

High-Level Roundtable on “Financing for Development and the Debt Crisis in the Global South: Implications and Way Forward”

Institute for Pan African Thought and Conversation (IPATC) at the University of Johannesburg (UJ) and the Institute for Global Dialogue (IGD) in association with UNISA

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Speaker’s Notes of Deputy Minister Alvin Botes

1. Introduction

Let me take this opportunity to thank the organisers of this event; the Institute for Pan African Thought and Conversation (IPATC) at the University of Johannesburg (UJ) and the Institute for Global Dialogue (IGD) in association with UNISA, for convening this high-level roundtable discussion that seeks to critically reflect on the outcomes of the Fourth International Conference on Financing for Development (FfD4) that took place in Seville, Spain from 30 June to 3 July 2025. However, we gather here in Menlyn not merely to reflect on financing for development, but to confront the moral and political urgency of our time. The question before us is stark: Will the Global South be condemned to perpetual debt servitude, or will we summon the courage to restructure a global financial system that works for all humanity?

As **Joseph Stiglitz** has reminded us, “The rules of the game are unfair. They are designed for the advantage of the advanced industrial countries, and they are not serving the needs of developing countries.” This is the heart of our struggle: to shift those rules. **Jeffrey Sachs** has warned that “the international financial system, as it stands, is not delivering for the poorest

countries, nor for the planet. We need bold reforms to avert cascading crises.” **Amartya Sen** has taught us that development is not merely the accumulation of GDP but “the expansion of the freedoms that people enjoy.” Our financing models must therefore liberate people’s capabilities—not restrict them through austerity and dependency. **Ha-Joon Chang** reminds us of history: “Almost all rich countries, including Britain and the United States, became rich through policies that they now advise poor countries not to follow.” Africa must never again be trapped by prescriptions that deny us the very tools that others used to build prosperity. **Mariana Mazzucato** challenges us to reimagine the role of the state—not as a mere fixer of market failures, but as a shaper of markets. As she says, “We must stop socialising risks and privatising rewards.” Our financing for development must be anchored in justice, innovation, and shared prosperity. **President Ramaphosa** said when addressing the G20 Finance Ministers in Cape Town in February this year that “Our second priority is to ensure debt sustainability for developing economies. In recent years, low and middle-income countries have seen their levels of sovereign debt and the cost of servicing that debt rise substantially”. The President continued to say, “The work of the International Financial Architecture Working Group and other working groups will be particularly important in improving the Common Framework for Debt Treatment, accelerating the reform of multilateral development banks, and strengthening capital flows to emerging markets.” He further referenced the work of the African Leaders Debt Relief Initiative in this regard.

It is within this spirit—guided by such wisdom—that we must situate our reflections today

2. Contextual Considerations

South Africa's role as G20 President will therefore continue to build on the FfD4 outcomes in a mutually reinforcing manner in terms of defending multilateralism, securing the resources needed for the achievement of the SDGs and reforming the international financial architecture. The priorities of our G20 Presidency will complement and support the ambitious objectives of FfD4. As we are all aware, South Africa has placed **Solidarity, Equality and Sustainability at the centre of our G20 Presidency**, driven by our conviction that global challenges can only be resolved through cooperation, collaboration and partnership. As part of the priorities of our G20 Presidency, we have been advocating for actions to support low income and developing countries, including through ensuring *debt sustainability and reducing the cost of capital*, just as the Seville Commitment does. These actions should allow for an increase in fiscal space to foster investments in sustainable development. In this regard, we have appointed an African Panel of Experts under the Finance Track of the G20 to work on recommendations to deal with the Impediments to Growth and Development in Africa, including the Cost of Capital. Amongst other focus areas, the Panel will be looking at proposals for relatively simple reforms to international banking regulations that could unlock billions to finance development, as well as how the multilateral development banks can leverage balance sheets and align capital allocations better with priority investments. Another focus area will be looking at using public capital to mobilise additional private investment through various forms of blended and innovative finance.

South Africa's G20 Presidency offers a powerful platform to elevate the voice and priorities of the Global South and enhance its influence in global decision making. The FfD4, together with South Africa's G20 Presidency, must be more than routine milestones in the multilateral calendar. Together, these processes must go beyond lip service and must deliver concrete

policy solutions. For South Africa, this is a unique and historic moment to shift the global paradigm towards a just, inclusive and climate-resilient future-one that acknowledges Africa's right to equitable development, energy sovereignty, and meaningful participation in global value chains. We see a golden thread that runs through the FfD4 conference, to the G20 Summit and the COP30 in Brazil, whereby the opportunity must be utilised to address the need to protect multilateralism, to address the glaring shortfalls in financing required to meet the SDGs and to ensure climate action, and to build strategic partnerships between the Global North and South to meet the common challenges of our time. Now is the time to show that a reformed, inclusive and effective multilateral system can deliver meaningful results for all. The FfD4 outcomes are not an end in itself, rather, it is a means and pathway to dignity, opportunity and sustainability. We have emerged from the Conference with a common resolve to honour our action plan and take bold steps to ensure that no country, no community and no person is left behind. This can only be so, however, if we maintain our pressure for meaningful reform and change, and we seize this moment to renew the political contract for financing sustainable futures and to build a global financial system that truly serves everyone, everywhere.

The world is in a race against time.

Five years from now, we must have achieved the Sustainable Development Goals that are essential for human well-being and progress. We must achieve these goals not merely because we have committed to them to paper, but because the health, welfare and happiness of billions of people depends on the progress we make. The United Nations 2024 Report on the SDGs captures the gravity of the crisis. The Report makes it clear that we must think and act differently. We must move faster and with far greater ambition. Importantly, we must align our

efforts across all available fora and platforms. The lack of the necessary levels of investment in developing countries is the root cause of the sustainable development emergency that we face. Developing countries today face the worst economic outlook and the most unfavourable financing conditions in decades.

The sustainable development crisis can only be resolved through collective action. This is a moment that calls for more multilateralism, not less. In this regard, as I have said, we are extremely pleased that we have collectively negotiated a detailed blueprint, the **Compromiso de Sevilla**, which holds the promise of making significant inroads into the USD 4 trillion sustainable development financing gap to help us get the SDGs back on track. The Seville Commitment contains a host of solutions that, if implemented, could help to reshape the global financial system in support of the Sustainable Development Goals. The Compromiso rightly reflects the urgency of our commitment to take concrete actions to close this gap, by providing and mobilizing additional, innovative, adequate, affordable, predictable, and accessible financing for developing countries.

Although some may argue that FfD4 did not fully meet expectations and did not provide all the solutions needed to cover the funding gaps, we believe that the adoption of this document, along with the action-oriented Seville Platform for Action, sends an important signal to the world that multilateralism can and does deliver, as well as a sorely needed message of hope and solidarity, including that we will keep fast to our solemn pledge to leave no one behind. The Seville Commitment lays out a path to close the financing gaps and is a rallying call to overhaul a system that is failing billions of people and pushing global goals further out of reach. It is important to also recognise that, in the months leading to the adoption of

Seville outcomes document, the Africa Group (representing the African continent) and the Group of 77 (representing the broader Global South), were heavily involved in shaping the FfD4 outcomes document. As many of you would know, many of Africa's proposals are reflected in the final text, including the first ever agreed UN language on critical minerals, advances in the fight against Illicit Financial Flows (IFFs), a commitment to discuss Carbon Border Adjustment Mechanisms (CBAMs) in the relevant multilateral fora, and to reduce the Cost of Capital. Also included in the *Compromiso de Seville is support for Agenda 2063 in terms of the African Development Bank's Special Drawing Rights-based hybrid-capital solution, the African Development Fund, technical and financial assistance for the African Continental Free Trade Area, as well as the creation of new regional financial arrangements to enhance the global financial safety net in Africa, including the African Financing Stability Mechanism.*

We need to use this opportunity, going forward, to muster the political will to translate our commitments into real-world actions that enable African and developing nations to get onto an accelerated development path. Meeting the external financing needs of developing countries will require a surge in affordable financing from our partners. Delivering on ODA and climate finance commitments presents an opportunity for trust to be restored. The current trends in the opposite direction need to be reversed urgently. In this regard, we need to transform the global financial system to make it fit for purpose, including by increasing grant and concessional financing, enhancing multilateral coordination on debt, drawing in the private sector and ensuring equal participation in the decision-making process of the international economic order. We need to do much more to *address illicit financial flows*, as well as the international allocation of taxing rights to curb the haemorrhaging of capital, a paradox which results in Africa struggling to mobilise domestic resources for development when it is in fact a net lender to the

world. If we do not act now, we will invite further crisis and instability, which will be many times more costly to fix, or even risk permanent social and ecological damage. Investing in our common future, in contrast, will make everyone better off and help the world to flourish. In this regard, we should not forget that the biggest step we can take to achieve development is by empowering women and girls and fully utilizing their talents to grow our economies.

4. Qou Vadis – The Way Forward

I would like to pose a challenge on two fronts to yourselves:

Firstly, once our Presidency has concluded we would welcome an engagement with academia, research institutions and key stakeholders in the T20 and other G20 Engagement Groups to analyse in a critical but constructive manner the outcomes of our Presidency – to examine if we succeeded in pushing the G20 agenda forward in an ambitious and progressive manner.

Secondly, we will need to examine the G20 at the conclusion of the first round of Presidencies, and particularly at the end of four successive Presidencies of the South, namely Indonesia, India, Brazil and South Africa. What happens beyond this historic epoch? What do we do next year as a member of the Troika in a new era of leadership of the G20 ? How do we ensure that the G20 continues to provide principled and progressive leadership into the future, particularly in the final push to achieve the SDGs by 2030, and to provide leadership in addressing our common challenges, such as providing the resources required to finance climate action. Our responsibility to improve the lives of our people does not end with the conclusion of our Presidency, and we rely on all of you to partner with us going forward to ensure that the legacy of the first African G20 Presidency is felt for years to come.

5. Conclusion

If we do not act now, we will invite further crisis and instability, which will be many times more costly to fix, or even risk permanent social and ecological damage. Investing in our common future, in contrast, will make everyone better off and help the world to flourish. In this regard, we should not forget that the biggest step we can take to achieve development is by empowering women and girls and fully utilizing their talents to grow our economies. As we close, let us remember: the battle for financing development is not simply about fiscal flows, technical frameworks, or percentages of ODA. It is about human dignity, sovereignty, and survival. Some of greatest economists of (both the classical reformist and heterodox) have given us a clear direction:

- Joseph Stiglitz calls on us to rewrite the rules so they are fair.
- Geoffrey Sachs insists that without bold reforms, cascading crises will deepen.
- Amartya Sen reminds us that development is freedom—and freedom cannot be mortgaged away.
- Ha-Joon Chang urges us to reject the hypocrisy of rich countries and chart our own path.
- Mariana Mazzucato insists we must reimagine the role of the state, making public purpose central to public finance.

This is not only an intellectual imperative. It is a political and moral one. If we fail, Africa and the broader global South will remain shackled to a system designed to keep it on the margins. But if we succeed—if we mobilise debt justice, financing innovation, and true global solidarity—then we will turn the tide for billions of people. The time for half-measures is over. Financing for

development must no longer be a slogan, but a contract of justice between North and South, a covenant to leave no one behind. The future will judge us not by the communiqués we draft, but by the freedoms we expand, the inequalities we dismantle, and the opportunities we deliver. As Amartya Sen reminds us, “The freedom to live long, healthy and creative lives is the true measure of development.”

Let us therefore when we reflect do so with a single, unshakable conviction and clarity of purpose : that Africa, and the Global South more broadly, will no longer beg for fairness, but will demand and deliver it—through multilateral reform, through solidarity, and through the courage to break old chains and build a new global political and financial order step by step and brick by brick.

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