



GLOBAL INSIGHT

INSTITUTE FOR GLOBAL DIALOGUE

Issue 132/September 2018

a focus on current issues

Argentina's G20 presidency: implications for the G20-Africa partnership

Faith Maberera

Introduction

Argentina's hosting of the G20 summit in 2018 presents a significant opportunity for it to represent the needs and expectations of Latin America and the Caribbean (LAC) as a whole, as well as advancing a cohesive regional strategy of the Latin American bloc within the G20 (Argentina, Brazil, and Mexico). Historically, Latin American regional priorities have often been marginalised in G20 debates as a result of the failure of the Latin American bloc to present a well-articulated, cohesive position on key issues on the G20 agenda. A focus on the social and environmental dimension are reflective of a shared Latin America agenda, which extends to the needs and expectations of the Global South more broadly. For instance, in the aftermath of the 2008 global financial crisis, Brazil and Argentina have used the G20 platform to push for enhancement of basic financial regulations, an emphasis on public policies of inclusion in light of growing inequality globally, employment policies, fair commercialization of raw materials and investment in housing, education and health.¹

This policy brief seeks to situate Argentina's G20 presidency in the context of Latin America and the Caribbean, and specifically its relations with the African continent. How will Argentina's presidency frame Latin American and the Caribbean-African relations in the context of the G20 partnership with Africa? How can African stakeholders utilise Argentinian priorities to achieve their own development priorities?

Ms. Faith Maberera is a Senior Researcher at the Institute for Global Dialogue (IGD) associated with UNISA

Global Insight aims to provide members of the policy community with concise but trenchant analyses of topical issues. Comments and suggestions are invited

Building on its own domestic reform agenda under the Macri administration since 2015, Argentina sees the G20 as an opportunity to advance its foreign policy goals, emphasizing the importance of the Latin American region and signalling a break from the era of isolationism in its history by embracing dialogue, openness and multilateral cooperation.

Priorities of Argentina's G20 presidency

Under the theme of *Building Consensus for Fair and Sustainable Development*, Argentina seeks to prioritise the needs of the developing LAC region, which is open for new opportunities.² At the centre of Argentina's G20 presidency will be a focus on the future of work, infrastructure for development, and a sustainable food future. Argentina seeks to position its presidency as a 'southern point of view' with a focus on inclusive, people-centred growth and sustainable development, in close alignment with the 2030 Sustainable Development Agenda. In his address to the 2018 World Economic Forum, President Mauricio Macri reiterated Argentina's commitment to 'place a development agenda in the centre of the G20'³ and to convey the voice of the South American region. The emphasis on advancing the interests of the global South is also relevant for South-South cooperation as Buenos Aires prepares to host the UN High-Level Conference on South-South Cooperation in 2019, marking 40 years since the adoption of the 1978 Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (BAPA).

As a member of the South American trading bloc, Mercosur, Argentina is also pushing for the finalization of a trade agreement with the EU, seen as a key market for the agricultural exports from the region with crucial opportunities for trade liberalization, increased investments and public procurement.⁴ This speaks to Argentina's commitment to traditional core G20 issues of global financial and macroeconomic governance that are relevant across the global North-South divide. At a time when the discontent with globalization has peaked, coupled with the resurgence of protectionism and political populism across the world, Argentina has the daunting task of delivering consensual outcomes in support of multilateralism and openness. In addition to prioritising the Latin American perspective in the G20, President Macri has also indicated Argentina's interest in aligning the G7 and G20 agendas underpinned by deeper convergence of interests and the interconnectedness of both solutions and problems in the context of global governance.⁵

Argentina's G20 presidency will emphasize continuity in process and policy substance from previous presidencies while turning to innovation in reigning in the broadening G20 agenda to practical, everyday issues like employment, education and health. Transformative technology, including the digitisation of work, is fundamentally shaping the nature of work and production processes worldwide, presenting both opportunities for economic growth on the one hand, and challenges in the form of a digital divide underpinned by exclusion, lack of access and

inequalities on the other. An inclusive digital economy necessitates policy responses aimed at increasing access to both digital technologies and digital skilling in both public and private sectors. Similarly, education in fundamental and adjustment skills is central to preparing people for the digital age.⁶

The second priority for Argentina's presidency is infrastructure development, seen as a key element in sustainable development and a catalyst for economic growth and productivity. In spite of its importance for connectivity in the global economy, there exists a persistent infrastructure financing gap in many developed and developing countries that can be addressed by mobilising private capital for infrastructure investment. Accordingly, Argentina plans to develop infrastructure as an asset class by improving project preparation and improving infrastructure funding instruments. A key priority of the domestic reform under the Macri administration, Argentina has undertaken the most ambitious infrastructure plan in its history, instituting critical changes in regulation and risk mitigation including new laws on public-private partnerships.⁷ Following the first G20 meeting of finance ministers and central bank governors held in Buenos Aires in March 2018, the focused discussion on infrastructure financing yielded the Roadmap to Infrastructure as an Asset Class aimed at promoting the necessary conditions to help develop infrastructure as an asset class.⁸

The third priority theme of the Argentine presidency, a sustainable food future, also builds on previous G20 summits that have addressed food security and nutrition frameworks, good practices in family farming and increasing agricultural productivity. To this evolving G20 approach to food security, Argentina has indicated its focus on sustainable soil management and soil health and its linkages to the broader discourse on climate action and clean energy. Noting the links between food security, trade, and climate change, Argentina will promote international coordination in fostering public-private collaboration in investing on sustainable food systems and soil management.⁹ In this vein, Argentina was the first country to submit a revised national climate action plan in October 2015, introducing policies such as the 'Biofuels Law' and the new 'Renewable Energy Law' in efforts to revise its nationally determined contribution (NDC) since ratifying the Paris Agreement.¹⁰

Overall, the priorities identified illustrate Argentina's intention to utilise its presidency as a conduit for LAC and Global South perspectives in the G20, and to enhance the voices and agency of the region in the G20 and beyond. The outreach strategy conducted by Argentine G20 Sherpa Pedro Villagra Delgado has seen consultations with a wide range of stakeholders including civil society, think tanks, and regional organisations.¹¹ Argentina's transformational agenda also reflects its quest to abandon ideological policies in favour of practical, everyday issues that resonate with citizens in both developed and developing

countries. Argentina plans to rein in the broadening G20 agenda, and to produce a concise, comprehensible communiqué that will be relatable to the ordinary citizen.¹²

G20 partnership with Africa

An analysis of the G20 agenda with reference to Africa reveals that the region has been a priority across presidencies, although partnership with Africa has been the subject of individual initiatives such as the G20 Energy Access Action Plan in sub-Saharan Africa (Antalya Summit), Support for Industrialisation (Hangzhou Summit), and the G20 Africa Partnership (Hamburg Summit).¹³ The rotating chair of the AU and a representative of NEPAD participate in G20 summits as observers; in addition to involvement of the AU Commission and NEPAD agency in consultations of the G20 work streams. The African Development Bank (AfDB) and the UN Economic Commission for Africa (UNECA) have also contributed to G20 initiatives by adding to the research and recommendations on the various initiatives bearing on African priorities.

The G20 core agenda and development agenda contain several issues that dovetail African interests and priorities such as infrastructure, food security, financial inclusion and knowledge sharing. As the sole African member of the G20 and a pivotal participant in the G20 Africa Advisory Group and the Development Working Group (DWG), South Africa's priorities reflect relevant issues for Africa. These include tax and domestic resource mobilisation, sustainable development financing, reform of international financial institutions and anti-microbial resistance. South Africa has been at the forefront in efforts to curb illicit financial flows (IFFs) calling for the study of trade mispricing and under-invoicing by the World Custom Organisation.¹⁴ Through the work of the DWG, the G20 has incorporated the sustainable development goals (SDGs) into its work programme, adopting the Action Plan on the 2030 Agenda for Sustainable Development during the 2016 Hangzhou summit and renewing its commitment to the Addis Ababa Action Agenda on Financing for Development at the 2017 Hamburg summit.¹⁵

It will remain to be seen whether Argentina will broaden the Compact with Africa (CwA) to encompass Latin America. Building on macro-economic, business and financing frameworks, the CwA entails a focused approach to country-specific compacts aimed at coordinating investment programmes, promoting investor-friendly domestic resource mobilization, providing risk insurance and fostering long-term public-private partnerships. The CwA, which operates on a voluntary basis, currently has 10 African countries, which have committed to improve their framework conditions for private investment, including infrastructure.¹⁶

The focus of the CwA on infrastructure financing also aligns with the AU Agenda 2063 and its Programme for Infrastructure Development in Africa (PIDA). NEPAD has launched its 5% Agenda aimed at increasing investment allocations by African asset owners into African infrastructure from a low base of 1.5% of assets under management to an impactful 5%. NEPAD views the 5% Agenda as a 'game changer' in addressing the infrastructure financing gap and in unlocking additional flows from institutional investors. Drawing on the prioritisation of infrastructure development under the Argentine presidency, NEPAD will introduce the 5% Agenda to the G20 urging members to view Africa's infrastructure as an asset class as well as campaigning for the establishment of an African Guarantee Facility for investors of PIDA.¹⁷

Going forward, the sustainability of the G20-Africa partnership means not only incorporating African voices and perspectives in G20 work streams, but in matching G20 initiatives with the realities and needs of African citizens. For instance, evidence-based policy research shows African priorities include generation of employment, improved education and public health and increased attention to food security,¹⁸ broadly reflective of the priorities of Argentina's presidency. Argentina's presidency further provides the opportunity for Argentina to sustain the momentum of the G20-Africa Partnership, particularly as it relates to the implementation of the Compact with Africa and the potential to further the Latin American-Africa partnership in interregional forums beyond the G20 such as the Africa- South America summit.

In spite of the challenging geopolitical context, Argentina's optimism lies in its economic recovery path and incentive and political will to dedicate itself to brokering a nuanced outcome for the G20 cycle in 2018. The focus on infrastructure, future of work and food security as key priorities of its presidency resonate with the exigencies of citizens in the Global South, in addition to the core policies of the G20 that are relevant for both the global North and South.

Policy recommendations

1. In line with the momentum underway for the institutional reform of the AU, including the Global Review on Africa's Strategic Partnerships, the G20-Africa partnership should be restructured along the lines of the defunct Africa Partnership Forum (APF).¹⁹ The African side would follow the Banjul format²⁰ whereas the G20 side would include G20 member states. The re-established AFP would allow for a broad strategic approach, linking African and global agendas, spanning issues relevant for both global governance and economic cooperation.
2. African stakeholders should aim to maximize the attendance of NEPAD and AU as observers in G20 summits. Ideally, the core engagement in the G20-Africa partnership

should be premised on the AU Commission, which is leading the processes for advancing continental development priorities and policy frameworks.²¹

3. As NEPAD transforms into the AU Development Agency²², the focus should be on strengthening implementation capacity, specifically the monitoring and evaluation of Agenda 2063 First-Ten-Year-Implementation-Plan. Working with the UN Economic Commission for Africa (UNECA), the African Development Bank (AfDB) and other strategic partners, the Agency will be able to enhance vertical and horizontal coherence in aligning Africa's development priorities with the priorities of external partners such as the G20.

4. Building on initiatives from other presidencies, Argentina should ensure rationalisation and alignment with policy areas that dovetail its priorities. For instance, with reference to the CwA, Argentina's presidency should add value to already existing initiatives on infrastructure financing and look to bolster the CwA by incorporating Latin American perspectives into presenting infrastructure as an asset class and unlocking additional flows from long-term institutional investors including insurers, pension funds, and sovereign wealth funds.

5. The shared historical and political experiences, as well as development priorities, between Africa and Latin America highlight the need for constructive dialogue beyond the G20. As a champion for Latin America and the global South, Argentina could also utilise its G20 presidency to push for rejuvenated interregional cooperation in forums such as the Africa- South America Summit and MERCOSUR-SADC. Such interaction has significant implications for South-South cooperation and the potential of interregional relations in tackling common challenges.

Reference List

1. Kiron, J. 2017. 'Argentina's Agenda for G20 2018,' 4 June 2017, *G20 Information Centre*, Munk School of Global Affairs, available at <http://www.g7g20.utoronto.ca/comment/170604-kirton.html> accessed 3 February 2018
2. Argentina, 2017. Overview Of Argentina's G20 Presidency 2018 *Building Consensus For Fair and Sustainable Development*, available at <https://g20.argentina.gob.ar/en/overview-argentinas-g20-presidency-2018> accessed 3 February 2018
3. Macri, M. 2018. 'Macri in Davos: Through the G20 we are striving to build a shared future of fair and sustainable development,' 25 January 2018, available at <https://www.g20.org/en/press/press-kit/press-releases/macri-davos-through-g20-we-are-striving-build-shared-future-fair-and> accessed 15 February 2018
4. Valente, L. 2018. 'Argentina and Brazil push for a Mercosur agreement with the EU,' *Global Risk Insights*, 30 January 2018, available at <https://globalriskinsights.com/2018/01/argentina-brazil-push-mercosur-agreement/> accessed 15 February 2018
5. Shaw, S. 2017. 'Championing Latin America in the G20,' *G20 Information Centre*, Munk School of Global Affairs, available at <http://www.g7g20.utoronto.ca/comment/171103-shaw.html> accessed 1 March 2018
6. Argentina, 2017. *Building Consensus For Fair and Sustainable Development*,
7. Macchi, C. and Yokota, J. 2017. 'Are The Pillars of Argentina's Infrastructure Investment Program Sturdy Enough?' *S&P Global Ratings*, April 2017, available at https://www.spratings.com/documents/20184/1634005/CO_IFR_April5_2017_AreThePillarsOfArgentinasInfrastructureInvestmentProgramSturdyEnough/1591499d-7f19-4d5e-a007-76415a8234c5 accessed 1 March 2018
8. Argentina, 2018. Communiqué: Finance Ministers & Central Bank Governors 19-20 March 2018, Buenos Aires, Argentina, available at <https://g20.org/en/news/communique-first-g20-meeting-finance-ministers-and-central-bank-governors-2018> accessed 25 March 2018
9. Argentina, 2017. *Building Consensus For Fair and Sustainable Development*,
10. UN Framework Convention on Climate Change (UNFCCC). 2015. 'Argentina Submits its Climate Action Plan Ahead of 2015 Paris Agreement,' 2 October 2015, available at <http://newsroom.unfccc.int/unfccc-newsroom/argentina-submits-its-climate-action-plan-ahead-of-2015-paris-agreement/> accessed 22 March 2018
11. Global Economic Governance (GEG) Africa. 2018. Joint Statement of Outcomes: Dialogue with Ambassador Pedro Villagra Delgado, Argentina's Sherpa to the G20. 15 February 2018. Available at <http://www.gegafrika.org/item/648-joint-statement-of-outcomes-on-the-g20-dialogue-forum> accessed 20 February 2017. Accessed 1 March 2018

12. Ortega, A. 2018. 'An Argentine G20: a Latin American agenda that concerns everyone,' *Elcano Royal Institute*. 6 February 2018, available at <https://blog.realinstitutoelcano.org/en/an-argentine-g20-a-latin-american-agenda-that-concerns-everyone/> accessed 4 March 2018
13. Grant Makokera, C. and Tigere, F. 2018. 'Aligning G20 Initiatives with Africa's Priorities,' Global Economic Governance (GEG) Africa Policy Briefing, February 2018, available at <http://www.gegafrika.org/item/646-aligning-g20-initiatives-with-africa-s-priorities> accessed 2 March 2018
14. Grant Makokera, C. and Tigere, F. 2018. 'Aligning G20 Initiatives with Africa's Priorities,'
15. Tigere, F and Grant Makokera, C. 2017. 'The G20's Contribution to Sustainable Development in Africa,' *GEG Africa Discussion Paper*, November 2017, available at <http://www.gegafrika.org/publications/82-the-g20-s-contribution-to-sustainable-development-in-africa> accessed 2 March 2018.
16. G20 Compact with Africa: A Joint AfDB, IMF and WBG Report. 2018. Available at <https://www.compactwithafrica.org/content/compactwithafrica/home.html> accessed 3 March 2018
17. Grey-Johnson, S. 2018. Remarks during a Dialogue with Ambassador Pedro Villagra Delgado, Argentina's Sherpa to the G20. 15 February 2018.
18. Bentley, T., Olapade, M., Wambua, P., & Charron, N. 2015. 'Where to start? Aligning Sustainable Development Goals with citizen priorities. *Afrobarometer Dispatch* No. 67.
19. The Africa Partnership Forum (APF) is a unique intergovernmental arrangement, bringing together twice a year up to sixty senior political representatives of Africa and its main development partners. Established in 2003 in the context of the G8-Africa Partnership and reformed in 2009 the purpose was to catalyse and monitor action, make recommendations to leaders, and impact regional and global processes. see Hayford, P. Kloke-Lesch, A. 2013. *Africa Partnership Forum Evaluation Report: A Forum Puts Itself to the Test*
20. The Banjul format outlines African representation at partnership summits. According to this format the delegation should be made up of the Chairperson of the AU; the Chairperson of the AU in the preceding year; incoming Chairperson of the AU; the Chairperson of the AU Commission: The five initiating countries of NEPAD (Algeria, Egypt, Nigeria, Senegal and South Africa); .the Chair of the Heads of State and Government Orientation Committee HSGOC and the Chairs of the Regional Economic Communities (RECs).
21. See G20 Insights. 2018. 'What Priorities for G20 – Africa Cooperation? Synthesizing T20 Africa Recommendations,' available at http://www.g20-insights.org/policy_briefs/what-priorities-for-g20-africa-cooperation-synthesizing-t20-africa-recommendations/ accessed 29 August 2018
22. See Peace and Security Report. 2018. 'PSC Interview: 'Expect a more robust NEPAD Agency,' 24th May 2018, available at <https://issafrica.org/pscreport/addis-insights/psc-interview-expect-a-more-robust-nepad-agency> accessed 3 June 2018.

Acknowledgements

The Institute for Global Dialogue associated with UNISA would like to thank the Friedrich-Ebert Stiftung (FES) for its generous support to publish this Global Insight.





The IGD is an independent foreign policy think tank dedicated to the analysis of and dialogue on the evolving international political and economic environment, and the role of Africa and South Africa. It advances a balanced, relevant and policy-oriented analysis, debate and documentation of South Africa's role in international relations and diplomacy.

The IGD strives for a prosperous and peaceful Africa in a progressive global order through cutting edge policy research and analysis, catalytic dialogue and stakeholder interface on global dynamics that have an impact on South Africa and Africa.

3rd Floor Robert Sobukwe Building
263 Nana Sita Street
Pretoria South Africa

PO Box 14349
The Tramshed,
0126
Pretoria South Africa

+27123376082
+27862129442
info@igd.org.za
www.igd.org.za

All rights reserved. The material in this publication may not be reproduced, stored or transmitted without the prior permission of the copyright holder. Short extracts may be quoted, provided the source is acknowledged.