective fiscal spaces and provide the requisite market preparedness. While the international financial architecture provides for assistance to low-income countries, there is no structure for assisting other vulnerable states that fall outside of that definition, but which a pandemic can make precarious. An opportunity has been created by the pandemic to take a bold step in rethinking the notion of vulnerability and the related assistance framework. Per capita income metrics can no longer be the sole indicator of whether a country is vulnerable in a crisis. The G20 carries considerable clout in the major multilateral development institutions. Rethinking the norms regarding concessionality, grants or commercial terms and classification criteria are all critical to address vulnerability in crises.

Growth and trade: While economic growth on its own is not the panacea, it is nevertheless an important part of overcoming some of the critical developmental

¹⁸ See, for example, Organisation for Economic Cooperation and Development (OECD) et al., *Latin American Economic Outlook 2019. Development in Transition*, Paris, OECD Publishing, 2019, <https://op.europa.eu/s/tzIj>.

challenges that Africa and LDCs face. Building up productive capacities and boosting trade are important ingredients to ensure inclusive growth. The African Continental Free Trade Area provides an opportunity for African states to deepen their economic integration, but requires support to develop adequate infrastructures and regional value chains. A concerted focus on this development would play an essential role in building up productive capacities and industrialisation, recognised as playing a significant role in determining the resilience of economies.¹⁹ Such productive capacities are important in building up better health infrastructure and related medical and other pharmaceuticals supplies.

Green transitions versus just transitions: Responding to the covid-19 crisis while taking bold action on green transition has been a central feature of the global debate, especially among developed countries and the G7. However, this debate and related initiatives should not come at the expense of the urgent challenges facing many people in LDCs and Africa, such as jobs, food and the ongoing health emergency. For many in the developing world, these are the existential and immediate concerns they have to grapple with. Thus, support from the G20 and other actors for a post-covid recovery should factor these concerns into the type of packages and support that are designed. There is real danger that the juxtaposition will not be between green transitions and the status quo, but rather between a green uneven transition and a green inclusive transition. This reasserts the imperatives set out in the Paris Agreement for technical and financial assistance to developing countries.

Fairer financial aid architecture: Rising debt for many African states and LDCs is an immediate problem that requires a longer-term lens relating to the overall financing environment for developing states. The biggest need of countries in the immediate term is more fiscal space, but most developing economies have limited options in that regard. In what ways could capital markets, for example, be fairer for developing economies, so that they can borrow liquidity now rather than later? Additionally, leveraging Special Drawing Rights (SDRs) to create more fiscal space for African countries also required innovative ideas, in terms of optimising them to support African and LDC economies. While the decision to issue new SDRs has been resolved, the elephant in the room is the extent to which this will translate into additional financial resources for developing countries and the modalities of their potential reallocation. It is unlikely that this will be resolved during 2021, which means that it will continue into the Indonesian and possibly the Indian presidency of the G20, although the need for fiscal space requires much more urgent attention. From the Africa and LDC side, it will be important to identify a champion for this cause, to engage with critical players on this matter.

Donor coordination and South-South cooperation: For LDCs, Official Development Assistance (ODA) will remain a significant source of development finance. Donor coordination and the aid effectiveness agenda among the Organisation for

¹⁹ UNCTAD, *The Least Developed Countries Report 2020*, cit.

Economic Cooperation and Development's (OECD) members have eroded in recent years, but the covid-19 pandemic requires that this be rekindled. In the process, a reflection of what has been learnt from previous coordination efforts to ensure aid effectiveness, could improve current donor interventions and strategies. The rush to embrace the private sector as an important provider of development finance to achieve the SDGs risks creating a number of unintended consequences, especially in contexts characterised by limited institutional capacities. It could also contribute to the dilution of ODA, which could be partly diverted to subsidise foreign investors via blended finance, with limited additionality.²⁰ Moreover, this "repurposing" of ODA has been undertaken with very little consultation of the recipient countries, and with accountability mechanisms for the private sector remaining unclear and ill-defined.²¹

South-South cooperation is an increasing source of development assistance to LDCs and can play an important role in the provision of additional resources to help economies recover and rebuild, especially in light of the reduction in traditional development aid. However, its diversity of modalities of engagement is an advantage, but can also add to the complexity of management and coordination of development cooperation that LDCs face.²² Thus, it too can benefit from mutual learning, from its own wealth of experiences and that of traditional North-South cooperation.

Conclusion

The covid-19 pandemic has inadvertently created a mirror in which the underlying structural vulnerabilities experienced by many African and LDCs have been clearly reflected. While the developmental challenges have been deepened by the global health crisis and its fallout, the pandemic has also presented a unique opportunity to construct a more inclusive, economic, social and environmental paradigm that incorporates in both process and substance the voices of LDCs and Africa. Africa and other developing countries are showing more agency in the way in which they are engaging with the advanced economies and in multilateral bodies on developmental challenges. However, effective agency requires both collective action and coordination and the capacity and strategy to execute it fully. Africa and LDCs do not always have all of the wherewithal. Some of the necessary interventions require the building of institutional capacity; others require structures which facilitate coordination among themselves and provide the space

²⁰ An Overseas Development Institute (ODI) report from 2019 shows that for every dollar that comes from a multilateral development bank or development finance institution, only 0.75 US dollar are contributed via private sector investment in low- and middle-income countries, and only 0.37 US dollar in low-income countries. See Samantha Attridge, "Blended Finance: What Donors Can Learn from the Latest Evidence", in *ODI Insights*, 26 April 2019, <https://odi.org/en/insights/blended-finance-what-donors-can-learn-from-the-latest-evidence>.

²¹ UNCTAD, *The Least Developed Countries Report 2019*, cit.

²² Ibid.

to develop collective action.

The G20, which is considered the premier global economic governance forum, has an important role to play in both empowering LDCs and Africa in projecting their perspectives into the decision-making platforms, where the G20 is often playing a leading role, and in reflecting their concerns in the initiatives and decisions it undertakes.

In the wake of the pandemic, the G20's approach to the economic, social and environmental landscape will require it to incorporate more directly into its deliberations and outcomes, the key developmental concerns of LDCs and Africa. The response measures adopted should take into account the structural vulnerabilities that these states have faced historically and provide for the means through which a real inclusive green trajectory can be embarked on, in a just and equitable manner. In order to achieve this, these remedies will have to be grounded in the principle of policy coherence and recognise that in an increasingly interconnected world, an authentic global partnership for Africa and LDCs goes well beyond the moral commitment to "leave no one behind"; it is ultimately an investment in systemic resilience.

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