

CSBAG BUDGET NEWS



FfD4 ends with commitment for systemic financial reforms and inclusive development



The Fourth International Conference on Financing for Development (FfD4) that was held in Seville, Spain, from 30th June to 3rd July 2025, ended with urgent focus to reform the international financial architecture, reduce borrowing costs, and scaling up investments for sustainable development. The FfD4 followed three critical global conferences where three milestones committed the world to mobilize resources for development, particularly for Least Developed Countries, Landlocked Developing, and African nations. Today, the urgency is even greater:

The annual SDG financing gap for developing countries has ballooned to over USD 4.2 trillion due to the COVID-19 aftermath, conflict, climate change, and rising debt.

Over 60% of low-income countries, including many in Africa, are in or at high risk of debt distress.

Tax avoidance, evasion, and Illicit Financial Flows (IFFs) drain African economies of an estimated USD 89 billion annually nearly equivalent to total Official Development Assistance (ODA) to Africa.

Global trade imbalances, coupled with environmental trade barriers, threaten to worsen Africa's economic vulnerabilities.

In this context, FfD4 was a crucial platform for Africa and Uganda to push for fairer global financing, trade, and tax system

Key outcomes from the FFD4

The Conference culminated in the adoption of the **Sevilla Commitment**, a landmark building upon previous accords from Monterrey, Doha, and Addis Ababa. The "Sevilla Commitment," is a bold framework aimed at bridging the \$4 trillion annual global financing gap for development, with special attention to the needs of developing countries, including Uganda.

Key commitments include to triple multilateral lending capacity, provide debt relief, and push for tax-to-GDP ratios of at least 15%. It emphasizes predictable funding for social protection. The

The success of these outcomes' hinges on effective implementation, with critics noting that deeper, binding reforms are needed to address persistent global challenges like debt, poverty, and climate finance

The conference acknowledged systemic biases against developing countries with institutions like the IMF and World Bank. There was a renewed push for equitable African and Least Developed Countries representation in global financial governance.

On international tax cooperation, delegates advanced plans for a UN-led Global Tax Convention to establish fairer multinational taxation rules and combat Illicit Financial Flows (IFFs)—a vital shift given only four African nations currently benefit from global tax information exchanges due to prohibitive barriers.

Climate and trade justice emerged as intersecting priorities, with strong reaffirmation of Common but Differentiated Responsibilities and sharp criticism of measures like the EU's Carbon Border Adjustment Mechanism (CBAM), projected to cost Africa over USD 1.5 billion annually by penalizing exports such as steel and fertilizers.

Trade, Development & Climate Justice: Critical Insights FfD4 exposed how current global trade rules actively undermine Africa's development, restricting policy space for industrialization, imposing rigid standards that marginalize small producers, and perpetuating raw material dependency—over 70% of Africa's exports remain unprocessed, stifling job creation. Africa captures minimal value due to limited processing capacity and unfair trade terms.

As Uganda's foremost civil society actor on public finance and development, CSBAG actively participated in key discussions, particularly on Debt, trade, development justice, climate financing, and domestic resource mobilization. CSBAG remains committed to ensuring Uganda and its citizens are not mere observers but active participants and beneficiaries of global development reforms.

CSBAG IN NEWS



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Members of the Participatory Budget Club after attending a community interface meeting on the state of Service delivery in UPE school in Kosike sub county in Nabilatuk district.

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Source: CSBAG

