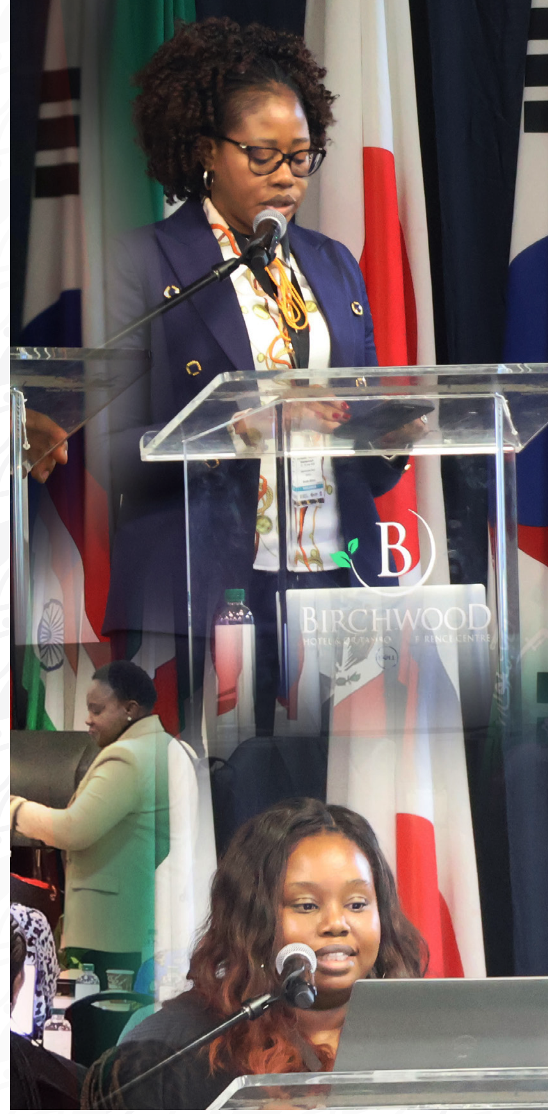


SU20
SOUTH AFRICA 2025

Midterm Engagement Report

FOUNDATION AND ALLIANCES

FINANCE AND INVESTMENT

TRADE AND MARKET ACCESS

INCLUSION AND SUSTAINABILITY

TOWNSHIP AND RURAL ENTREPRENEURSHIP

small business development
Department: Small Business Development
REPUBLIC OF SOUTH AFRICA

science & innovation
Department: Science and Innovation
REPUBLIC OF SOUTH AFRICA

G20 SOUTH AFRICA 2025

GEN 22 ON SLOANE
POWERING THE NEXT GENERATION OF ENTREPRENEURS

The report was prepared by the SU20 Secretariat

Contents

About SU20 4

Executive Summary 5

DAY 1 6

1 · Framing the Mission – Leadership, Vision, and Strategic Intent 7

2 · Minister Stella Tembisa Ndabeni's Opening Address 8

3 · Welcome Remarks and Strategic Priorities, Mission, and Goals of SU20 12

4 · Panel Discussion: Building Coherence in Entrepreneurial Ecosystems 14

5 · Introduction of taskforces and draft recommendations 16

5·1 · Foundations and Alliance 17

5·2 · Finance and Investment 18

5·3 · Trade and Market Access 19

5·4 · Township and Rural Entrepreneurship 20

5·5 · Inclusion and Sustainability 21

6 · SU20 Policy Process and Secretariat Briefing 22

7 · Day 1 Breakout Rooms: Task Forces 23

8 · International Secretariat Meeting Alignment of Engagement Group and Future Planning 24

DAY 2 25

9 · Day 1 Reflections 26

10 · Policy Synergy Mapping 27

11 · Panel Discussion: Grassroots to Global 28

12 · Exploring collaboration areas across taskforces and shared policy frameworks 30

13 · Working Sessions 31

14 · Moving forward: Building the SU20 Legacy 32

15 · Acknowledgements and Gratitude 34

About SU20

The Startup20 (SU20) is a dedicated Engagement Group under the G20, established to recognise and amplify the role of startups in driving inclusive, innovative, and sustainable economic growth. It serves as a formal mechanism to integrate startup ecosystems into the core of global policy dialogue, ensuring that entrepreneurship is not marginal, but central to how we imagine future economies.

Mandate of SU20

SU20 operates with a dual objective:

- Elevate the startup voice into G20 processes through policy, diplomacy, and evidence-based recommendations.
- Foster globally aligned startup ecosystems by addressing common challenges: financing gaps, regulatory uncertainty, market access, and digital inequality.

Startups are no longer fringe actors. They are builders of climate resilience, enablers of digital access, and accelerators of economic participation, particularly in the Global South, where formal institutions are often slow to innovate.

South Africa’s Framing and Innovation in its Chairmanship

“Startup20 recognises that policy without entrepreneurship is incomplete. The group exists to transform this gap into opportunity.”

Under South Africa’s G20 presidency, SU20 took a bold step to contextualise global policy through local realities, particularly:

- Township and rural entrepreneurship as drivers of bottom-up innovation
- Digital transformation in the informal economy
- A strong focus on youth, gender, and grassroots scalability

South Africa introduced the Township and Rural Entrepreneurship Taskforce; a global first, positioning local economic actors not just as beneficiaries of policy, but as co-creators of frameworks that address global inequality, connectivity gaps, and inclusive scale. By doing this, South Africa shifted SU20 from policy recommendation to policy reimagination.

Executive Summary

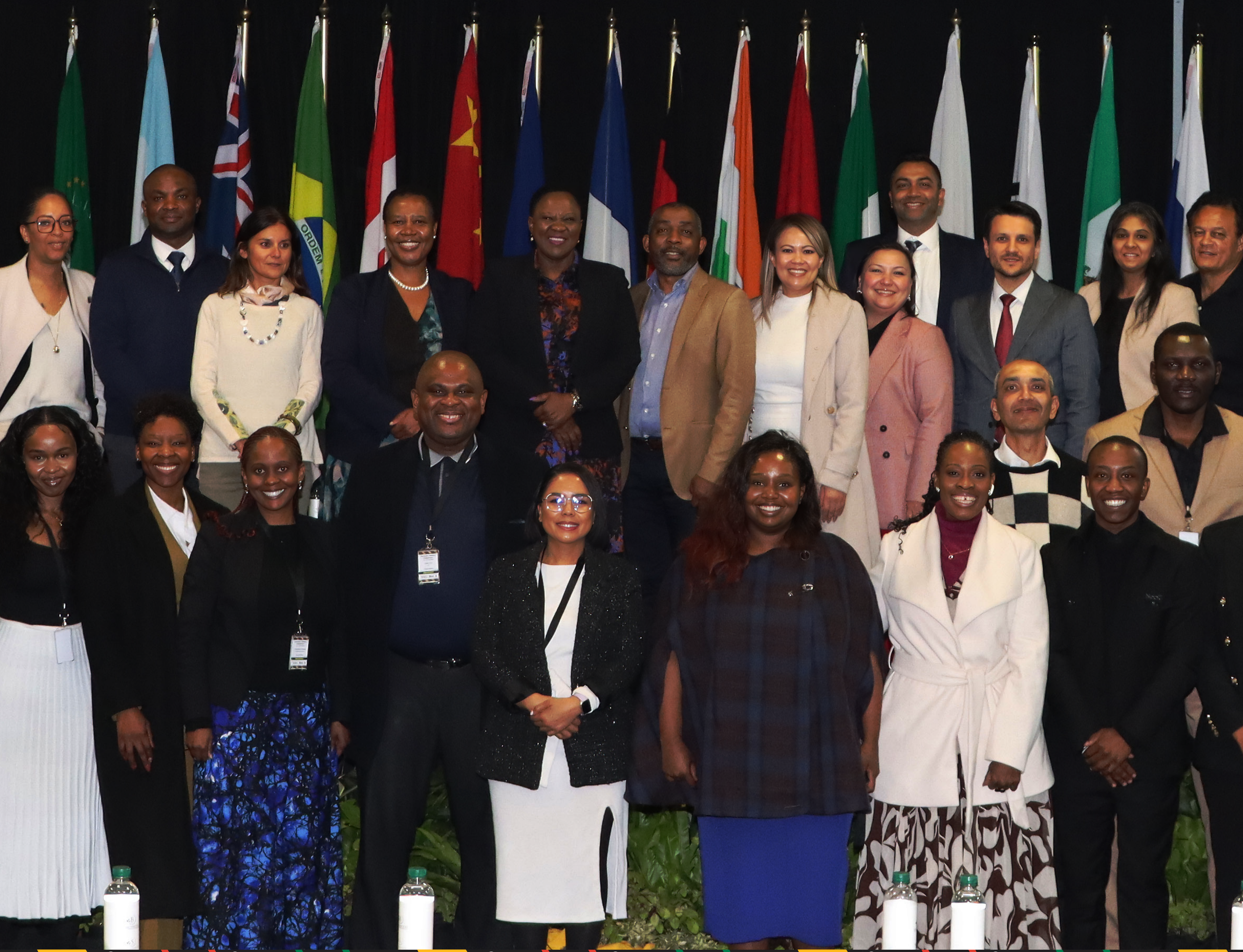
The Startup20 Mid-term Engagement, hosted in Johannesburg, South Africa on 21 – 22 July 2025, marked a defining moment in shaping global startup policy under South Africa's G20 presidency. Held at the Birchwood Hotel and OR Tambo Conference Centre, the convening brought together over 350 delegates, including international policy leaders, taskforce members, government leaders, entrepreneurs, and institutional representatives to align, iterate, and elevate the Startup20 policy agenda.

The Mid-term was not merely a review point but a strategic convergence where stakeholder priorities, national ambitions, and global startup narratives were meaningfully synthesised. It served as the bridge between the first draft of SU20 taskforce policy recommendations and the communiqué to be presented at the G20 Summit.

Over two days, the engagement featured:

- The Minister of Small Business Development, the Mayor of Ekurhuleni, and the SU20 Chair;
- Cross-sector panel discussions on entrepreneurial ecosystems, global innovation, and startup diplomacy;
- In-depth taskforce working sessions, driving policy iteration and synergy across five thematic focus areas;
- Strategic briefings from the SU20 Secretariat on deliverables, engagement group alignment, and G20 integration;
- And, most importantly, a renewed shared vision: Startups are not peripheral actors, they are critical levers of global growth, digital equity, and socio-economic transformation.

With the Pre-Summit on the horizon, this Midterm Report captures not only the activities and outputs of the convening, but the deeper value of SU20: an architecture of participation that is inclusive, action-driven, and capable of reshaping policy to serve innovation at all levels.



FOUNDATION AND ALLIANCES

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TOWNSHIP AND RURAL ENTREPRENEURSHIP

DAY 1

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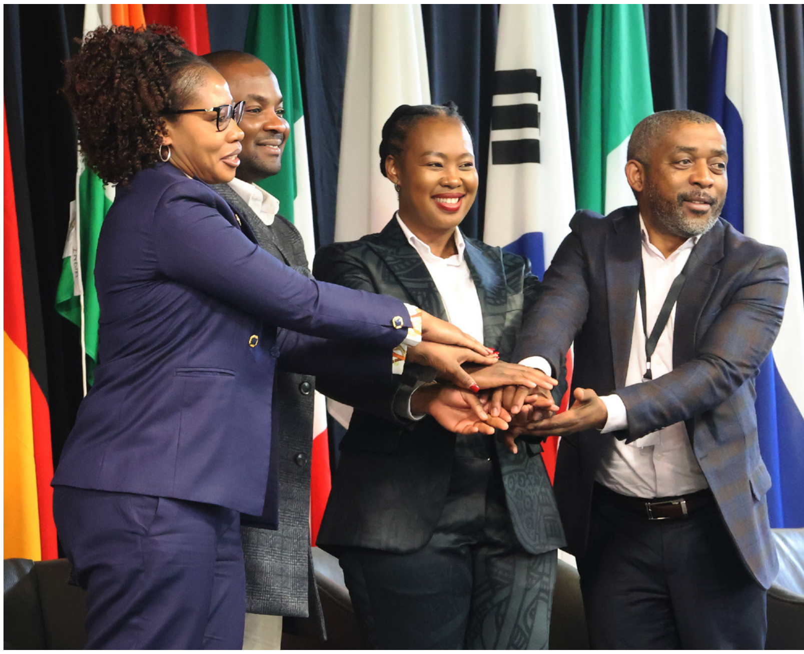
1 · Framing the Mission – Leadership, Vision, and Strategic Intent

The SU20 Midterm Engagement opened with a powerful constellation of voices reflecting South Africa's ambitions as a G20 host and the strategic positioning of startups within the national and global development agenda. The session brought to the fore a shared conviction: startups are fundamental agents of transformation across economic, digital, and social spheres.



The morning began with a warm welcome from Zinhle Mncube, the Master of Ceremonies, who extended high regards to all attendees from government representatives and international delegates to entrepreneurs, investors, and ecosystem builders.

Key figures who set the strategic foundation for the day's proceedings included:

- Minister, Stella Tembisa Ndabeni
- Executive Mayor, Nkosindiphile Xhakaza
- Mr Vuyani Jarana, Chair of Startup20 South Africa
- Ms Salome Baloi, Office of the G20 Sherpa.
- İsmail Tüzgen, Startup20 Turkey.
- Chrystéle Sanon, Startup20 France.
- Giulia Ajmone Marsan, Startup20 Indonesia.
- Christopher Rachal, Startup20 USA.
- Ingrid Barth, Startup20 Brazil.
- Dr Chintan Vaishnav, Startup20 India (in absentia).
- Prince Fahad bin Mansour bin Nasser bin Abdulaziz Al Saud, Startup20 Saudi Arabia (in absentia).
- Members of the Startup20 Secretariat, led by Kizito Okechukwu, Startup20 Secretariat
- Director General Thulisile Manzini and officials from the Department of Small Business Development and the Department of Science, Technology and Innovation.
- Board members and executives from the Small Enterprise Development and Finance Agency and the Technology Innovation Agency.
- Representatives from the private sector, academia, and startup support ecosystem.
- Members of the media.

With the audience primed for a day of insight and exchange, Zinhle introduced the keynote address by Minister Stella Tembisa Ndabeni, officially opening the Startup20 Midterm Engagement Group Meeting at Birchwood, Johannesburg. Minister Ndabeni's remarks anchored the proceedings in a strategic vision for South Africa's role in the G20 presidency and the enduring legacy that Startup20 aims to build.

2 · Minister Stella Tembisa Ndabeni's Opening Address

The excerpt below is a verbatim quotation from the Minister's address:

"Entrepreneurs and startups
I am humbled to be standing before you today to open this Interim Meeting of the Startup20 Engagement Group.

I would like to welcome you all, and especially our international guests. Hopefully you will find time to

> **Together we will build a more equal and sustainable future led by MSMEs and startups.**
> — Minister Stella Tembisa Ndabeni

explore some of the tourist treasures for which our beautiful country is renowned.

South Africa is hosting the G20 summit for 2025 under the theme Solidarity, Equality and Sustainability. As we know, South Africa has taken over the G20 presidency from Brazil and is the first time an African country is hosting this prestigious event.

We would like to thank Brazil and India for the sterling work done in getting Startup 20 up and running, and to the Startup20 International Board under the leadership of Prince Fahad for the continuity and direction provided from one country to the next.

We are taking up the baton in difficult times of global volatility, fragmenting global supply chains, and shifts towards unilateralism and protectionism.

The United Nations Secretary-General Antonio Guterres refers to the current moment as a world of impunity, of inequality and of deep uncertainty, all fraying at the seams of our global order.

Our President, His Excellency President Ramaphosa, has expressed our country's commitment to use our G20 Presidency to reinvigorate multilateralism, and the reform of global governance institutions and financial architecture to make them more representative and more focused on the needs of the most vulnerable.

We will champion the developmental issues of the Global South and Africa in particular, including issues of public debt, food security, market access, and the availability and cost of capital.

With the African Union's induction as a permanent G20 member in 2023, Africa's voice is now more prominent in global policymaking. South Africa plays a dual role: both as a sovereign G20 member and as a strategic member of the AU. As such we are well positioned to support the continent's startup and MSME agenda.

This alignment allows for greater policy coherence, enabling South Africa to serve as a bridge between global discourse and regional development aspirations, particularly in areas such as startup financing, regulatory reform, and digital transformation.

As the Department of Small Business Development, we serve in the G20 Trade and Investment Working Group and have specific responsibility for the Startup 20 Engagement Group, which we undertake in partnership with the Department of Science, Technology and Innovation.

Unfortunately, the Minister of Science, Technology and Innovation, Minister Blade Nzimande, is out of the country and cannot be with us over these two days.

This Engagement Group is aimed at strengthening the global startup eco-system, focusing on innovation, digital transformation, access to finance and markets, and policy collaboration.

For South Africa, the Engagement Group enables us to leverage global policy lessons, best practices, as well as strategic partnerships to support our entrepreneurs and startups.

The Engagement Group also allows us to ensure that our local realities, including township and rural dynamics, are better reflected in global policy discourse.

We have identified five priority areas for the Startup20 Engagement Group.

First, Foundation and Alliance with the focus on enabling policies, and ways to build a more supportive and resourced eco-system for early-stage entrepreneurs and scale-ups.

Second, Finance and Investment with the focus on addressing gaps in early-stage financing, cross-border financing, and ways to derisk investment, for underserved regions and groups. like women and youth, including through pre-investment capital readiness support.

Third, Inclusion and Sustainability with the focus on circular economy models, green innovation incentives, and pre-investment business support for youth and women led enterprises to improve capital readiness.

Fourth, Market Access with the focus on facilitating international trade, enabling e-commerce, reforming public procurement systems and supporting regional integration, and

Fifth, Township and Rural Entrepreneurship with the focus on strengthening local value chains, improving infrastructure and connectivity, and improving access to finance and eco-system support for supporting co-operatives and micro enterprises.

Task Teams made up of South African and international representatives have been established in these five priority areas.

This Midterm Engagement Group Session provides the opportunity for these Task Forces together with others in the broader eco-system to develop policy recommendations that culminate in a clear programme of action to be finalized in the Startup20 Summit on the 13th and 14th of November.

This Summit in November will also include the inaugural Startup20 Awards, where the best startups and eco-system enablers from the G20 countries will be recognized. We will also, as DSBD, integrate our Presidential MSME Awards where we recognize and reward our best local talent.

Programme Director, this is indeed a historic week for entrepreneurs and MSMEs.

Running parallel to this Midterm Startup20 Engagement Group Meeting is a meeting of Global Trade Promotion Organizations, which we are co-hosting with the The Department of Trade, Industry and Competition (DTIC) and the International Trade Centre. They will consider how the global trade system is being reconfigured, and how MSMEs can build resilience and pivot towards new markets.

Then on Wednesday and Thursday we host the Global SME Ministerial with the International Trade Centre. This meeting will see Ministers, Deputy Ministers and officials from more than 60 countries as well as various multilateral organizations converge to discuss entrepreneurship and MSME policy and look at ways to scale global support for MSMEs, especially in underserved countries.

Specifically, the high- level meeting will look at (1) how to bridge the digital divide to empower MSMEs and startups with the infrastructure, skills, and tools needed to compete globally; (2) how to unlock capital access, especially for women- and youth-led businesses, through inclusive financial ecosystems; (3) how to position MSMEs as key actors in the green economy, supporting sustainable practices and circular innovation; and (4) how to foster inclusive trade policies that ensure MSMEs have a seat at the global economic table.

The outcome will be a Call to Action, endorsed by the 60 plus countries, which will contain practical policy measures and reforms which will be championed in the UN system and which we can integrate with our G20 MSME agenda.

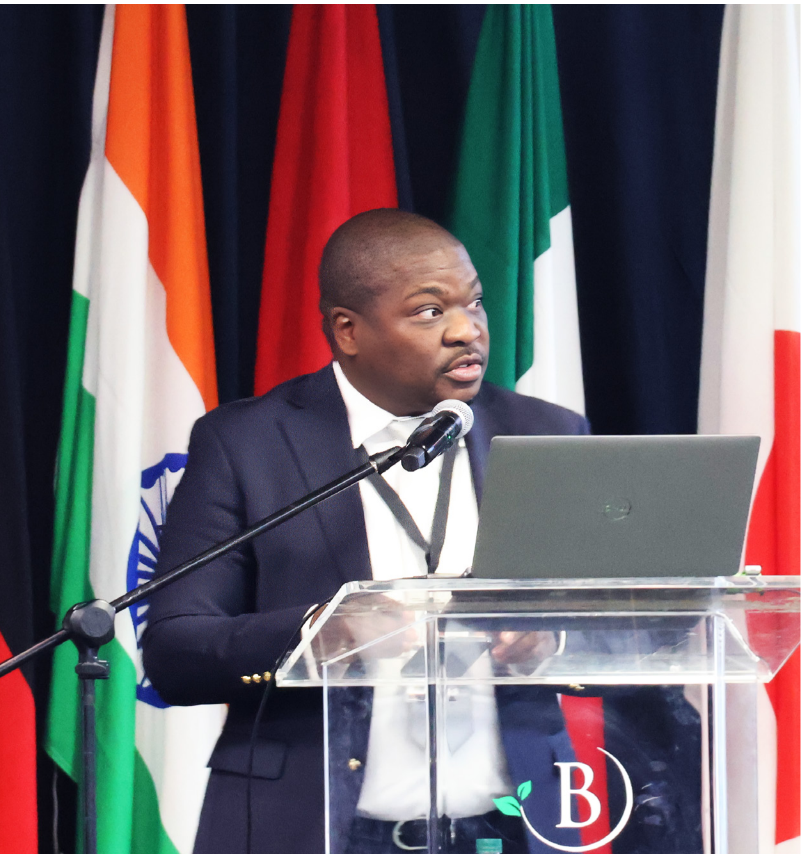
Building on the work started in Brazil, as South Africa we want a dedicated G20 MSME and Startup Working Group and this week's deliberations will greatly assist us craft clear terms of reference and agenda for this working group.

We have structured the Ministerial programme so that there will be opportunities for inputs from this Startup20 Midterm Engagement. Some of you, including the Chair, Mr Jarana, will be given space to share thinking with the delegates at the Ministerial Meeting.

Together we will build a more equal and sustainable future led by MSMEs and startups.
I end with the words of Ban Ki-moon, Former UN Secretary-General, “Sustainability and innovation are not luxuries for the few. They are necessities for the many. Our future depends on building economies that work for everyone, especially those whose voices are often unheard.”

I Thank You.”

3 · Welcome Remarks and Strategic Priorities, Mission, and Goals of SU20



Alderman Nkosindiphile Xhakaza, Executive Mayor of the City of Ekurhuleni

Welcome Remarks: A City Rooted in Innovation

Alderman Nkosindiphile Xhakaza emphasised Ekurhuleni's readiness to act as an enabling ground for inclusive entrepreneurship. As a municipality shaped by a rich industrial legacy and township innovation, Ekurhuleni represents the real economy of the Global South — Africa's gateway to opportunity. It is where informal traders, small-scale manufacturers, and tech-enabled youth intersect. His remarks reaffirmed the essential role of local government in anchoring the startup ecosystem through strategic infrastructure, policy flexibility, and strong ecosystem partnerships.

Strategic Priorities, Mission, and Goals of SU20

Mr Vuyani Jarana positioned Startup20 not simply as a taskforce platform but as an instrument of startup diplomacy, amplifying the voices of entrepreneurs from the Global South to shape G20 policy outcomes. His call for alignment between national realities and multilateral ambitions set the tone for the working sessions: bold, inclusive, and actionable.

> **The hosting of the G20 summit in South Africa this year presents a significant opportunity for the African continent to assert its growing importance in the global economic landscape.**
>
> — Vuyani Jarana, SU20 Chairperson

Vuyani Jarana, SU20 Chairperson

Nkosi Kumalo, General Manager of SME and Indirect Channels, MTN

Inspiring Change: Catalysing Digital Transformation for Formal and Informal SMEs in Township Economies

Nkosi Kumalo provided a private sector perspective on empowering informal and township SMEs through digital tools and robust network infrastructure. His core message was clear: connectivity is not a luxury but a gateway to inclusive economic participation. MTN's ongoing efforts to bridge digital divides among micro-enterprises highlight a growing commitment from African corporates to co-create ecosystems that enable startups in informal settings to scale with dignity and structure.

Harnessing the Power of Startups for Inclusive and Sustainable Growth in the G20 Era

Salome Baloi delivered an overview of the alignment between SU20 and the broader G20 architecture. Her remarks provided insight into how SU20's taskforces feed directly into G20 Engagement Group processes, ensuring startups are not silenced but recognised within the global macro-policy environment. She underlined the importance of ensuring that G20 deliverables reflect both policy innovation and geographic inclusivity.

Salome Baloi, Acting Chief Operating Officer, DIRCO, G20 Engagement Lead

4 · Panel Discussion: Building Coherence in Entrepreneurial Ecosystems

Moderator:

- Giulia Ajmone Marsan – Director of Strategy, ERIA (Economic Research Institute for ASEAN and East Asia)

Panellists:

- Kganki Matabane – CEO, Black Business Council (South Africa)
- Theo Mabasa – Country Lead, African Management Institute (AMI)
- Nelson Muffuh – Resident Coordinator, United Nations (South Africa)
- Lavina Ramkissoon – Tech Diplomat, African Union

The Midterm Engagement's flagship panel discussion, "Building Coherence in Entrepreneurial Ecosystems," brought together leaders from policy, development, research, and business to explore the role of startup ecosystems as soft infrastructure for inclusive growth, economic diplomacy, and global development agendas.

This dialogue reinforced the multilateral significance of startup ecosystems, not only as economic drivers but as vehicles for international cooperation, institutional resilience, and policy legitimacy.

Giulia Ajmone Marsan – Director of Strategy, ERIA

Gulia positioned entrepreneurial ecosystems as essential regional cooperation mechanisms, drawing on ASEAN's experience with digital economy and startup policy coordination.

"Innovation ecosystems must act like orchestras; startups, investors, institutions, universities all playing together. But for true harmony, we need to move beyond papers and strategy. Let's design concrete projects and bring them to scale in South Africa and across the Global South."

Kganki Matabane – CEO, Black Business Council (South Africa)

Kganki emphasised the need to anchor ecosystem development in local ownership and regional policy alignment, highlighting how small business bodies and chambers must influence formal policy at the national and G20 levels.

"Startups shouldn't be buried in red tape. We need to flip the model, let them spend 90% of their time building the business, and only 10% navigating compliance. That's how you grow economies not with forms, but with freedom to operate."

Theo Mabasa – African Management Institute (AMI)

Theo focused on the critical importance of capacity-building and founder-centric learning models for coherence. He underscored how entrepreneurial ecosystems thrive when micro-level learning and macro-level policy interact effectively.

"We don't just want a theoretical document, we want something we can implement going forward. That means harmonising policies, unlocking ecosystems from innovation to IPO, and aligning talent with emerging technologies"

Lavina Ramkissoon – AI Advisor, African Union

Lavina delivered a strong call for data sovereignty, digital ethics, and gendered digital inclusion. She highlighted the AU's commitment to ensuring that African ecosystems don't just integrate globally but shape normative frameworks for future digital economies.

"Governance isn't a nice-to-have; it's the orchestrator. It ensures startups aren't just ideas that take years to realise, but contributors to GDP. When there's a breach, governance ensures consequences because innovation without guardrails is chaos."

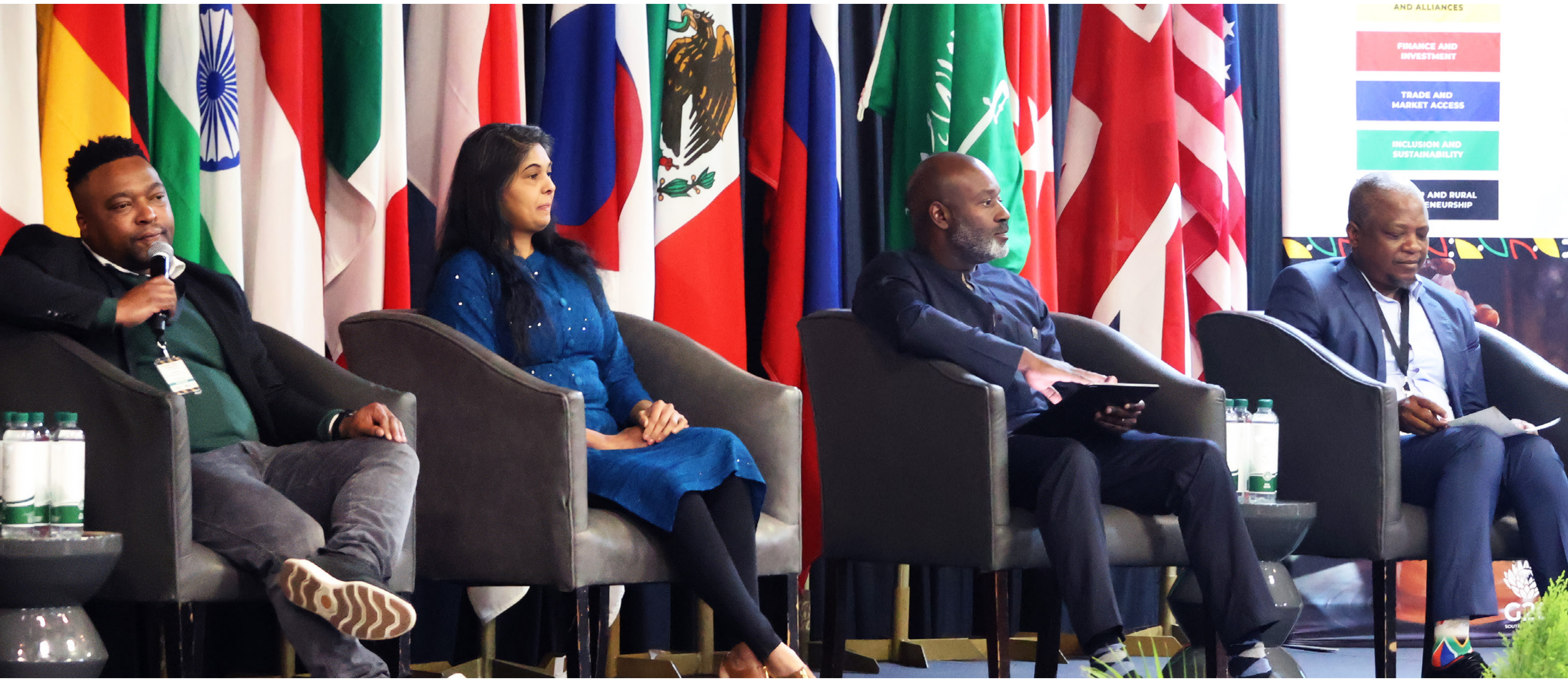
Nelson Muffuh – Resident Coordinator, United Nations (South Africa)

Nelson elevated the conversation by tying entrepreneurial ecosystems to the Sustainable Development Goals (SDGs). He framed ecosystems as instruments of policy coherence, job creation, and democratic participation.

"We need to embed startups into broader international frameworks, accelerating the achievement of development goals and ecosystem integration. That's how we ensure global relevance meets local action."

Key Themes from the Panel

- **Ecosystem Diplomacy**: Startups are becoming instruments of soft power, able to connect countries, foster peer learning, and reshape regional identities.
- **From Fragmentation to Interoperability**: Panelists called for standardisation of support structures, better mapping of ecosystem players, and cross-border digital protocols.
- **Policy as a Platform, not a Product**: A recurring theme was that policy should enable co-creation and iteration, not be imposed top-down.
- **Local-Global Synergy**: The panel agreed that coherence isn't ab ut uniformity, but about designing systems that translate local genius into global legitimacy.



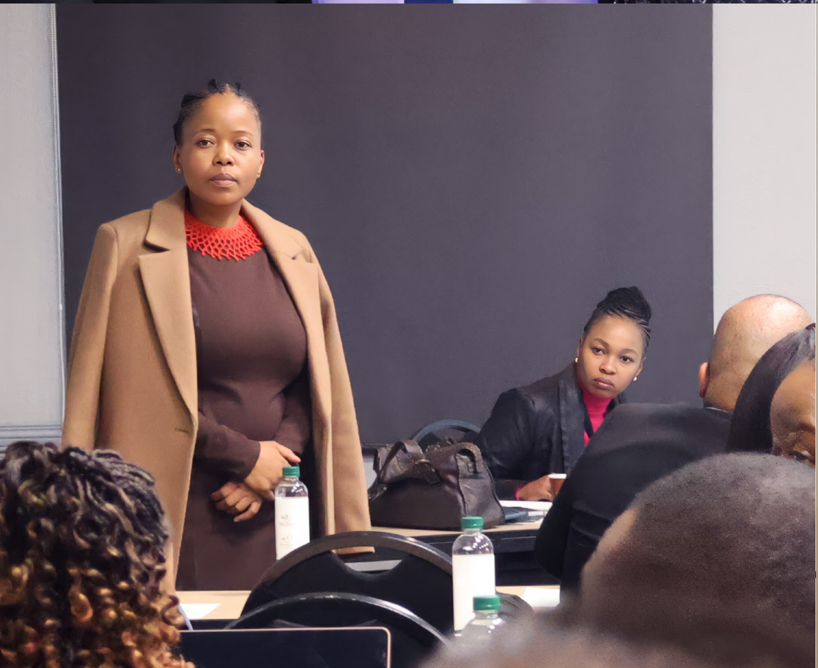
Kganki Matabane – CEO, Black Business Council, Theo Mabasa – African Management Institute, Lavina Ramkissoon – AI Advisor, African Union, Nelson Muffuh – Resident Coordinator, United Nations

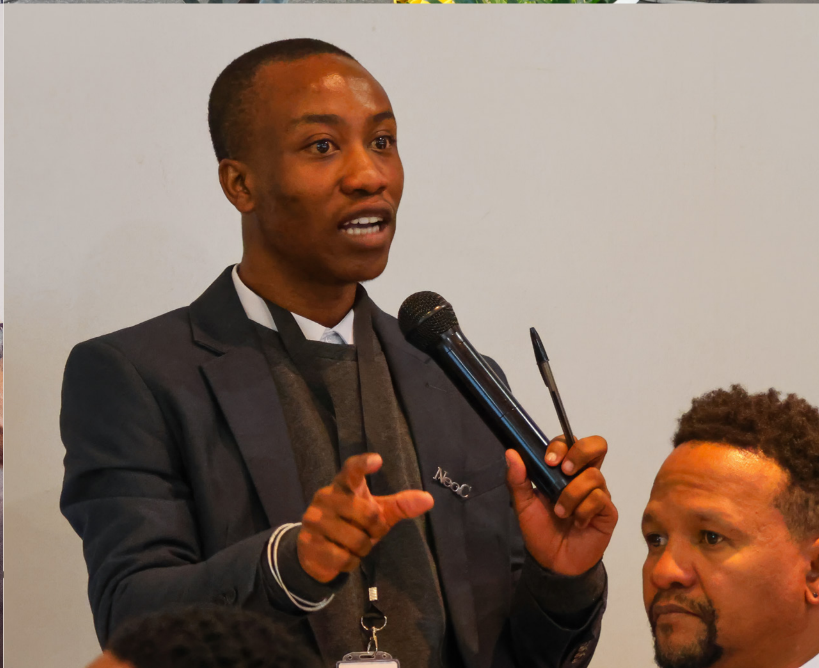
5 · Introduction of taskforces and draft recommendations

The taskforces are organised into five key thematic pillars, each addressing critical components of the startup ecosystem:

1. **Foundation and Alliances**
2. **Finance and Investment**
3. **Trade and Market Access**
4. **Inclusion and Sustainability**
5. **Township and Rural Entrepreneurship**

During the Midterm Engagement, the Task Forces introduced their initial policy recommendations. These reflected the collective insights, research, and consultations undertaken up to that point, and provided an early framework for shaping the final policy papers. They highlighted both priority areas and emerging themes, laying the groundwork for further refinement and alignment with stakeholder feedback in the next phase of work.





5.1 · Foundation and Alliances

The Foundation and Alliances Taskforce, chaired by Dr. Tobekani Lose, was established to define the connective tissue of the global startup policy ecosystem. It is the strategic backbone of SU20's architecture tasked with ensuring that policies, partnerships, and ecosystems are not created in isolation, but as part of an interoperable global innovation system.

At the SU20 Midterm Engagement, Dr. Lose and his team presented a globally oriented, technical framework of 11 core recommendations, supported by over 30 actionable proposals.

Strategic Framing from the Midterm

In his remarks at the Midterm, Dr. Lose emphasised the need to build a bridge between fragmented startup landscapes and policy power centres. He underscored that meaningful global startup growth requires not only local enablement, but connectivity, strategic alliances, and access to shared infrastructure across G20 and non-G20 countries alike.

	Key Recommendations	Actions
1	**Global Startup Network (GSN) as a Multilateral Platform**	• Regional SU20 Gateway Nodes as ecosystem anchors • AI-powered B2B startup matchmaking • Partnerships with B20 & private sect
2	**Digital Infrastructure Equity**	• AI/cloud access via regional nodes • G20 Digital Transformation Fund • Open-source tech sharing
3	**Fair Market Access & Digital Competition**	• Digital Competition Compact (API access) • Fair Tech Label Certification • Independent digital oversight bodies
4	**Procurement Innovation and Inclusion**	• Startup Vendor Categories in procurement • Procurement Innovation Sandboxes • Mentor hubs at Gateway Nodes
5	**Early-Stage Investment Incentives**	• Incentive model Policy Labs • Angel investor networks & co-investment • Corporate startup equity pathways
6	**Startup Compliance Relief Frameworks**	• Simplified compliance fast-tracks • Subsidised tax/legal services • Startup Policy Labs for regulatory feedback
7	**Public Procurement On-Ramps**	• Startup-specific procurement categories • Innovation labs & sandbox pilots • Localised procurement incentives
8	**Startup Acts for National Alignment**	• Legal startup definitions • Public-private startup councils • Startup Acts as global learning tools
9	**Entrepreneurial Education Framework**	• Trait-based competency frameworks • Micro-credential systems • Modular innovation education
10	**Experiential Learning & Safe-to-Fail Environments**	• Failure-based mentorship • Hybrid learning ecosystems • Real-time feedback hubs
11	**Sustainable Public-Private Partnership Models**	• Corporate mentorship & co-funding • Inclusive access frameworks • Quality assurance systems

5·2 · Finance and Investment

The Finance and Investment Taskforce, chaired by Vuyiswa Nzimande, focuses on addressing the structural financial constraints that prevent startups particularly those in underserved, informal, and rural markets from accessing the capital needed to scale. At the SU20 Midterm, the taskforce presented a comprehensive three-pronged financial framework that integrates fiscal incentives, decentralised finance innovation, and global equity investment models into actionable, globally relevant policies.

These recommendations respond to a common imperative raised across G20 economies: how can public policy and private capital co-create inclusive financing pathways for startups, especially those operating at the margins of formal systems?

Recommendations	Key Actions
1. Global Tax Incentive Framework	• Launch the G20 Startup Investment Framework to align tax incentives across member states • Design blended finance vehicles targeting underserved markets (e.g. rural youth, women, and informal sector startups) • Deploy digital impact tracking dashboards for performance-linked fiscal benefits
2. Tokenised Assets & Community-Based Finance	• Establish legal sandboxes and standards for tokenised asset pilots within member countries • Digitise and regulate community-based finance models, such as stokvels, SACCOs, and local crowdfunding • Encourage smart contract-enabled micro-investment instruments for youth and women entrepreneurs
3. International Startup Economy Fund (ISEF)	• Refine the catalytic role of DFIs (Development Finance Institutions) to deploy concessionary capital into informal and underserved sectors • Achieve 30% gender parity in fund disbursement by 2030, enforced through targeted eligibility and reporting protocols • Implement an ESG and Impact Execution Framework, integrating practical metrics into the fund's investment lifecycle

5.3 · Trade and Market Access

The Trade and Market Access Taskforce, chaired by Loyiso Tyira, tackles one of the most persistent barriers to startup growth: fragmented trade systems and unequal access to regional and global markets. The taskforce's Midterm recommendations reflect an ambitious yet grounded approach to lowering structural barriers, digitising trade flows, and embedding equity in procurement and integration.

Recommendations		Key Actions
1. Rural Startup Funds with Blended Finance	Centralised Digital Trade Platform	• Standardise trade processes • Develop interoperable data exchange protocols
2. Startup Passport Framework	Streamline cross-border startup registration and compliance	• Establish regulatory harmonisation committees • Simplify incorporation and reduce redundant steps • Model based on Yoti study & global digital ID practices
3. Legislated Procurement Set-Asides	Guarantee startup participation in public contracts	• Enact legal frameworks for minimum startup procurement quotas • Introduce fast payment systems and financial incentives
4. Digital Trade Equity Index	Build simplified frameworks reflecting informal sector realities	• Define and pilot a G20-aligned index • Expand through integration with diagnostic tools and existing trade indices **Equity Focus:** Women, informal entrepreneurs, rural startups
5. Startup Readiness Index	Deliver place-based, culturally relevant entrepreneurial skills	• Build a harmonised framework • Integrate with national startup ecosystem benchmarks
6. Harmonised Digital Trade Integration	Provide digital/physical access for underserved areas	• Establish a G20 Digital Trade Protocol • Enable mutual recognition of digital credentials • Create interoperable API standards and incubation sandboxes

5·4 · Township and Rural Entrepreneurship

The Township and Rural Entrepreneurship Taskforce, chaired by Xoliswa Daku, was introduced by South Africa's SU20 leadership as a groundbreaking recognition of informal, peri-urban, and rural innovation ecosystems. These regions are often excluded from national policy and global startup narratives, despite housing some of the most resilient and scalable entrepreneurs.

At the Midterm, the taskforce presented a bold framework focused on equitable financing, regulatory reform, localisation of entrepreneurial support, and scaling inclusive infrastructure.

Recommendations		Key Actions
1. Rural Startup Funds with Blended Finance	Provide tailored, risk-tolerant capital for startups outside formal urban hubs	• Decentralise fund administration • Ensure transparent, community-aligned selection • Mobilise catalytic capital with private co-investment
2. Credit Scoring with Alternative Data	Enable non-bankable entrepreneurs to access credit	• Partner with MNOs, fintechs, and retailers • Develop behavioural/transaction-based scoring models • Embed consumer protection safeguards
3. Formalise Stokvels, SACCOs and Promote CIFs	Integrate informal community finance into the broader financial system	• Provide regulatory recognition and training • Facilitate digital/wholesale capital access • Pilot Community Investment Funds co-owned by locals
4. Policy Inclusion and Regulatory Reform	Build simplified frameworks reflecting informal sector realities	• Implement tiered compliance pathways • Ensure representation in policy councils • Shift from penalisation to enablement
5. Localised Entrepreneurial Education	Deliver place-based, culturally relevant entrepreneurial skills	• Create rural facilitator cadres • Digitally enable youth with green/digital skills • Partner with NGOs/TVET colleges
6. Expand Innovation Infrastructure in 60% of Marginalised Regions	Provide digital/physical access for underserved areas	• Build smart hubs in peri-urban/rural nodes • Ensure internet/tech labs/startup services access • Integrate renewable energy into rollout

5·5 · Inclusion and Sustainability

The Inclusion and Sustainability Taskforce, chaired by Mbali Nwoko, advances a bold vision: startup policy must serve both people and planet, by embedding inclusion and sustainability into its foundational logic. The taskforce's Midterm presentation highlighted how green finance, social accountability, and digital infrastructure must converge to unlock equitable futures.

Recommendations	Key Actions
1. Catalyse Green Finance for MSMEs and Marginalised Enterprises	• Launch the G20 Startup Investment Framework to align tax incentives across member states • Design blended finance vehicles targeting underserved markets (e.g. rural youth, women, and informal sector startups) • Deploy digital impact tracking dashboards for performance-linked fiscal benefits
2. Promote ESG-Aligned Investment and Entrepreneurial Education	• Establish legal sandboxes and standards for tokenised asset pilots within member countries • Digitise and regulate community-based finance models, such as stokvels, SACCOs, and local crowdfunding • Encourage smart contract-enabled micro-investment instruments for youth and women entrepreneurs
3. Build Digital Public Infrastructure for Green and Inclusive Growth	• Refine the catalytic role of DFIs (Development Finance Institutions) to deploy concessionary capital into informal and underserved sectors • Achieve 30% gender parity in fund disbursement by 2030, enforced through targeted eligibility and reporting protocols • Implement an ESG and Impact Execution Framework, integrating practical metrics into the fund's investment lifecycle

6 · SU20 Policy Process and Secretariat Briefing

Carmen Rudd, SU20 Secretariat Lead

At the heart of SU20's coordination engine lies a determined Secretariat committed to turning compressed timelines into collective momentum. In her address, Carmen Rudd, SU20 Secretariat Project Lead, offered a reflection on what it has taken to bring this ambitious engagement to life within a tight three-month window.

Despite beginning behind other G20 engagement groups, SU20 South Africa has defied inertia. What could have been a logistical sprint evolved into a policy movement backed by bi-weekly coordination calls with international partners, a strategic push to expand participation, and tireless commitment from the chairs and deputies of each taskforce.

7 · Day 1 Breakout Rooms: Task Forces Working Sessions

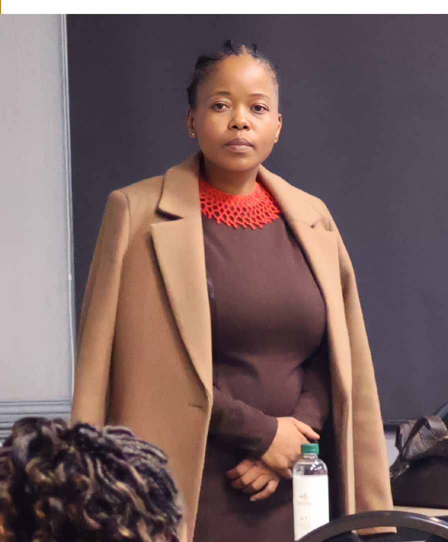
The afternoon shifted into engaging Task Force Working Sessions, where each policy team moved from plenary discussion into focused breakout rooms. Here, the real work of refinement unfolded. Draft 1 policy papers were placed under the microscope to sharpen and strengthen them for the next stage of the Startup20 process.

The atmosphere was collaborative yet rigorous. **Convenors guided each session:**

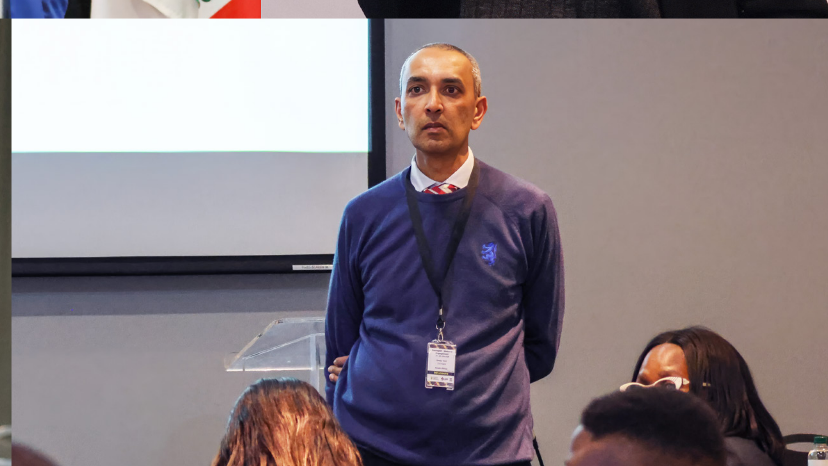
- **Nonzuzo Makanda** – Finance and Investment
- **Hilton Theunissen** – Foundation and Alliance
- **Edna Montse** – Inclusion and Sustainability
- **Cleola Kunene** – Trade and Market Access
- **Sanjay Soni** – Township and Rural Entrepreneurship

These rooms were not passive workshops. They were living conversations part Q&A, part peer review, part strategic brainstorming. Participants fielded questions, challenged assumptions, and ensured every recommendation was grounded in both the ambition of Startup20's mission and the realities of implementation.

From technical adjustments to structural rethinks, the sessions generated targeted recommendations, layered perspectives, and pragmatic next steps. The goal was clear: transform policy drafts into actionable, globally resonant proposals capable of driving meaningful change across South Africa and the G20 ecosystem.







8 · International Secretariat Meeting Alignment of Engagement Group and Future Planning

Day One concluded with a by invite session bringing together the South African Secretariat and the International Startup20 Secretariat for strategic alignment. This meeting served as a crucial checkpoint to ensure that policy development remained globally coherent and that South Africa's Midterm Engagement outcomes were fully aligned with the broader G20 mandate.

Discussions were candid and forward-looking, centering on:

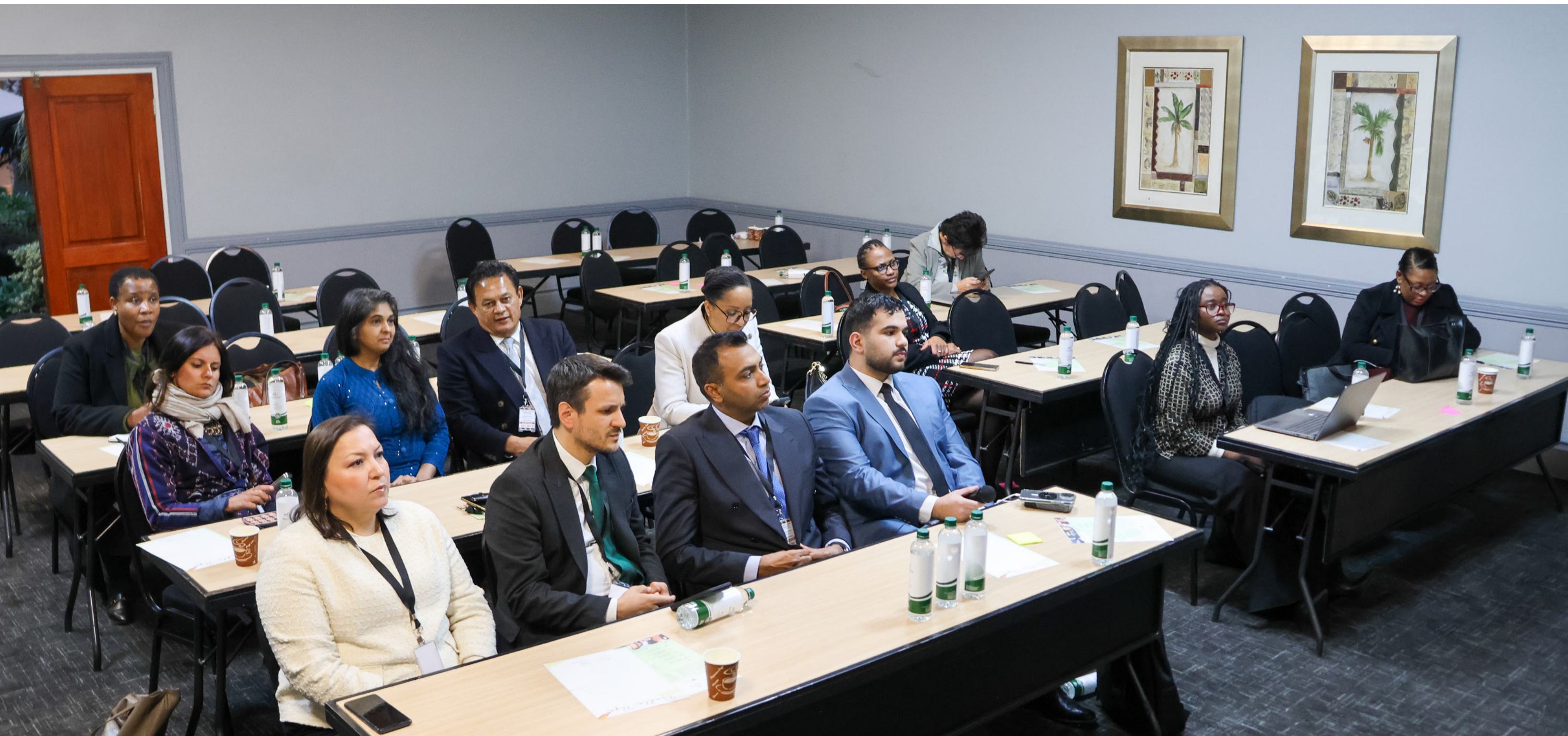
- Integrating international feedback directly into the evolving policy papers.
- Identifying areas for cross-country collaboration to strengthen proposals.
- Mapping the road ahead to the Summit, and policy submission stages.

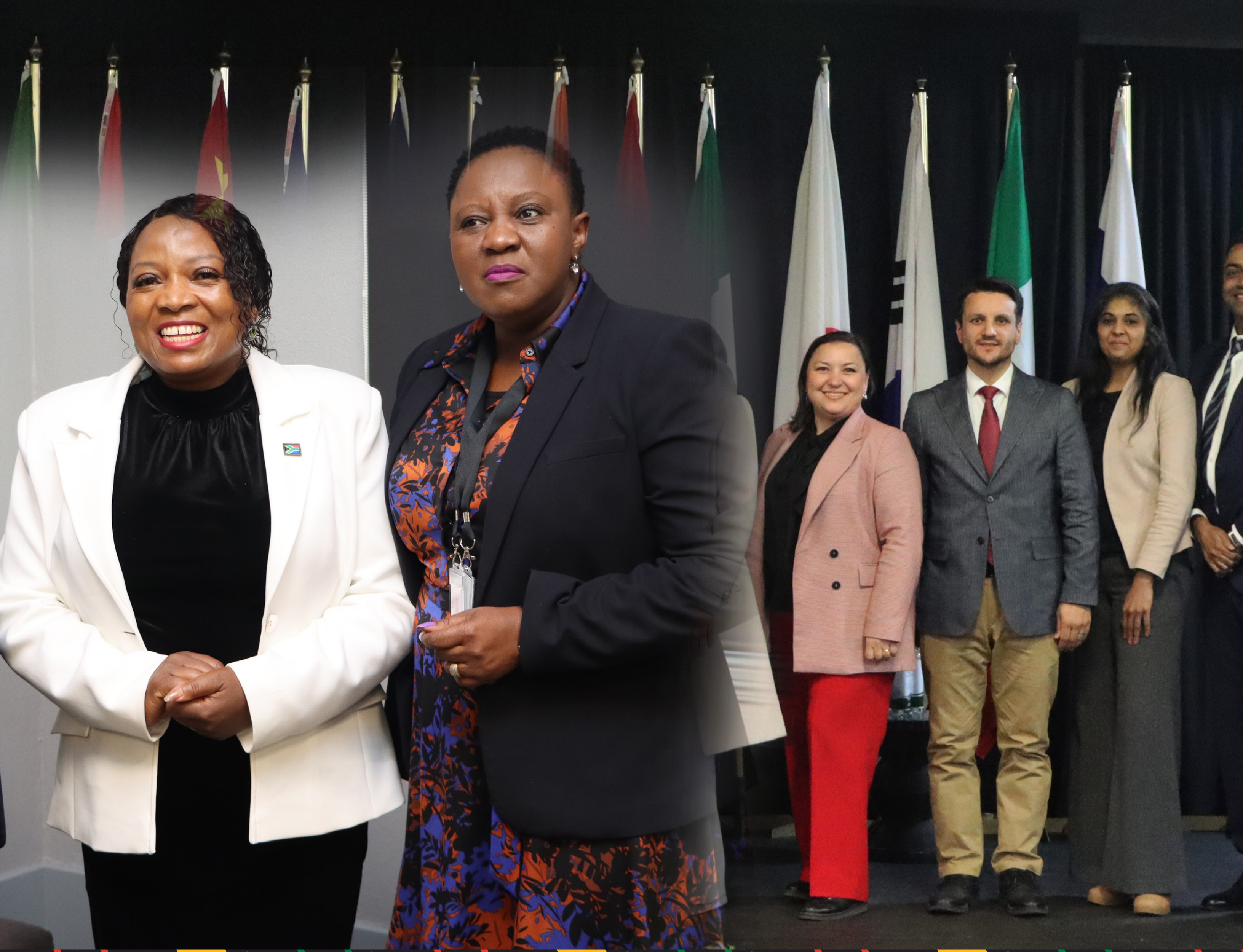
The session also reinforced the principle that Startup20's recommendations must resonate beyond national priorities they must hold diplomatic and economic relevance across the G20 spectrum.

Key countries represented in this strategic exchange included:

- South Africa
- Turkey
- France
- Indonesia
- United States of America
- Brazil
- India
- Saudi Arabia

By the end of the meeting, there was clear consensus: policy coherence and international buy-in are not optional, they are the bedrock upon which Startup20's legitimacy and long-term influence will rest.





FOUNDATION AND ALLIANCES

FINANCE AND INVESTMENT

TRADE AND MARKET ACCESS

INCLUSION AND SUSTAINABILITY

TOWNSHIP AND RURAL ENTREPRENEURSHIP

DAY 2

small business development
Department: Small Business Development
REPUBLIC OF SOUTH AFRICA

science & innovation
Department: Science and Innovation
REPUBLIC OF SOUTH AFRICA

GEN 22 ON SLOANE
POWERING THE NEXT GENERATION OF ENTREPRENEURS

9 · Day 1 Reflections

SU20 Chairperson, Vuyani Jarana, delivered a concise yet deeply insightful recap of Day 1. He reflected on the energy and richness of engagement across the breakaway sessions, noting recurring themes and subtle nuances that should guide the next stages of policy development.

From the significance of South Africa hosting the first G20 Presidency on African soil, to the need for inclusive growth models that address both rural-urban and North-South divides, Jarana challenged delegates to think beyond the obvious.

He urged that inclusion should not be seen as an act of charity, but as a strategic imperative for prosperity, he emphasised the urgency of innovative solutions for long-standing challenges such as access to finance and sustainability, and called for filtering recommendations to ensure global resonance while retaining national value.

Jarana concluded with a reminder that even if not all the recommendations make it into the G20 final policy track, the work remains vital for South Africa and the continent.

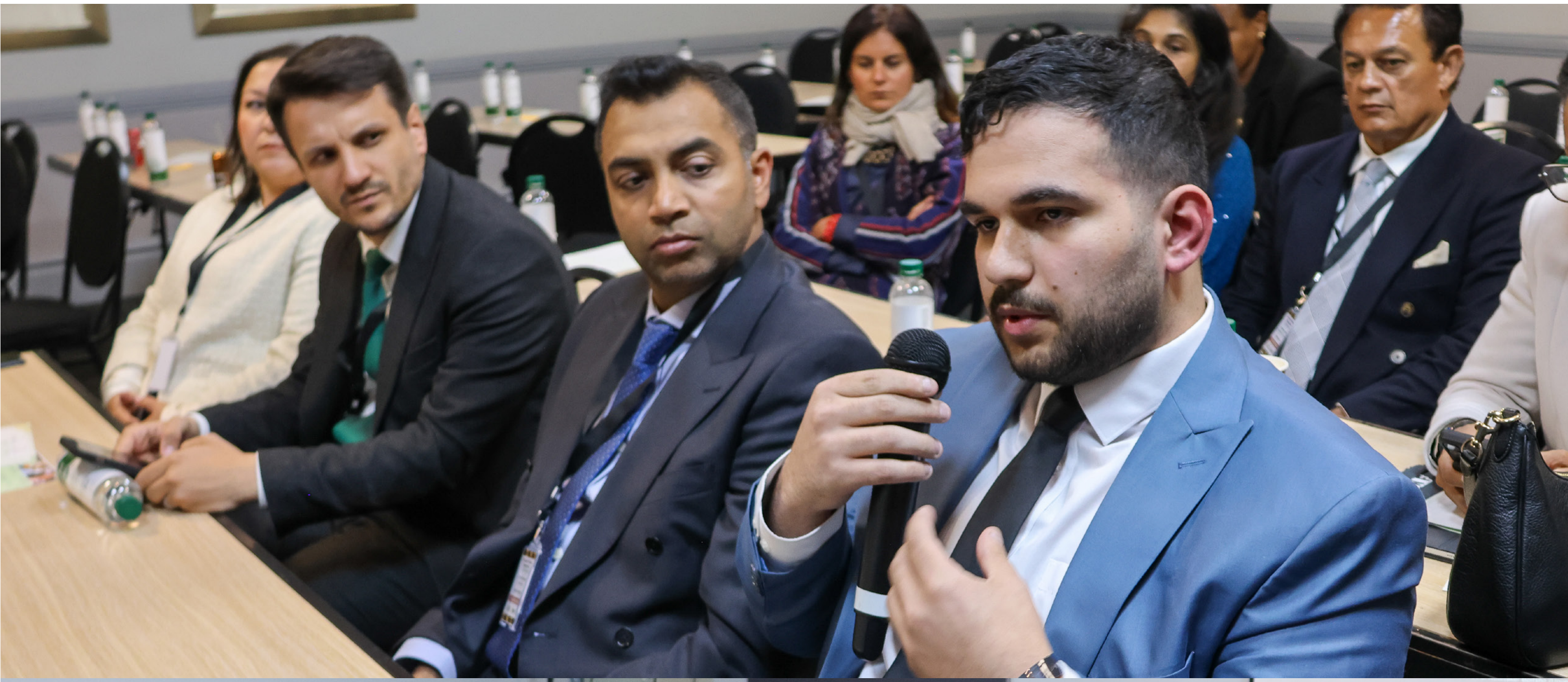
10 · Policy Synergy Mapping

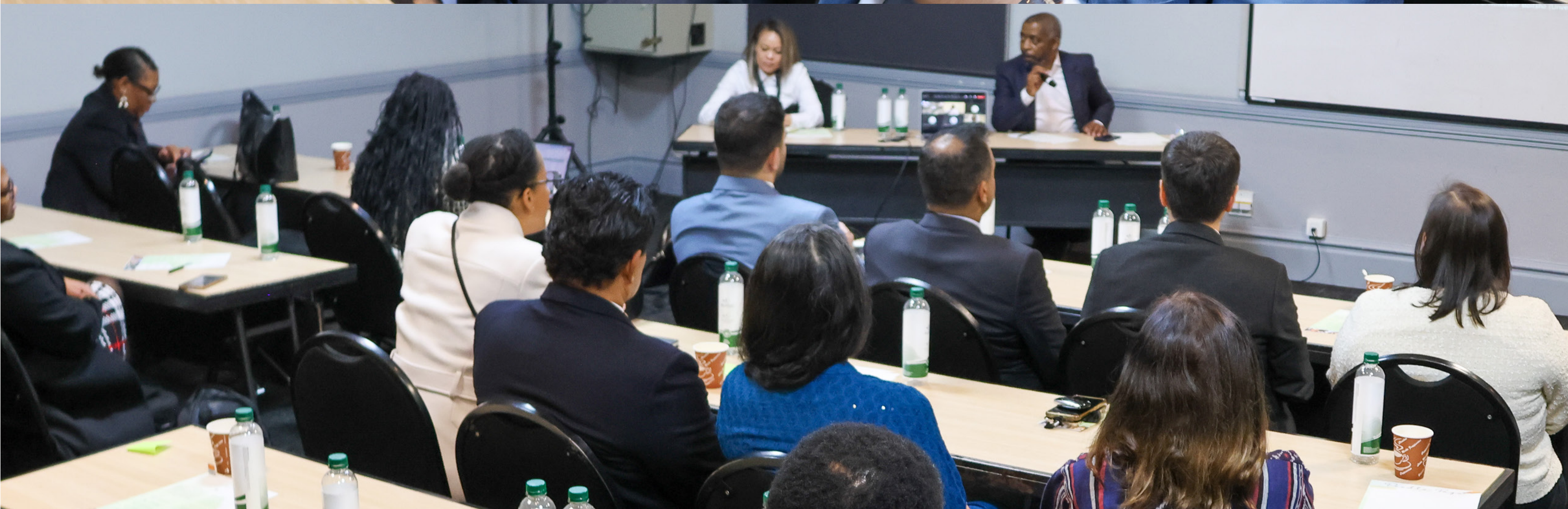
This invite-only session convened the Taskforce chairpersons and deputy chairs, SU20 International Secretariat, key delegates, and partner organisations to refine and align Task Force draft recommendations with both G20 priorities and South Africa's national development agenda.

Building on the breakout room engagements of Day 1, the session served as a focused policy review, aimed at:

- Ensuring global coherence across all Task Force outputs.
- Mobilising international expertise to strengthen proposals.
- Providing targeted feedback and nuanced recommendations on the draft policy papers.
- Fostering collaboration between local and international stakeholders to enhance relevance and applicability.

The discussion encouraged frank exchange, knowledge sharing, and technical advice ensuring the Midterm Engagement's output was not only nationally relevant but also positioned for adoption and influence within the G20 framework.





11 · Panel Discussion: Grassroots to Global

Day 2 panel discussion, "Grassroots to Global", was an unflinching conversation that shifted the centre of gravity in the SU20 engagement from theory to lived experience, from policy documents to human stories. Moderated by Kenneth Keyser (Growthway Ventures), the dialogue featured a powerhouse panel of ecosystem enablers and founders who've lived through and shaped Africa's startup journey.

Moderator:

- Kenneth Keyser, Growthway Ventures

Panelists:

- Nick Allen - Founder, Savant
- Phumzile Chifunyise - Startup Act, National Planning Commission
- Selebogo Molefe - The Hookup Dinner & Share The Code
- Veronica Motloutsi - CEO, Smart Digital Solutions
- Vasiliki Mavroeidi - Economist, OECD Development Centre

Key Reflections: Startup Ecosystems as Instruments of Policy Power

This was more than a discussion, it was a confrontation with the pain points, policy failures, and perseverance of those building businesses at the frontlines of development. Three core reflections emerged:

1. **Finance is the Great Gatekeeper**

   Despite the policy rhetoric, capital remains deeply exclusive, locked behind risk-averse banking systems, rigid VC criteria, and government delays.

   Nick Allen declared:

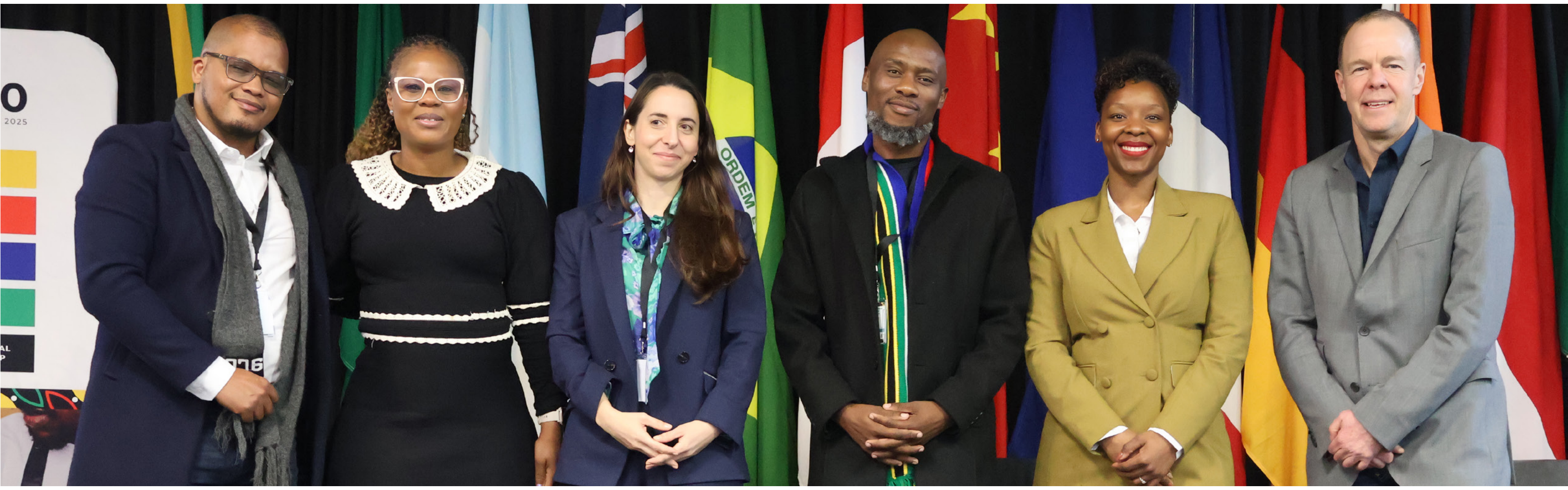
   "South Africa's VC ecosystem is dangerously underfunded. If we don't incentivize corporates to invest even modestly we will never match the pace of innovation needed to stay globally relevant."

   Phumzile Chifunyise added:

   "We've been fighting for the Startup Act since 2014. Without bold tax incentives and a dedicated lead department, we're legislating failure by omission."

   Selebogo Molefe warned:

   "We built a R100 million crowdfunding platform. It worked until regulations crushed it. Livestock



Kenneth Keyser, Growthway Ventures; Veronica Motloutsi - CEO, Smart Digital Solutions; Vasiliki Mavroeidi - Economist, OECD Development Centre; Selebogo Molefe - The Hookup Dinner & Share The Code; Phumzile Chifunyise - Startup Act, National Planning Commission; Nick Allen - Founder, Savant

Wealth is next. If we don't reform policy, we kill solutions before they scale."

2. **Digital Gaps Are Policy Failures**

From software undervaluation to infrastructure inequity, panellists made it clear that digital enablement remains a mirage for many founders outside urban centres.

Veronica Motloutsi shared:
"Banks won't fund you unless you have transactional advisors, even for pure digital platforms. We're building infrastructure but if software remains unbankable, our growth is stunted."

Vasiliki Mavroeidi gave sobering context:
"Africa has one supercomputer in Morocco. Meanwhile, AI is reshaping global markets. Without deep digital investment, we risk becoming digital dependents."

3. **Ecosystems Must Be Built, Not Assumed**

True startup ecosystems don't emerge by accident, they are designed, funded, and governed with intent. Each panellist offered insights into what an integrated, inclusive ecosystem could look like.

Kenneth Keyser, reflecting on his own journey, said:
"I started my first business 18 years ago while working at a bank—and still couldn't access finance. I had to find 'alternative' (legal) means. The lesson? Ecosystems don't build themselves."

Phumzile explained:
"We've engaged 1,000+ ecosystem actors, yet startups are still strangled by municipal procurement and licensing red tape."

Selebogo challenged the room:
"TVET colleges are massively underused. The UJ Centre linked SMEs to R300 million in trade that's policy in action. We need to scale these models, not just pilot them."

From Grassroots Realities to Global Relevance

This panel did more than surface insights, it laid out a call to action: Make policy match entrepreneurial urgency. Whether through tax reform, procurement innovation, digital ID systems, or startup legislation, the clear message was this:

"Ecosystems are not ecosystems if they exclude the grassroots."

From trade access issues to youth funding mindsets, from municipal tender gatekeeping to digital infrastructure deserts, the panellists urged SU20 to think beyond high-level coherence. Global policy only matters when it works in Khayelitsha, in Rustenburg, in Ibadan, and in Medellín.

As Selebogo concluded:
"Corruption erodes trust. Policies must adapt or we'll keep repeating the same failures in different languages."

As SU20 transitions into the final policy drafting phase, the insights from this panel are not just valuable, they are non-negotiable. The versioning of global startup policy must be rooted in grassroots truth and global ambition.

12 · Exploring collaboration areas across taskforces and shared policy frameworks

Following the closed policy alignment discussions, this open session brought all Midterm Engagement delegates into a shared forum to explore collaboration opportunities across Task Forces and identify shared policy recommendations.

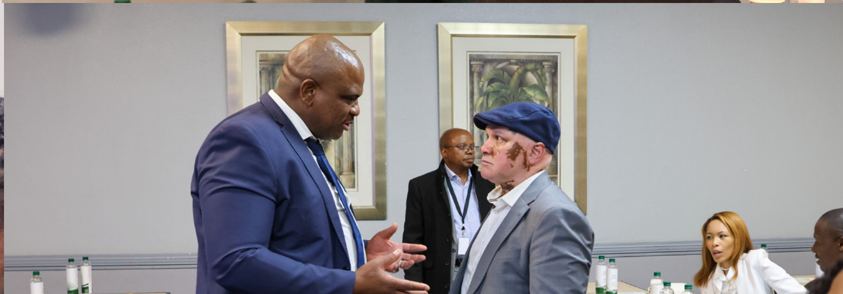
Facilitator:
Zinhle Mncube

Panellists:
Vuyiswa Nzimande, Chair – Finance and Investment Taskforce
Mbali Nwoko, Chair – Inclusion and Sustainability Taskforce
Cleola Kunene, Deputy Chair – Trade and Market Access
Dr Lose Thobekani, Chair – Foundation and Alliance
Xoliswa Daku, Chair – Township and Rural Entrepreneurship

Drawing on the closed-session outcomes, the discussion presented cross-Task Force recommendations, projected in real time for feedback from all participants.

The session encouraged active engagement through:

- Collaborative policy refinement: identifying synergies across thematic areas.
- Interactive Q&A: allowing participants to probe, clarify, and challenge proposals.
- Collective ownership: ensuring that recommendations carried the weight of broad, multi-stakeholder consensus.



13 · Day 2 breakout Rooms: Task Forces Working Sessions

The Day 2 breakout sessions picked up directly from the energy and outputs of Day 1, but with a sharper, more deliberate focus. Building on the recommendations, critiques, and synergy mapping insights gathered earlier, each Taskforce moved into a structured working mode aimed at refining and redefining their draft policy papers.

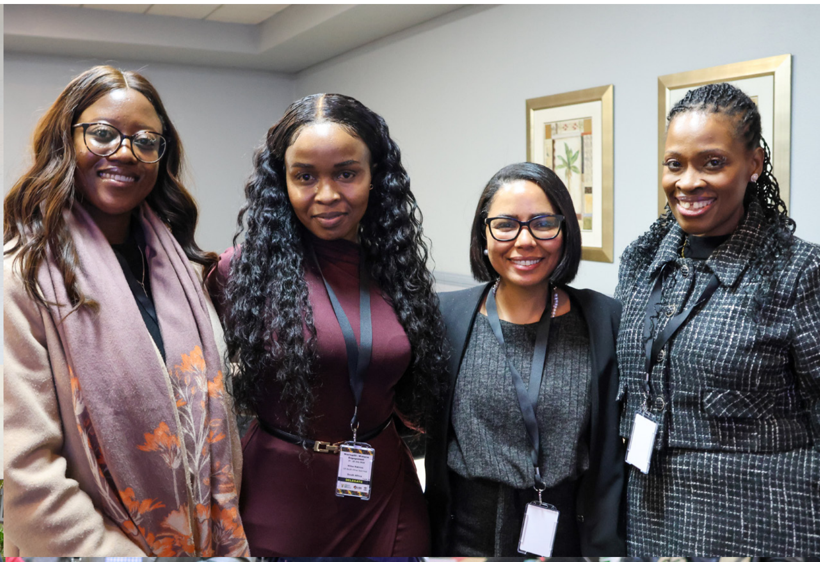
Session Convenors:

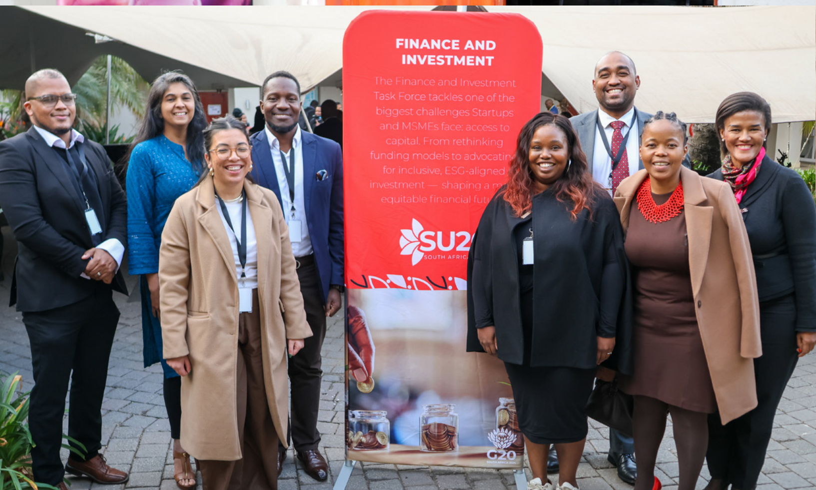
- Nonzuzo Makanda – Finance and Investment
- Hilton Theunissen – Foundation and Alliance
- Mbali Nwoko – Inclusion and Sustainability
- Cleola Kunene – Trade and Market Access
- Sanjay Soni – Township and Rural Entrepreneurship

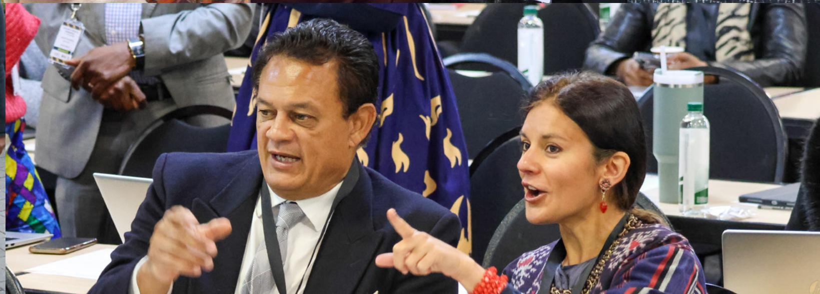
Those sessions were about transformation, taking the initial concepts and shaping them into globally relevant, G20-aligned proposals. Feedback from international delegates, cross-taskforce discussions, and global partners was integrated to ensure every recommendation carried both national significance and international resonance.

The conversations were in-depth and forward-looking, interrogating each proposal through the lens of global policy coherence, practical implementation, and the realities of diverse economic contexts. Taskforces worked to strike a balance between South Africa's priorities and the shared objectives of the wider G20 community, ensuring their outputs were credible, actionable, and positioned for adoption at the Pre-Summit.

As with Day 1, these sessions were dynamic and collaborative but now the work has moved beyond generating ideas to strategically shaping solutions that could withstand both local scrutiny and international review.







14 · Moving forward: Building the SU20 Legacy

Reflections and the Road Ahead

The SU20 journey now transitions into a critical phase of finalisation and adoption. Policy recommendations that were reviewed, debated, and refined in Johannesburg will undergo final iteration and coherence alignment before being tabled at the G20 Summit. The next steps involve:

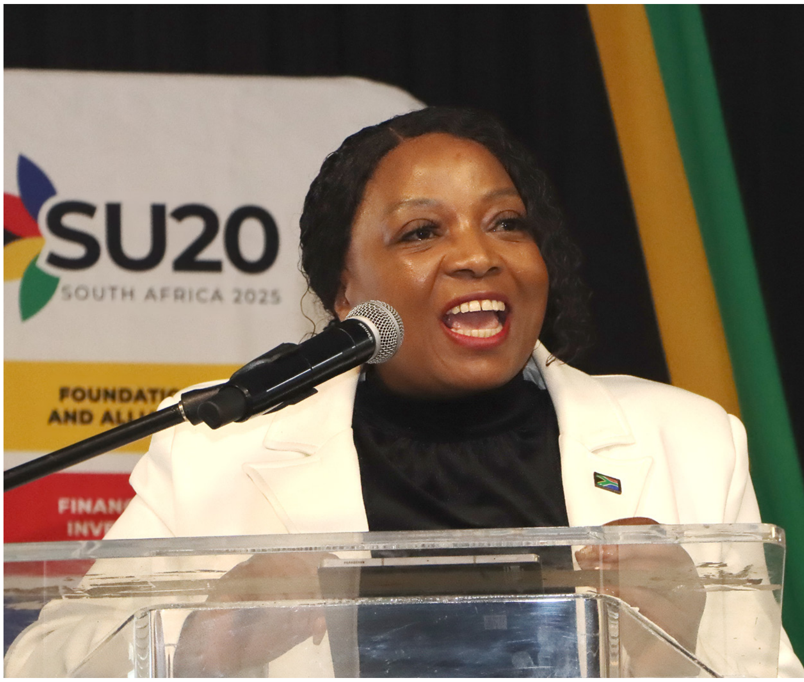
- Inter-taskforce synthesis: Ensuring proposals are not siloed but mutually reinforcing.
- National government briefings: Aligning Startup20 priorities with South Africa's wider G20 presidency objectives.
- Stakeholder mobilisation: Expanding community awareness and buy-in around proposed policies.
- Legacy mechanisms: Anchoring recommendations into long-term structures for continuity beyond 2025.

Looking Ahead to the Summit

The upcoming G20 Summit is not simply a closing chapter. It is a global stage to assert that emerging market realities and startup ecosystems are integral to solving 21st-century challenges of climate, inequality, digital exclusion, and innovation diplomacy.

It will be the moment where South Africa's chairmanship articulates a clear, cohesive, and globally coherent Startup20 policy package one that speaks not just to G20 leaders, but to township entrepreneurs, indigenous innovators, youth-led ventures, and climate-focused startups across the world.

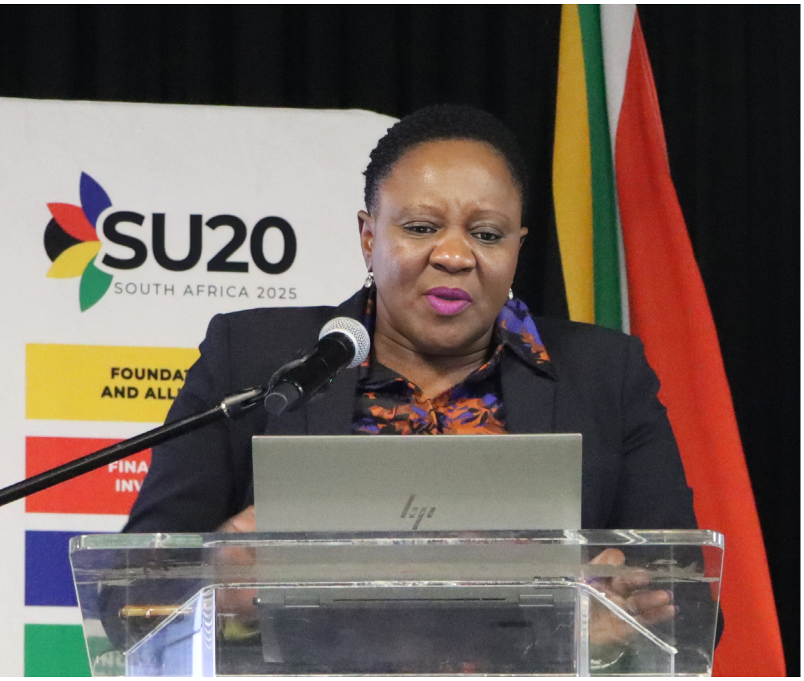
"Let this gathering be remembered as a moment when we moved beyond declarations and built a legacy of real inclusion, bold innovation and shared prosperity."
Deputy Minister Jane Sithole, DSBD



Jane Sithole, Deputy Minister - Department of Small Business Development

In her closing reflections, DG Thulisile Manzini underscored the importance of the SU20 Midterm Engagement as a catalyst for shaping an inclusive, innovative, and sustainable startup policy environment. She commended the collective effort that went into refining the draft policy papers, emphasising that startups are not just businesses but critical engines for job creation, innovation, and competitiveness.

Manzini stressed the urgency of shifting mindsets from aid to investment, calling for policy frameworks that empower entrepreneurs to build sustainable ventures, particularly in underserved and rural communities.



Thulisile Manzini, Director-General Department of Small Business Development

She noted that the midterm outcomes were not only relevant for the G20 process but also a timely contribution to South Africa's own national startup policy development, currently underway.

Key priorities highlighted included: ensuring connectivity for rural and underdeveloped areas, expanding financial and market access, and introducing innovative solutions to long-standing challenges of sustainability and inclusion. She reminded delegates that while not all recommendations will be adopted at the G20 level, many will directly inform South Africa's national startup policy, due for finalisation in March 2026.

Reflecting on the momentum built, she urged participants to remain engaged beyond the event:

"We came here with the important task of strengthening draft policies so they can drive inclusion, market access and sustainability. This is how we create an ecosystem where startups do not just survive, but thrive."

Her closing message was one of gratitude and resolve that the work of SU20 must continue to evolve into concrete action, embedding inclusion, innovation, and sustainability at the heart of South Africa's startup landscape and the global entrepreneurship agenda.

Closing Remarks

SU20's power lies not only in its policies, but in its people, taskforce chairs, youth delegates, global allies, and bold entrepreneurs who bring heart, rigour, and urgency to the mission.

The Midterm Engagement marked the middle of a policy cycle, but the beginning of a global startup movement. What we build from here must carry the echoes of Johannesburg into every city, every startup hub, and every government decision-making table.

15 · Acknowledgements and Gratitude

The SU20 Midterm Engagement would not have been possible without the collective effort, commitment, and vision of many individuals and institutions who dedicated their time, expertise, and resources to make this milestone a success.

The Taskforce Chairs, Deputy Chairs and Member
For their leadership, commitment, and relentless work in shaping and defining the policy papers that form the backbone of this engagement.

The Department of Small Business Development (DSBD) and the Department of Science, Technology and Innovation (DSTI)
For their support and partnership, ensuring that the work of SU20 remains aligned with South Africa's national priorities while resonating globally.

The International Secretariat
For bringing a global perspective to the SU20 engagement, providing insights, benchmarks, and connections that enriched our discussions and outcomes.

Vuyani Jarana, SU20 Chairperson
For providing strategic guidance, vision, and inspiration throughout the engagement.

Carmen Rudd, SU20 Project Lead
For her dedication and coordination in driving the process forward and ensuring the success of the engagement.

Boitshoko Shoke, SU20 Content Lead
For coordinating the taskforce engagement processes, curating the engagement programme, ensuring the timely production of policy papers, and compiling this report with diligence and clarity.

Londani Mpharalala, Research and Impact Coordinator at 22 On Sloane
For her invaluable content support throughout the midterm engagement and for assisting in structuring and compiling this report, ensuring that the outputs reflect both rigour and relevance.

Finally, to all ecosystem partners, delegates, and entrepreneurs both local and international who contributed their insights, energy, and experience: thank you for building with us, for us, and beyond us."

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