

Africa Regional Consultation for the Fourth International Conference on Financing for Development in Africa

18-19 November 2024, Addis Ababa, Ethiopia

Hybrid event

Background

The world is witnessing an era of multifaceted challenges stemming from pandemics, climate change, financial shocks and debt distress. Financing remains at the core of addressing these multifaceted challenges and steering countries towards attaining Agenda 2030 of the Sustainable Development Goals and the African Union's Agenda 2063.

There is a massive need to raise financial resources to accelerate SDGs implementation. The need to raise additional resources is even more urgent now, given that we are less than seven years from attaining the Agenda 2030. The ECA's Economic Report on Africa 2020 stated that the annual financing gap to achieve the SDGs in Africa ranges from USD200 billion to USD1.3 trillion per year. The upper limit is more realistic, as the financing gap for all developing countries was estimated by UNCTAD in 2023 to be USD 4 trillion.

In addition to the financing gap, the progress gap between the current status and the targets of Agenda 2030 is also huge. Millions of people are deprived of the basic necessities of a quality life. Also, extreme inequality within and across societies has been on the rise, further derailing the likelihood of achieving SDG targets by 2030. Further, the enormous financing requirement needed to attain the SDGs in six years' time is coming at a time when the average public debt relative to GDP in Africa exceeds 60 per cent of GDP. According to the International Monetary Fund (IMF), as of November 2023, 8 African countries were in debt distress, and 13 were at a high risk of debt distress. For Africa to take charge of its recovery and development aspirations, more needs to be done to bridge the widened financing gap.

The Fourth Financing for Development Conference (FfD4), to be held in Spain from 30 June to 3 July 2025, provides a platform to address financing challenges in the context of these multifaceted problems and the urgent need to accelerate the implementation and achievement of the SDGs. The Conference has the critical mandate to support reform of the international financial architecture to ensure an equitable and inclusive setting, leaving no one behind.

African countries need to examine the priority areas of Africa to address the multidimensional challenges in the field of sustainable finance. In the run-up to the FfD4 and based on the discussion of the second session of the Committee on Economic Governance (CEG) held on 16-17 November 2024, the Africa regional consultation for the Fourth International Conference on Financing for Development in Africa, provides an opportunity to examine the needs of African countries and develop a concerted approach to cater African



needs in the discussion and action points of the Fourth Financing for Development Conference in 2025.

Objectives

The regional consultation in Africa will examine and address the below issues.

1. What steps need to be taken to address Africa's unique needs for closing the financing gap and ensuring an equitable and inclusive Global Financial Architecture?
2. How can the Fourth Conference on Financing for Development help address the issues of the African Countries in the context of global financial architecture and support the inclusive setting of international rules for taxation, trade, investment, and finance?
3. What politically feasible, action-oriented and ambitious proposals should African Member States consider taking forward at FfD4?
4. How can FfD4 help rebuild trust in global partnership and multilateralism?

Methodology and evaluation

The regional consultation will be held over two days on 18-19 November 2024 in a hybrid format. Participants will be provided with Zoom video conferencing details after registration. The participants from all African member States, civil society, academia and international organizations will join to contribute to the discussion and policy recommendations. Simultaneous interpretation will be available in English and French. All recordings and materials will be made available online at the end of the event. A questionnaire will be shared with the participants at the end of the event to evaluate the relevance, effectiveness and efficiency of the consultation meeting.

Expected outcome

Based on the background paper and issues discussed, the regional consultation is expected to result in: (a) Development of recommendations on a unified approach for attaining sustainable financing in Africa for the Fourth Financing for Development Conference for Africa; and (b) Guidance on the mechanisms for developing such a unified approach.

Target audience

The regional consultation is designed primarily for the representatives of the member States working at the ministries of finance, planning and economic development, and other relevant entities. Researchers from academic institutions, other regional stakeholders, including United Nations agencies, IFIs and AU, and representatives of civil society will also participate and contribute to the regional preparatory process leading to the Fourth Financing for Development Conference.

One participant per ECA member States will join the event in person to represent the member States in this critical discussion. ECA will finance the ticket cost along with accommodation for one participant. The representative will be nominated by the Ministry of Finance and



Economic Planning of the country for both the second session of the Committee on Economic Governance to be held on 16 -17 November 2024 and the Africa regional consultation for the Fourth International Conference on Financing for Development on 18-19 November 2024. Invitations to nominate government participants will be sent in due course.

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