national planning commission
Department: The Presidency
REPUBLIC OF SOUTH AFRICA

POLICY ADVISORY BRIEFING NOTE

South Africa’s Response to the Sevilla Commitment on Financing for Development (FfD4, 2025)

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1. CONTEXT

The adoption of the Sevilla Commitment at the Fourth International Conference on Financing for Development in July 2025 marks an important moment for the global development community. Building on Monterrey, Doha, and Addis, the Sevilla outcome renews the international framework for financing sustainable development at a time when the gap between ambition and resources continues to widen. Developing countries collectively face an annual financing shortfall of nearly USD 4 trillion, with climate change, debt distress, and macroeconomic instability further constraining fiscal space. The Commitment sets out a package of reforms aimed at strengthening the international financial architecture, mobilising domestic and international resources, and aligning public and private finance with the objectives of the 2030 Agenda, Agenda 2063, and national development plans.

For South Africa, these commitments are both an opportunity and a challenge. They reaffirm international solidarity in addressing global financing shortfalls while calling for concrete national action to align fiscal, investment, and cooperation strategies with sustainable development goals.

2. IMPLICATIONS FOR SOUTH AFRICA

For South Africa, the implications of Sevilla are significant. The renewed emphasis on international financial architecture reform aligns with the country’s longstanding advocacy for a fairer, more representative system of global governance. The call for greater inclusivity in the IMF, World Bank, and multilateral development banks provides an opportunity for South Africa, working through the AU, BRICS, and G20, to advance Africa’s collective voice in shaping rules and decision-making. Similarly, the endorsement of the UN Convention on International Tax Cooperation speaks directly to South Africa’s concerns about base erosion, profit shifting, and illicit financial flows (IFFs), which continue to drain much-needed domestic resources.

2.1. Global Reform Advocacy

The commitment to reform the international financial system reinforces South Africa's long-standing position held within the G20, BRICS, and the African Union (AU) for a more inclusive and representative global governance structure.

2.2. Domestic Resource Mobilisation

The Sevilla Commitment reinforces the urgency of strengthening fiscal sustainability. It places domestic resource mobilisation at the heart of development finance, highlighting measures such as broadening the tax base, addressing IFFs, and harnessing the digital economy. The emphasis on expanding the tax base, tackling IFFs, and integrating the informal economy aligns with South Africa's fiscal priorities. Progressive, gender-responsive, and climate-smart budgeting approaches also mirror ongoing policy debates on equity and sustainability.

For South Africa, this translates into advancing reforms that improve tax compliance, strengthen financial intelligence and customs systems, and introduce gender-responsive and climate-smart budgeting to ensure fiscal policy is both equitable and forward-looking.

2.3. Private Sector Development

The Sevilla Commitment also emphasises the catalytic role of private capital. For South Africa, this means scaling up blended finance instruments through institutions such as the Development Bank of Southern Africa (DBSA), Public Investment Corporation (PIC), and Independent Development Corporation (IDC) to de-risk investment and crowd in private finance for infrastructure, clean energy, and digital transformation. It also calls for deepening support to small and medium-sized enterprises, particularly women- and youth-led businesses, through guarantee schemes, digital finance, and expanded access to local capital markets. By creating policy certainty in priority sectors such as energy, infrastructure, and the digital economy, South Africa can position itself as a leading destination for sustainable investment on the continent.

2.4. Development Cooperation

On development cooperation, the Sevilla Commitment reaffirms the need for developed countries to meet their longstanding commitments of the 0.7 per cent target on official development assistance, while expanding the availability of concessional and grant-based finance. This provides South Africa with scope to advocate for predictable, country-aligned development cooperation that supports its Medium-Term Development Plan (MTDP) and National Development Plan (NDP) priorities. Equally, the outcome underscores the growing importance of South-South and triangular cooperation, offering South Africa an opportunity to deepen partnerships with African peers and position itself as a hub for innovative regional financing mechanisms under Agenda 2063 and the African Continental Free Trade Area.

2.5. Climate and Sustainability Finance

Global commitments on climate and biodiversity finance directly reinforce South Africa's Just Energy Transition Partnership and broader adaptation needs. Accessing new and emerging funds, including the Loss and Damage Fund and the Global Biodiversity Framework Fund, will be critical to ensure that national climate goals are met while protecting vulnerable communities. Developing a coherent national framework for sustainable finance regulation will also be essential to align private flows with South Africa's low-carbon and inclusive development pathway.

3. NATIONAL POSITIONS AND PRIORITIES

To maximise the benefits of the Sevilla Commitment, South Africa should position itself strategically and establish a coordinated national response, such as:

a) Champion International Reform
- Advocate for Africa's stronger voice in the IMF, World Bank, and other multilateral development banks' decision-making.
- Support negotiations on the UN Framework Convention on International Tax Cooperation.

b) Strengthen Domestic Resource Mobilisation
- Broaden the tax base, including the digital economy and natural resources.
- Scale up anti-IFF measures through tax, customs, and financial intelligence systems.
- Institutionalise gender-responsive and climate-smart budgeting.

c) Mobilise Private Capital
- Expand blended finance mechanisms through the DBSA, IDC, and PIC.
- Enhance micro, small, and medium enterprise financing via guarantee schemes, credit lines, and digital tools.
- Provide greater policy certainty to attract foreign direct investment in infrastructure, energy, and digital sectors.

d) Leverage Development Cooperation
- Advocate for increased concessional and grant-based overseas development assistance aligned to the NDP and MTDP.
- Expand South-South and trilateral cooperation partnerships.
- Position South Africa as a regional hub for financing innovation.

e) Advance Climate and Sustainability Finance
- Prioritise access to new global climate and biodiversity funds.
- Scale up the Just Energy Transition Partnership as a global model.

   - Develop sustainable finance regulations to channel private flows into inclusive, low-carbon sectors.

4. NEXT STEPS

To translate these commitments into action, South Africa should:

- Coordinate Nationally: Establish an interdepartmental task team, comprising of the National Treasury, the Departments of Planning, Monitoring and Evaluation, International Relations and Cooperation, Forestry, Fisheries and the Environment, Trade, Industry and Competition and the DBSA, to align the Sevilla Commitment outcomes with national financing frameworks.
- Lead Regionally: Work with the AU, Southern African Development Community, and African Development Bank to operationalise Sevilla Commitment priorities, ensuring alignment with Agenda 2063.
- Advocate Globally: Use platforms such as the Session of the UN General Assembly, the G20, BRICS, and COP30 (Belém) to position South Africa as a leader in shaping equitable financing reforms.
- Integrate Strategically: Embed Sevilla Commitment principles into the design of the NDP beyond 2030, ensuring long-term alignment between global financing frameworks and South Africa's development vision.

5. CONCLUSION

In short, the Sevilla Commitment offers South Africa both a challenge and an opportunity. The challenge lies in strengthening domestic systems and mobilising resources in a constrained fiscal environment. The opportunity lies in leveraging global reforms, new financing instruments, and regional partnerships to position South Africa as a leader in advancing a fairer, more sustainable global financing agenda. With decisive action and strategic positioning, South Africa can ensure that the Sevilla Commitment outcomes directly support its own national development priorities, while also contributing to Africa's and the broader global South's collective agenda for transformation and sustainable development.