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STRENGTHENING GLOBAL ECONOMIC COOPERATION FOR A CHANGING WORLD:
THE UNIQUE ROLE OF THE G20

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WELCOME

BRAHIMA SANGAFOWA COULIBALY

Vice President and Director, Global Economy and Development, Brookings

KEYNOTE ADDRESS

LESETJA KGANYAGO

Governor, South Africa Reserve Bank

Co-Chair, G20 Finance Ministers and Central Bank Governors

PANEL

MODERATOR: AMAR BHATTACHARYA

Senior Fellow, Global Economy and Development, Brookings

CAROLINE ATKINSON

Former Deputy National Security Advisor for International Economics, Executive Office of the President

COLIN I. BRADFORD

Nonresident Senior Fellow, Global Economy and Development, Brookings

DUNCAN PIETERSE

Director-General, National Treasury of South Africa

Co-Chair, G20 Finance and Central Bank Deputies

PAOLA SUBACCHI

Professor and Chair, Sovereign Debt and Finance, Sciences Po, Paris

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COULIBALY: All right, this is better. Good morning, everyone. And yeah, thank you for being with us. I know it's a very busy week, and you had no shortage of places to be, so we're grateful that you chose to spend this part of the morning with us. My name is Brahma Coulibaly, I am the vice president of the Global Economy and Development program here at Brookings. And this conversation is really timely on strengthening global economic cooperation in an era of growing complexity and uncertainty. I don't know if you're going to have all the answers by the end of the event, but it will certainly be worth your time, I promise you. We meet at a time of indeed profound transformation where the geopolitical rivalries are intensifying, global trade patterns are shifting, and financial systems are facing renewed volatility. At the same time, the global community is still grappling with the long-term consequences of the pandemic, the deepening inequality, climate shock, and growing uncertainty around multilateralism itself. Against this backdrop, the G20, representing almost 90 percent of global GDP, three-quarters of global trade and over 60% of the world's populations, remain one of the most important platform for international cooperation. It has proven its worth in moments of acute crisis, particularly during the global financial crisis and more recently during the pandemic. But perhaps its greatest test lies ahead, how to forge collective action in an increasingly fragmented world. More than anything, I believe that leadership and sustained commitment by all to our shared agenda will be crucial. With strong leadership and sustaining commitment, there are arguably no issues that we cannot address together. And our Global Economy and Development program for its part has a long history of engagement and substantive contributions to the G20 process, and we are unwavering in our commitment to help the G20 meet this moment. The South African presidency this year marks the end of a full rotation of the hosting nation among all member countries and it is also the fourth in the successive presidencies by emerging market countries in the Global South. It marks an important milestone which represents an opportune moment to reflect on the historical trajectory of the G20, assess its strength and achievements, examine its challenges and limitations and explore areas of improvement going forward. We've done some research internally on exactly these issues and later today we should be publishing a policy brief entitled Strengthening Cooperation for a Changing World: The Evolving Role of the G20 in Global Economic Governance. So it should be available on the Brookings website for you to download. Now, South Africa has centered its around the themes of solidarity, equality, and sustainability. These are not just aspirational words, they reflect a real commitment to shaping a G20 that listens more, includes more, and delivers more for the global community. So that brings me to the keynote speaker for the event, someone who exemplifies principled leadership on the global stage, Mr. Lesetja Kganyago, who is the governor of South Africa's Reserve Bank. Governor Kganyago is not only one of Africa's most respected policy-makers, he's also a global statesman of monetary and financial affairs. He chaired the International Monetary and Financial Committee, which is the IMF's key advisory body, and has played a central role in shaping global responses to financial stability challenges, debt management, among others. Under his leadership, the South African Reserve Bank has been a model of credibility and institutional strength. His voice is widely respected, not just for its economic depth, but for its moral clarity. And at a time when trust in institution is in short supply, Governor Kganyago's steady principal stewardship stands out. We are really honored to have him with us today to share his reflection of the G20's role in strengthening global economic cooperation and how South Africa is shaping this agenda during a historic presidency. After his remarks, my colleague Amar Bhattacharya, one of our senior fellows and a veteran of the G20 process will moderate a discussion. With a panel of diverse experts to offer some reflection on the G20 trajectory and share thoughts on its role going forward in these unprecedented times. So without further ado, please join me in welcoming Governor Kganyago to the podium.

KGANYAGO: Thank you very much, Brahim, for those kind introductory words. Good morning to all of you, and thank you very much for inviting me to Brookings. We have long benefited from your expertise, and most recently when one of your fellows, Don Kohn, gave a star performance last month at our South African Reserve Bank Research Conference in Cape Town. It is great to be in D.C. today. The focus of my talk is the Group of 20 for which South Africa currently has the presidency. As you will all know, the G20 started in the 1990s as an informal arrangement for discussing macroeconomic developments and financial stability. It was designated the premier forum for international cooperation during the great financial crisis, and at the time, it proved this status was well deserved. It did this by demonstrating two key great strengths. First, unlike the Group 7, it brought together all the major economies, not just the richer ones. This balanced participation made it genuinely a global institution. And second, it was just small enough that it could act decisively. In the years since the GFC, the G20 has worked on many important issues with some real successes. The global regulatory reform agenda stands out as perhaps one of the most significant achievements of the G20. Today, we can say the core of the global financial system is more resilient than it was during the GFC. The G20 has demonstrated its value during crises, most notably at the onset of the COVID-19 pandemic, where it served as a central forum for coordinating responses and mobilizing finance. It has strengthened the global financial safety net with a better-resourced International Monetary Fund at its center. And it has facilitated expanded resource commitments for the multilateral development banks. In 2020, the Debt Service Suspension Initiative helped create fiscal space for poor countries at a moment of great peril. The common framework that grew out of this is still the most promising mechanism available for working out unsustainable sovereign debts. It is a testament to the G20's value that even now, at a time of extraordinary global change, all its members agree about its importance and all of them are committed to continuing its work. At the same time, I think we are all in agreement that the G20 faces many challenges. I would like to discuss some of them today as a prelude to the discussion to come. I hope you will forgive me for focusing today on how processes subvert better policy formulation, but I believe this is a serious concern and detracts from what the G20 might achieve. Let me start by drawing attention to the need for more focused agenda-setting supported by better processes. From a very operational perspective, G20 meetings are large. There is a rule of thumb, sometimes called the Parkinson's Law, that the maximum size of an effective committee is around 20 participants. Once you get past that threshold, it seems to become difficult to make decisions efficiently. It would seem that an organization called the G20 would be perfectly designed for satisfying Parkinson's law. But in addition to the G20's 21 members, we also have a roster of invited countries and many international organizations. Counting in these invited participants, we had a total of 52 countries and institutions at our recent finance ministers and central bank governors meeting in Cape Town. In this context, it can be challenging to have spontaneous conversations and robust debates. One high-level observation. Is that the G20 functions best in a global crisis. Minds are focused and participants move quickly to find each other in identifying root causes, analyzing options, and defining the path forward. I think the meetings of Washington in 2008, London in 2009, and Toronto and Pittsburgh in 2010 as exemplars. Once we are no longer in the throes of a crisis, it becomes harder to find peoples. When we say, for instance, that the G20's relevance is fading, I think we mean that the agenda, always rich in topics, is overloaded and too complex. While there are many agenda items suitable for recent technocratic discussions, such as improving payment systems or helping heavily indebted poor countries, the G20 cannot effectively address itself to all of them. Against this, the G20 has powerful mechanisms for adding issues to its agenda. Each year, we have a new presidency, and each presidency wants to make its mark by putting new issues on the table. This means we add more than we subtract. Because the G20 is powerful, it's

prestigious, and global, it is tempting to bring to it all the problems of the world. It does not follow, however, that just because something is important, it should be on the G20's agenda. There are many important issues for which the G20 is not the right forum. So we should be more intentional on how we choose which issues to discuss, especially when the world is in between crises, narrowing the G20's scope might also make for more focused discussions that say something more meaningful about the top two or three priorities chosen each year. Keeping those priorities central to our discussions would also encourage a better kind of engagement. More intimate conversations that help participants find each other and craft common views. In the end, with too much content and not enough conversation, our messaging and communication becomes loaded with vague priors rather than more concrete solutions. We tend to sacrifice clarity and purpose in favor of finding relevance among only the most specialist audiences. Refocusing on solutions would help to avoid falling into the trap of drafting long and formulaic communiques. Finally, we could do better by having shorter statements written in plain language. Of course, it is easier to communicate when you have clear decisions to share. The path here is to zero in on our inherently common challenges and then to work harder, partly with better agenda-setting to develop common views. In the early years, the G20 worked well for economic and financial stability issues. We need to preserve that focus and enhance it. Another way of doing this could be to separate the various tracks, making them more distinct from one another, creating the space for the principals of the G20 finance track to focus in part on defining the agenda. Such a step might also mean rethinking the structure of the finance track itself and of its multiple working groups and their processes. It has also been suggested that we should establish a permanent G20 secretariat. There are obstacles to this, including who hosts it, who gets which roles, and who foots the bill. We would have to be very disciplined about keeping it small, meritocratic, and well-governed. That said, establishing a secretariat for each track might address the problem that each year a new country assumes the presidency, puts in a huge effort and financial resources to learn the ropes, and then, as it starts to really understand the system, its term is over and someone else starts all over again. I cannot say I am convinced a secretariat for each stand-alone track is a good idea, but maybe it is better than what we have now. It would be great to hear other suggestions. Let me bring this to a conclusion and say one of the best parts of the G20 is building relationships and social capital through meeting regularly. In doing so, we enhance our ability to cooperate in crises, gaining perspective, and defining better sustainable solutions. Such a dynamic and engaged process is arguably even more critical now. As the global community feels its way into a new era. It is in these times that we will find it harder to agree, and it therefore becomes more important to hear each other and seek to redefine our common interests. That there may be contestation over certain topics and how to approach them is a positive outcome of the G20, not a weakness. This is where we value, this is where we value, we add, where our value add should be, in fact, this is where it would be found. The G20 remains the premier forum for international cooperation and should not have to be reinvented for every crisis. There is no doubt that global cooperation is difficult even in less crisis-prone times, but the alternatives are worse, and the G20 could, with concerted effort, reach its previous levels of excellence. May I take this opportunity to wish you very fruitful deliberations in this session.

BHATTACHARYA: Thank you, Governor. I have known, if I may call you that, Lisetja for a few decades. And he has been in all roles in the G20, including the finance track, et cetera. So I think your words have given quite a lot of food for thought for this panel, and I will pick them up. I just wanted to break this panel into two parts. One is looking back. The second is looking forward. So I thought that's the way I will structure this panel. And I'm going to go in the order that I'm proposing by introducing them first. So Caroline Atkinson, she's been a senior executive in many different roles in the US and also in the UK. You are

currently -- I have to get this right -- you are currently global strategist at Rock Creek Asset, which is management, which is here, but you were previously with Google. And from the perspective of this conversation, very important to say that you are associated in the first phase, which was the finance minister's phase and out of Treasury, and then you were the US sherpa. And during actually a quite critical phase, which was, you know, the 2014, 2015 period with a lot of big international agreements at the time. So very interested to hear from you. The next person is Colin Bradford, who is a nonresident senior fellow in Global Economy and Development program at Brookings. And it's fair to say that Colin and our colleague, Johannes Linn, spent more time advocating that the G20 should go to leaders level than any human being on this planet. And I was beneficiary to or on the receiving end of a lot of that and Colin played a, he has really had a window on the G20 at the leaders level through successive summits but also working with the countries and particularly I remember in 2009 working with Jon Cunliffe and with Gordon Brown. So you've had, in a way you have an outside-in view of the G20. Paola Subacchi, I first ran into her when she was director of research at Chatham House and Chatham House was very, very active in the G20 agenda. She has had multiple positions including currently now as professor of political economy at the University of Bologna, and she has a very, very good perspective from Europe on this agenda. That's what we will turn to. And last but not least, you know, we have Dr. Duncan Pieterse, who is the man in the hot seat. And the reason is, he is the chair of the finance deputies, and those of us who know the G20 knows that's where the heavy lifting is done. So you know you have a clear view about what is happening in the G20, and of course a clear view about, you know, the road ahead, and we'll hear your perspective. He has been director general since 2023, but previously served in the national treasury for more than a decade. He was, including as deputy director general and deputy director for asset and liability management prior to the national treasury. He has had a career as a development economist and public finance consultant in South Africa. And has spent time at Yale and Brown University, so with a large season background. So with that, I'm going to turn to the first part, which is, as I said, looking back. And Caroline, it's really good to begin with you, given your role, both in the finance track in early stage and also your perspective. So in a sense, when you look back, and particularly also thinking a little bit about what the governor said, how would you see the role and effectiveness of the G20? And is it really, I put it provocatively, is it just a crisis management committee or is it a steering committee for global cooperation?

ATKINSON: Thank you. Well, as you know, Amar, I was in the U.S. Treasury when the Asian crisis broke out, and we discovered then from the perspective of the U.S. Treasury that we didn't have the kinds of relationships into Asia and the Asian countries that were suffering from crisis and others that wished to help or were concerned they might be next, that we had, that we had had in earlier crises. And I remember at one point just trying to find my counterpart, I was doing international monetary and financial policy in the Treasury in Indonesia, and our ambassador there didn't know who it was. So we spent some time just developing the relationships, which I think are the sort core of the success of the G20. That was something that there was some opposition to, more countries came in and countries came out. Eventually it settled at the G20. But as the governor said, it has got too big in a way for some of the big sort of meetings. I was then the White House sherpa and there was a kind of a crisis from the Europeans, the euro crisis and what I found interesting at that point was China and some other countries were interested in talking to the U.S. about what could the U.S. do to help with the euro crisis? And so the rest of the world and emerging markets had a big interest in what was going to be done and they looked to the U.S. In a sense with relationships that we had to help to sort out or calm the euro crisis. But I think picking up on your point, I think it falls between those two extremes. There were a number of issues in the quiet times where there were not a global financial

crisis that the G20 was very important in pushing forward. The governor mentioned COVID, but two things stick out to me. One was trade and one was climate because on trade there was, now of course it seems rather a small problem, but there was difficulty in getting agreement. There was going to be a meeting in Bali and I always remember the Indonesia and the various countries that were usually problematic from the U.S. point of view about trade were making their sort of points. And then the Indonesian sherpa, this was at the leaders level, said, we're the G20. We're not the negotiators for trade. We need to take off our trade negotiators hats and put on our G20 hats. And what he meant by that was we need to find ways to cooperate. We're not trying to score points and get the latest thing, because his government was going to be hosting a meeting that he wanted to be successful. On climate, although Turkey, who was the host of the G20 in 2015, was pretty schizophrenic about what to do on climate, it was possible in the G20, in the sherpa process, to move South Africa and Turkey and Brazil and India to a place that set up the agreement that became the Paris Agreement, which obviously involved many, many more people. So I think it's possible to use the G20 mechanisms to find agreement on big global problems. I will say that we're going to talk about the future, but it does require good faith. And trust.

BHATTACHARYA: Thank you, thank you Caroline. I'm just going to go through the history and then come to you, Duncan. So if I could turn actually to Paola. You, you had a great perspective, I remember, including through the European crisis that Caroline mentioned. As you look back, what are your reflections of the G20?

SUBACCHI: Thank you, Amar. Yes, the key point here is that the G20 was and still is a space for international cooperation. And I like to stress international cooperation, and I will say the macroeconomic dialogue. Now, I remember very well at the time of the London summit and the preparatory work that we did with -- and actually, at the time I was with Chatham House; we did a report together with Brookings, with Colin, Johannes, and Peterson, and C.G. in Waterloo. So we actually was a sort of T20 in a very small group of think tank involved in this dialogue. And one of the key issue we look at was exactly how cooperation could avoid descending into a beggar your neighbor, tit for tat, zero-sum game. That was the risk at the time, especially when countries were implementing fiscal policy, very accommodating fiscal policy to help, obviously, facing the financial crisis and banking crisis and the credit crunch at the times. And the risk was then this, this peel-over effect of this policy could result into some protectionist measures. And that was the issue then everybody had on their mind in say late 2008 early 2009 and that was exactly the effort we did to, as think tanks as a sort of expert and advisor and independent advisor to help, at the time, the UK chair to really think in these terms. And, in fact, the London summit was -- obviously there were criticism about, but in the end it was a good example of what coordination and cooperation can deliver. And in fact the impact was quite evident on the confidence. And confidence came, there was an impact on confidence, consumer confidence, business confidence soon after the London summit and we joking say then the world realized then there are people driving this process and that was a really great result and so to me that is the most important reflection. Another thing is the G20 was an ad-hoc group. A lot of criticism about the FADDAN was taken off the shelf because it was created at the time of the Asian financial crisis, the finance ministers' meeting, so there was a lot of criticisms on why this country. And again, we said legitimacy versus effectiveness. So we needed something to act soon and not waiting to decide and how the process was going to create it. But the good thing is the argument was 85% of GDP. So basically, the representation of most economies in the world to really become a forum, a premier forum as the governor said for financial and economic problems. And at that time also the fact that the G20 included the large emerging market economies unlike the G7, at the time was

G8. And I remember because I was working with the Italian presidents of the G8 in 2009, it was a bit disconcerting because at this point the Italians didn't know what to do because, you know, are we going – are the G8 finished? And there was an evolution there as well. But so I would say these are the key issues. For Europeans, we got through several crises and then the G20 helped to keep the whole, I say, economy on track.

BHATTACHARYA: Thank you, Paola. I'm going to turn to you, Colin. We heard about the London summit, and you've looked at, in the paper that's forthcoming, to the succession of summits in your paper. So how would you see the lessons, particularly at the leaders level? And what did the, in some sense, the leaders' level add, building on what Caroline said?

BRADFORD: Yeah, I think, I'm sorry, forgot about the fact we need microphones here. I think the fact is that the G20 is made up of two elements. One is sort of the capstone, which is the leaders level, and the summits, which after all only take two days a year. But they're very important in terms of conveying to the world and to publics whether or not anybody is in charge of the store and taking responsibility for such vital things as financial stability. And then on the positive side, growth. The other is what is called in the literature the iceberg, which is all the ministerial groups that meet. It's not just the finance ministers, it's ministers of employment, education, health, et cetera, environment. And then there are working groups and task forces. And then, there are 11 engagement groups. The think-20 of which we're a part is only one of them. There's business, civil society, women, youth, etc. So the net of it is that you have this massive iceberg which is below the surface, which propels, which meets, I would guess, 40 weeks out of 52 weeks a year. There's some meeting or another. The Indians surpassed all records by having 200 G20 meetings in the course of the G20 year in 2024 in 60 cities. So this is a massive thing. So what we have here is something that is very at once, very connected to the societies, the largest societies in the world, the people of the largest economies in the world, and the leaders. And the leaders are for, I agree entirely with the governor that there's a problem of size. If you've ever been a teacher, you know that if you pass 25 in your classroom, you're doing a lecture, you're not doing a seminar. And what you want the G20 to be small enough so it can be a seminar, so that it can actually – the leaders can actually talk with each other, know each other and trust each other enough to be able to force collective action, as Coul said at the beginning. So it seems to me these are the two – this is the lesson of the last 25 or so years when we've had the finance ministers for the Asia crisis and the leaders level since the great financial crisis. This is the great lesson is this has gotten somewhere. This is an effective mechanism, an effective platform for global leadership, not just global coordination. And so this seems to be the platform that's needed at this particular moment.

BHATTACHARYA: Thank you, Colin. So we're going to move now to the present with Duncan. You are chairing the finance deputies this year. And South Africa has set an agenda. I think for this audience, it's very important to hear about that agenda, what your priorities are for this year, what the aspirations are, and how do you make progress at this point in time.

PIETERSE: Thanks, Amar. I think the point that a few of the speakers have made now around the nature of the process is quite important because the G20 ultimately is, to a large extent, a relay event. It is very difficult for a particular presidency to completely redefine the agenda. You have to look at what's come before you and how you want to build on that. And how you want to make your own particular imprint. Now, of course, what helps South Africa's case is that our presidency comes after a few emerging markets have had the G20 presidency. So from a relay perspective, that helps because there's a lot of

that agenda that resonates with our priorities. And that's become a big feature of our agenda this year. So if you look at, for example, the agenda in the international financial architecture, a working group around bigger, better, more effective MDBs and how we reform the MDB system, that's something that's been a few years in the making and we are building on that and I think that's a key priority for us. And that's also related to the agenda of how we enhance debt sustainability, how we improve the global financial safety net, in particular for emerging markets and developing economies, and also how do we build domestic resilience beyond the G20, domestic resource mobilization, developing local currency markets and so on. A lot of that work, which is the bedrock of the work that the IFA working group does, has gained traction over the last few years and that's something that we want to take forward. The other element of that, and I won't go through the entire agenda, but I think related to that is the work that's also gained traction around infrastructure. How do we mobilize private sector capital for infrastructure investments? How do we build credible pipelines for infrastructure and so on? And that's where, to the point that's been made, that's where the depth of the expertise and in particular the international organizations, the various MDBs that are there, can add quite a lot of value. And if you just look at those two, you will see that both of those areas have enormous relevance for Africa, which is another part of our presidency, because we, to a large extent, represent the continent along with the AU in the kind of objectives that we want to drive. And, and narrowly from an infrastructure perspective, the work that's been done over the last couple of years on cross-border infrastructure in particular is very important for Africa. Moving now beyond the sort of the relay component of it, and it's important to say that this relay component is underpinned by the Troika arrangement. So in this year, Brazil, South Africa and the U.S. Are part of that troika. And how those three countries work together becomes also important for advancing the multi-year elements of the G20 agenda. In terms of our particular, I think, imprint, the one area we've emphasized is the work around the continent, and Africa in particular. We've introduced a new work stream that that or work area, I should say, that focuses particularly on how we address the growth and development challenges on the African continent. And we've had a few very good conversations on that in the last few meetings, and interestingly, it has received very wide support across the G20 in a time when there is quite a lot of broader disagreement about some other issues. This is one area where I think a lot of countries have rallied around. We've defined the problem for Africa around macroeconomic vulnerabilities, infrastructure, the cost of capital, and weak institutions. We are working with four international organizations to provide detailed pieces on that, and we pulling that together for the July meetings to build a G20 position and document around that. We've also established under the leadership of the former minister of finance a G20 Africa panel, quite distinguished, that's working on a range of different issues, including the cost of capital. And we've also done quite a few different side events that focus particularly on issues of relevance for Africa. So I think for us, what success looks like is a situation where there's enough traction on some of the multi-year elements of the G20, and those are being pushed forward, like the MDB Reform Agenda, but also that we leave a – some institutional legacy around the continent, its growth and development, and how that translates beyond our presidency into future businesses as well.

BHATTACHARYA: Thank you, Duncan. I just want to emphasize something that you said, and which in a way responds a little bit to what the governor said, which is that – and Colin also said it – that the G20 is multi-tiered. It's not only a continuous agenda, but it's multi-tiered. And I've been – I was part of the infrastructure working group for many, many years, and it's been a long agenda. And – but it is an area we're bringing together countries but also the convening power of the G20 to bring together institutions is very powerful. And I remember in the infrastructure area, we were learning from, you know, the

G7 wasn't doing particularly well on infrastructure, so it was an area where there was some common. So I do think that that value added is very important and often under-recognized because everybody thinks what did the summit produce, but actually a lot of what is produced is exactly in the way that you described it. And I think, as you also said, and I just want to see it as a big takeaway, that at this moment, the focus on Africa could not be more timely, for various reasons. So but I do think that's a very important takeaway, that this actually turns out to be a real opportunity. And I also think that growth in Africa can drive, in some sense, growth in the world. So it's really, really welcome that you're doing that. So quickly now switching to the future and I just want to check the time, we have 15 minutes for the segment. So, you know, we are in a difficult position, not just because of the headlines, but because of underlying fundamentals. You know, global economy is not in a great place. Emerging markets and developing countries that have been the engines of growth are slowing down quite significantly. Low-income countries' prospects are very bleak right now. And we are facing headwinds in many multiple ways at this point in time. So the role of the G20 is at one level to kind of hold the ship together, but at another level also to strike for breakthroughs that can really get us out of this. And as your minister has correctly said, and I'm a real believer in it, we have to get investment going. And I really think that's a very important moment in time right now. So, but also in order to do that, how do we get the politics right? So I'm going to go in the same order and just, you know, two, three minutes each. What do you see as, you, know, the agenda ahead and what would it take to get, you know, hold the ship together? What would it take to get a breakthrough?

ATKINSON: So three points, I think. The first is that the multi-layer, the fact that there is a lot of coordination amongst people who are working in policy in different countries I think is a real value of the G20. And it doesn't maybe look that sexy or exciting, but it's part of what knits together countries with cooperation. The second thing is, yes, investment, I mean, we see in the United States, but also in Europe now, there is a big push on investment, a lot to do with defense, but still, that's an important change in the attitudes of Germany and then the EU. And I think that that may be, sadly, there is also a pullback from aid and interest in development, so getting people interested in and seeing the advantages and the opportunities from Africa is very valuable. But my third point is, and I don't want to be, what is it, the skunk at the picnic, there is, we're in an extremely difficult. I know you've talked about challenges, but the U.S. essentially walking away from international cooperation really, in my view, weakens the G20. I know when I was sherpa, especially, there was always a big effort within the White House, led by the White House, but other – there was a lot of energy and effort put into working, and maybe the communiqués were too long, but on trying to get agreements on critical issues. And there also was a development of trust. I was just saying earlier that at the time in 2015, I remember that the South African sherpa who was, he and I started off with a certain amount of distrust, certainly on his part about what we were, what we the Americans were trying to do on climate. But we developed a good relationship and I think, and of course President Obama was helpful in that. So I think that it's really concerning what is happening in the U.S., and I say that as an American who is shocked by the news. So I don't, and the fact that the U.S. is supposed to be hosting the G20 next year, I don't know what that will mean. So, uh, it does, maybe the challenge is like the challenge on trade when Japan picked up the TPP when in the first Trump administration he walked back. And maybe the other countries can pull together, especially on cooperation, openness, as Paola said, the trade, avoiding protectionism was very important. But I don't think we should understate the political challenge. I think globalization goes on. Cooperation needs to go on, but it may be sadly, from my point of view, going around the U.S. in some way now rather than relying on the U.S. to be a supportive partner.

BHATTACHARYA: Thank you. Colin, if I could ask you to think a little bit about the recommendations in your paper, I mean, what you are recommending and also listening to what the governor said, I mean and particularly at a moment like this.

BRADFORD: Well, thank you, Amar. Such a small room, I'm not used to needing a microphone in a classroom, basically. No, thank you very much. I think what's at stake fundamentally now is whether or not the whole international community can hold itself together as a single international community and not bifurcate as though it was the threat. Less than a year ago, with China and the U.S. having a competitive relationship and now because of the shifts that have happened in the U.S. and its spillover effects on the global economy. So I think the thing to trust in basically is the fact that the G20 embodies difference. The people that you want to be in the room with are those that you most disagree with. And that's the way the G20 has made its mark, it seems to me, is that the differences are vast and deep and broad at the same time. And yet, it's proven over and over again over a number of years that it can, people can stay in the room, they can state their differences and have their differences, and still results come out at the end of the day. Building up, Coul, Coulibaly has used the term, and I think the governor used it as well, of social capital. In the end, what is built up over this time is vast networks of relationships among officials and people from civil society and business and other parts of society, of trust, of knowing each other. You described how you didn't have phone number of the Indonesian, it's a very vivid example of what now is the case where you have deep connections across a broad range of disciplines, professions, and political divides. So I really think this is the thing to hold onto, and the thing actually to insist on is that we be able to disagree, but that all the more compels us to go in the room. Even if you're the one, this may be the case for the United States, that is being disagreed with, is to go in the room and face the music and play your music and see what kind of result accrues.

BHATTACHARYA: Thank you, Colin. So, Paula, what is the European sense at this moment when it looks at the G20 and the world right now? I mean, how would it see the role of the G20 at this point in time?

SUBACCHI: Well, as you know, Amar, it's very difficult to give you a European view because who do you call in Europe? And the views are very, there are different approaches and we know very well there are countries including my own country, one of my own country, that has a view of more conciliatory and discussion. It's also the Europeans are facing different impact in terms of trade. So there are countries that are much more, they are going to be very much affected by tariffs more than others and that really creates a sort of differences. But let me go back to the sense of the G20. So the G20 is not just another forum then talk about the world economy. It's a forum of coordination on the delivery of public goods. And public goods, we know there are financial stability and that's where we started in 2008, but it's also climate, is cross-border infrastructure. The – and trade – but also global health. So we have these things, is delivering the public good. And the G20 should be more than the sum of the parts in delivering these public goods and coordinating this delivery. Now, the risk I see ahead is that we are still very integrated. The world economy is incredibly integrated. And we are now fragmenting - the fragmentation is getting deeper. So the problem would be to keep on track an economy that's integrated but also fragmented. And that is a huge challenge. And the risk is that we end up on different tracks. So how we reconcile that, in particular, as Caroline said, the United States now is not engaged in this policy cooperation. And again, if you think about my 85% of the world economy, the United States is 23% of that world economy so it is a big country. Now there are many solutions and many ideas on the plate. I think the most

important thing is to try to mend trust among leaders and luckily we got this process that is up and running and probably the fact then you know the sherpas and everybody working behind the scene, behind the, what Colin said, the top of the iceberg, below the top of the iceberg, they know each other and they seem to work well with each other. So that is a good sort of way forward. I think way forward is we need to, as the governor said, we need to be very focused because this is a moment of crisis and we need understand what we want to achieve. And particularly on the table there are imbalances. And the other thing which worries me a lot is the international financial safety net, which is managed by the G20.

BHATTACHARYA: Thank you, Paula. So Duncan, we heard all the kind of challenges you are facing at this moment, but you also described that there are two things, I think, that you mentioned that I think are quite powerful. One is that we have to build on the social capital you have. And you have built, I mean, the discussions you had already this year, you have very, very good engagement with your deputies. The sherpa has very good engagement with fellow sherpas. It's not like we are starting from scratch. There's already very good social capital to build on. There are very many processes. Those can be confidence engendering. I mean, I think that's an important point you made. But if I asked you, so what would your aspiration be at the end this year. I mean, how would you see, define success?

PIETERSE: So I think it's worth just emphasizing two parts of why the G20 matters, and I think Colin spoke about it, it's something worth hanging on to. And I think the first part of it is that, and we've said this before, it does remain the premier forum for international economic cooperation. And its value lies in bringing diverse countries together to listen to each other and to coordinate on difficult policy matters and to hear each other, and then to publicly signal the outcomes of those discussions. And there's a real strength in the ability to bring diverse views together. And now you have the African Union as a member of the G20, adding yet another layer of diversity. I think the second element is around the fact that the G20 is by definition a consensus-driven organization. Now that means that in times such as now, the discussions can be difficult, but it does mean that there has to be a genuine willingness to listen to each other and to drive particular kinds of agreements that can only be reached via consensus. And that is often what brings, in particular, during uncertainty, which we are experiencing particular uncertainty at the moment, that can have its own value. So when for example, the finance ministers and central bank governors meet this week to talk about the global economy, it will be the first opportunity that many of them will have had in some time to hear each other and to express their positions, their concerns and their fears, and then for the G20 to leverage that as an opportunity to build consensus going forward. Um, I think there are two other elements that we are – that in terms of the future of the G20, that's important to us. I think the one is we are, and the U.S. is as well, interested in – and the governor spoke about this earlier – interested in reviewing how the G20 works. How do we make the processes more agile and nimble? How do we make the communiqués more impactful? How do we make the discussions a lot more structured, engaging, and accessible? And I think it's a challenge that all G20 presidencies will have going forward. And it's something we all have to have to grapple with, and I know the U.S. is interested in that. And I certainly indicated their willingness to be a constructive partner this year and to take the G20 forward next year, which I think is quite important. I think the second part is in strengthening the G20's global relevance. It has to ensure that it focuses on issues that are beyond relevance for those countries, those members only, but bringing in perspectives that benefit, for example, the Global South, benefit developing countries so that that enhances its credibility and its value over

and that's certainly something that we are going to try to push this year in a way that can remain institutionalized and sustainable beyond our presidency.

BHATTACHARYA: Thank you Duncan, so we have now about 20 minutes for Q and As, so I think there's a mic, so if you raise your hands I can call on you and you know get a round of questions. I see one hand there, others can come in.

AUDIENCE QUESTION: Good morning. My name is Olivier Pognon. I'm with the African Legal Support Facility. The question is for Mr. Colin. Referring to that sort of relay race that you mentioned, I'm wondering how the South Africa G20 presidency, how decisive it can be in, you know, bringing real input and real impact in issues such as the critical minerals agenda for the African continent or issues like trying to close the energy deficit? With the time that you have on your hands, how decisive can the South Africa presidency and how impactful can it be in driving those agenda from where we stand to where ideally at the end of the South African presidency, those issues should have evolved in terms of the regulatory framework, a common understanding of how we're going to, as a minimum, exploit critical minerals and derive benefit for the population, things like that. So I'm just questioning the potential impact of a G20 presidency within that short period of time.

BHATTACHARYA: I see now two, three more hands, and then we'll collect the questions; four.

AUDIENCE QUESTION: Thank you. My name is Pierre Nguimkeu. I'm the director of the Africa Growth Initiative here at Brookings. My question is a little bit like a follow-up from Olivier's question on energy and resources in Africa. So as African countries push both their energy security and industrialization, how can the G20 support a just energy transition? That respects Africa's right to use its natural resources while building resilient future-oriented energy systems.

BHATTACHARYA: The lady in the back there.

AUDIENCE QUESTION: Thank you so much. Nidhara Yusef from the Stinson Center. Just a quick question. So in addition to the summit and all of the ministerial meetings, there is also the huge supporting architecture of the T20, C20, and all of the various supporting groups. Kind of addressing the elephant in the room here, there's unpredictable consequences around U.S. hosting the presidency for the G20. How could this kind of supporting architecture both prepare for it and strategize around it? Speaking as I think there are many think tanks in the room right now who are actually kind of thinking about how they plan for those processes.

BHATTACHARYA: Thank you, gentleman here and then the gentleman there.

AUDIENCE QUESTION: Yes, good morning. My name is Greg Johnson from the Bretton Woods Committee and NYU. I was just wondering if you have the moment to touch on whether or not some of this future of finance work streams that we're hearing so much about is finding its way into the G20 dialogue. I speak to some of the breakthroughs last year from the BIS Innovation Hub with Project mBridge, its rise and demise, and so on and so forth, but I'm just curious to see how those new novel issues are finding their way into G20 discussion, if at all. Thank you.

AUDIENCE QUESTION: Thank you. My name is Michael Jordan. I'm here in an individual capacity, but I'm formerly with Power Africa at USAID. My question relates to the interplay

between G7 and G20 priorities. The Italians last year put forward the Mattei Plan to help stimulate economic development through infrastructure investment, particularly in energy, which is a key input to the critical minerals that my friend Olivier here raised earlier. Is there an interplay? The Italians just launched a \$420 million facility with the African Development Bank to sort of support those efforts. So I'm wondering if there's any interaction between the two bodies in that regard.

BHATTACHARYA: Thank you, and the last question, lady in the back.

AUDIENCE QUESTION: Hi, thank you. I'm Camille Schrammeck. I work at Bellwethers Group as head of communications. My question is regarding the differences between the needs of the international community and national needs, particularly on the African continent. You know, the need for energy access and reliability of supply is very important, and there's still the longstanding challenge that energy transition is at odds with development aims. At least that's view of most of the world, and despite technological and real economy progress, policy frames cannot be reconciled between the two. And just wondering your thoughts on how to reconcile this and how this plays into the South African context, specifically ahead of the election you have four years from now as well.

BHATTACHARYA: Thank you for those questions. I should add that we also got some online questions and most of them pertain right now to the disturbances emanating on the trade front, as you can imagine, and how the G20 might deal with that, and also the impacts that the G20 has on other countries. So those were the two themes of those questions. So Duncan, as you heard, most of the questions are for you, because people are very interested in how South Africa will respond, and then we can go through the panel and pick up some of the other threads. So, begin with you, Duncan.

PIETERSE: Happy to start. I thought there was one for Colin at the beginning, but it turned out it was actually for me.

BHATTACHARYA: Yes. After I heard it, after I listened to it, I thought it was for you.

PIETERSE: Yes, no, absolutely. So let me try and touch on as many as I can, and if I've skipped anything, Amar, you'll just let me know. And let me start with the questions around Africa, its energy security, critical minerals, those value chains and infrastructure and so on. In terms of the first question, for our presidency, the critical minerals agenda has been a key focus area for us. We had a very important side event in February on this. It's a very part of the work that's happening on the sherpa track, not so much on the finance track. And obviously, to link it somewhat to the last question, it's one of those areas where there's an overlap between the national interest and the broader G20 interest. And I think the nature of the G20 is such that success does not depend on you inserting too many issues into the G20 agenda that are solely in your national interest. You have to identify those areas where there is sufficient overlap between your national interest and the broader global agenda, because that also helps with the permanency of the impact they have. So that certainly is a focus area. But I would say there are two points that are important here. The one is that for South Africa and for Africa and for the developing world in general to be successful, the emphasis on resolving some of the underlying growth and development challenges is going to be quite important because your ability to harness critical minerals in your long-term interests depend on you making the right investment and governance and policy decisions over the long run, which is why, in our view, this, the workaround, the constraints to growth and development in Africa and how one unlocks that, I think is quite important. Because if you don't deal with those underlying dynamics,

you're, in my view, going to be unable to leverage critical minerals in this instance to successfully in your long-term interest. So that's the one part. The second part is that your success in the G20 very much depends on your ability to influence the agenda beyond your presidency, to the point that I think the second person asked because the time you have is so short and by the time I think, I think Lesetja made this point earlier as well, by the time everyone gets to grips with everything, it's time to hand it over. And so, one of the things that I think every country that has the presidency spends a lot of time thinking about is how do we inform the agenda beyond our presidency and how do we institutionalize our interests in the work not only of the G20 but in the work of the institutions that support the G20 like the World Bank and the IMF and the OECD and so on. And so I think, bringing it back to the Africa discussion, I think for for us, what we are grappling with and what we've asked the G20 Africa panel under the leadership of Trevor Manuel to grapple with is, how do we institutionalize some of the issues insofar as they relate to Africa, the Global South and the developing world in the G20 beyond the South African presidency, because that's really the measure of one measure of success. If you look at our chairman's summary that we released after the meetings in Cape Town, you'll see that the iceberg part of what Colin was talking about, there is so much excellent technical work that happens in the working groups that is of value to everyone, individual countries to South Africa, to other countries, to international institutions, and that work will be delivered and it will hopefully find its way into policy discussions in countries and so on. So there is always that sort of immediate delivery as part of a country's agenda. But I think the real test is how you strike a balance between the national and the G20 interest in a way that is persistent beyond your presidency and institutionalized beyond your presidency so that the benefits remain. I tried to cover sort of a few different questions. Okay, good. So let me leave it there. You'll tell me if there's anything.

SUBACCHI: I will pick a few of these questions, particularly the one about civil society, T20, think tank 20 and the C20, the role of the supporting groups for the G20. This really is an interesting question. We spend a lot of time discussing whether or not this is a useful exercise, you know, is how we can make it more relevant. But I think at the end of the day, there are two issues here. One is capacity building in many countries about the, again, dialogue and policy debate. And that is very, very important. And it's very important to pursue this debate around international, as I said, around public goods. So again, not so much about the domestic policy, but around issues that are international. The other thing is, in particular, I think about the C20, it's very important at this particular moment to really promote the value of dialogue and the value multilateralism. Let's say why multilateral is important, why is not just our interest as a country but the interest of everybody. So in particular on issues that cannot be solved by just domestic policy. I'm thinking, for example, about climate. This really is an important and invaluable contribution for the C20, so it's just the dialogue with the leaders and the G20 process, but also bringing, and that is what is difficult, bringing this dialogue into the open society, so its not just staying between those NGOs and the leaders or the policy makers. But really also going down to the basic constituency. I can see that the level of debt, it's very important also to discuss; the lending and what we call responsible lending at the civil society level, but that can be applied everywhere. And briefly on the question about the Mattei Plan, I think there is a need for a broad discussion about I would say development models and thinking about international development, I mean, partly because what we see now with USAID and, but just again, rethinking, for example, the role of China, how China is moving into the development space and why that's important and how we can engage with that, how we criticize that model, what in particular Europe can do. It's a whole field of policy discussion that needs to be sort of strengthened in a strong way because we know about it, but I think in terms of policies we are a bit behind here and so it's an area that needs more work to be done.

BHATTACHARYA: Thank you, Paola. Colin?

BRADFORD: Yes, I'd like to follow up Paola on addressing the civil society question. I think, be careful. Don't assume the worst, I would say, first off. Assume, we just had very encouraging news, actually, from our South African colleagues about how the full participation of all 20 members is going forward, and let's go with that and run with that. If anything, I'd say intensify. But also I would caution, I've been a long-time participant in the T20. The T20 now produces too many policy briefs. It's overload. You can't possibly sort it out. And I think picking up on what the governor said, I think there really is a need for focus. And the engagement groups need to do that, too. And be careful not to become lobbies for your agenda and for the complexity of it and to loop, throw, you know, balls onto the stage, so speak for the officials to pick up and when there are too many balls to pick up, nothing's going to get picked up. And it's an overload situation. So I think there's some burden on us outside the official channels to focus, as well as encouraging focus inside the official channels. One of the things that's concerned me all along, Duncan, I don't know whether this is helpful or not, but is for governments to really seek professional help. I mean, there are consulting firms around who can tell you about how to communicate. And I think summits have had a real problem of having either too much to say or too little to say. And so the summits happened and other events in the world have, I can give you some examples, but won't, of where, you know, events that have nothing to do with the summits occur and the leaders comment on them while they're there and it completely overrides what you were trying to convey. So I think getting, you know spending, these are expensive summits, to spend a small sum on getting a consulting firm or two to say how can you manage this communications problem and convey something to the world about purpose, values, and results, but so that they can see the evidence of leaders working together and achieving something that they couldn't achieve by themselves. And I think, I don't think this is an easy thing to do. If I always, you know, you can imagine, even for a consultant in communications, might find this a challenging thing. It's not an easy thing to fix, but I think bringing some professional focus on it could be a good thing, and I think. You know, choosing, Paola and I were discussing, you know, in the T20 is, have the next presidency, it's too late for you now probably, but is choose a set of think tanks or people that you want advice from when you start out and get them to tell you how to thin down the agenda, how to get clear about what your focus is and how to deliver on. I think those are some helpful things. Could had the idea of extending the troika another year into the future as a way of using the troika as more than just a relay. That's a wonderful symbol, by the way, in a relay race and track. Rather than it just being a handoff is to sort of keep the group of four, in this case, together and try to really intensify the degree to which you can keep the vision, articulate the vision and keep the vision going, I think is another recommendation that one would make.

BHATTACHARYA: Thank you, Colin. Caroline?

ATKINSON: Thanks, well, I think there are lots of great ideas from Colin and Paola. I was going to say from the point of view of being inside and what can influence you, I pick up on don't just think -- for the NGOs, I'm addressing that question -- don't just think of advocacy because advocacy can get very narrow and it's more important to think about some of the analysis, which is more of the T20, there are a lot of big questions in the world now. Maybe thinking and consulting even with at least the current, and I quite like the idea of going forward, that would take you to the UK, getting some idea of what are the issues that the governments are wrestling with? I think we know what the big issues now are that governments around the world are wrestling with, obviously there are development issues

and a number of you raised the question of critical minerals and so on. And that's also partly subsumed within geopolitical competition, and I think, and this question of is the world fragmenting and what will fragmentation bring to the different countries of the G20. So that's what I would say about the civil society. On the national, international, somebody raised the question, I mean, there are always going to be any host who is spending a lot of money, doing a lot of organizing is going to focus a lot on national interests. But of course it's more compelling if those are nestled in international questions. But I think it's kind of fine if they're in this relay race, there are different focus, the focus shifts a bit. That's part of the point of having this broad group and hearing from you know, letting Brazil drive the agenda, letting South Africa drive the agenda, then letting the UK drive the agenda. That's, I think that can bring some richness.

BHATTACHARYA: Yeah, and some adaptiveness to the agenda, exactly. So, no, I do think that, as we heard very eloquently from Duncan, you know, there is a kind of a legacy and a continuity, and then there is innovation and change, and balancing that and marrying it is an art. But I do you think, you know, if you look at the G20s, I mean, what is very interesting is, And there were three big issues put down in 2008, if you remember. One is, we have to have a macro framework for growth, and the framework group has continued to do that over the years. Second big issue, there was need for regulation and improving the financial system, and that again has remained through the years, and the third is we have to fix the governance of the international institutions. That has gone up and down, I would say less progress in that area. But then we have had this overlay of issues that have come. And if you look at it overall, yes, I mean, as the governor said, we have to focus the agenda, but we have not really kind of, I will say, not been able to respond. So this will be a challenging year, but I wanted to end very much with Colin said, this is the structure that is best placed to respond And we should in some sense all come in and support you, Duncan, and your sherpa, Zain, and everybody else, and the minister and your president. So at least I hope in this audience and in all the engagement groups, we will be there challenging, but also supporting you to the fullest. So with that, I just want to close, and I want to end with a big thank you to a really, really excellent panel.