



INTERNATIONAL
PEACE
INSTITUTE

The Financing for Development Agenda after Sevilla: Aligning Commitments and Actions

David Mulet

OCTOBER 2025

Executive Summary

The Fourth International Conference on Financing for Development (FfD4) in Sevilla sought to renew multilateral consensus on financing for sustainable development. Its negotiated outcome, the *Compromiso de Sevilla*, represents a balance between ambition and the limits of consensus-driven negotiations. Alongside the outcome document, the Sevilla Platform for Action (SPA) showcased 130 voluntary coalitions and initiatives translating commitments into practice.

The outcome document and the SPA converge in many areas, including innovative debt instruments, private sector mobilization, and the connection between development and climate finance. This illustrates how negotiated outcomes and multi-stakeholder initiatives can move in tandem, generating momentum for implementation.

In other areas, however, the commitments in the outcome document are not matched by actions in the SPA, or these actions are not at the scale or ambition needed. These gaps highlight both the limits of voluntary coalitions and the continuing need for state-led systemic reform in areas such as the debt architecture, the large-scale reallocation of special drawing rights, international tax cooperation, and governance of the multilateral development banks.

Finally, there are areas where the actions laid out in the SPA surpass the commitments in the outcome document. In these cases, voluntary coalitions can function as incubators of politically sensitive or technically complex ideas that lack intergovernmental consensus, including solidarity levies, new indicators to measure development progress, and civil society-led accountability mechanisms.

Together, the *Compromiso de Sevilla* and the SPA reveal a dual-track financing ecosystem: intergovernmental commitments provide political legitimacy, while voluntary coalitions drive experimentation and innovation. The effectiveness of the post-Sevilla phase will depend on how well these tracks are connected—ensuring that emerging innovations reinforce systemic reform and contribute meaningfully to bridging the global financing gap.

David Mulet is an IPI adviser on global sustainable development issues.

IPI is grateful to the Open Society Foundations and the Children's Investment Fund Foundation for funding its sustainable development and climate program.

The views expressed in this paper represent those of the author and not necessarily those of the International Peace Institute (IPI). IPI welcomes consideration of a wide range of perspectives in the pursuit of a well-informed debate on critical policies and issues in international affairs.

Introduction

With five years remaining until 2030, the world is severely off track to achieve the Sustainable Development Goals (SDGs). Progress is only getting harder as increasing armed conflict and escalating climate-related disasters disproportionately affect the most vulnerable countries and communities. UN Trade and Development (UNCTAD) estimates a staggering \$4.3 trillion in additional annual financing will be required to meet both the SDGs and climate commitments—a figure that has grown in the past few years.¹

Developing countries are facing a compounding crisis of poverty, inequality, weak health and food systems, debt distress, volatile capital flows, high borrowing costs, and shrinking fiscal space. These challenges have been exacerbated by recurrent climate shocks and unpredictable health and systemic crises such as the COVID-19 pandemic.²

Against this backdrop, the Fourth International Conference on Financing for Development (FfD), held in Sevilla, Spain, in July 2025, sought to renew and reassert multilateral consensus around mobilizing resources for sustainable development. The *Compromiso de Sevilla*, the intergovernmental negotiated outcome document, builds on the legacies of prior conferences in Monterrey (2002), Doha (2008), and Addis Ababa (2015).

Like its predecessors, the outcome document from Sevilla is structured around thematic areas: domestic public resources; domestic and international private finance; international development cooperation; international trade; debt sustainability; the international financial architecture and systemic issues; science, technology, innovation, and capacity building; and data, monitoring, and follow-up. It emphasizes that state-led efforts grounded in robust domestic resource mobilization

are central to financing for development and that these must be supported by an enabling and equitable system for international cooperation.³

After complex and often divisive negotiations, the *Compromiso de Sevilla* delivers modest but meaningful progress toward fairer and more inclusive global economic governance. It builds consensus around climate-responsive debt mechanisms, more coordinated international tax cooperation, and stronger commitments to scale up climate and development financing while reaffirming the United Nations as the central platform for multilateral reform. Yet deep geopolitical differences stunted ambition, with proposals for large-scale rechanneling of special drawing rights (SDRs), tougher measures against illicit financial flows (IFFs), and comprehensive reform of multilateral development banks (MDBs) either watered down or postponed. In seeking broad

political acceptance, the agreement consolidated shared priorities but left core structural inequities in the global financial system largely intact.⁴

In parallel, as host of the conference and with the support of the UN and other

partners, the Spanish government launched the Sevilla Platform for Action (SPA). This voluntary, multi-stakeholder registry showcases 130 initiatives led by governments, MDBs, civil society organizations, private investors, and philanthropic actors.⁵ The SPA aims to translate commitments into practice, and while not comprehensive, it illustrates how coalitions, technical partnerships, and voluntary commitments can advance ambition, experimentation, and innovation to implement—and sometimes exceed—the conference’s recommendations.

Beyond the SPA, the Sevilla conference also hosted more than 450 side events showcasing initiatives and debates across all levels—from local pilots to global coalitions—underscoring the breadth of

While the *Compromiso de Sevilla* sets out formal intergovernmental commitments, the Sevilla Platform for Action showcases voluntary coalitions and initiatives to accelerate progress.

1 UN Trade and Development (UNCTAD), “Financing for Development: Reforming Global Systems to Drive Progress,” February 2024.

2 UN Department of Economic and Social Affairs (DESA), “Financing for Sustainable Development Report 2024,” April 2024.

3 “*Compromiso de Sevilla*,” June 16, 2025, para. 26.

4 Center for Economic and Social Rights (CESR), “Building Blocks for Change: Reflections on FfD4 and the *Compromiso de Sevilla*,” July 2025.

5 UN DESA, “Sevilla Platform for Action Registry,” 2025, available at <https://financing.desa.un.org/ffd4/sevilla-platform-action>.

engagement around the FfD agenda.

While the *Compromiso de Sevilla* sets out formal intergovernmental commitments, the SPA showcases voluntary coalitions and initiatives to accelerate progress. This brief does not attempt a system-wide mapping; rather, it contrasts the official outcome with the initiatives highlighted in the SPA to identify where governments are taking the lead, where other actors are driving innovation, and where gaps remain. It also references notable initiatives occurring outside the SPA that contribute to accelerating the implementation of global development and climate goals.

Alignments and Overlaps: Where Commitments and Actions Reinforce Each Other

One of the most encouraging results of the Sevilla conference is the degree to which it mobilized concrete coalitions and mechanisms to implement the intergovernmental commitments of the outcome document. While the outcome document establishes broad mandates in areas such as sovereign debt, blended finance, climate-linked finance, tax cooperation, and international trade, the SPA presents voluntary, practical coalitions and platforms that operationalize these commitments in practice. These areas of convergence illustrate how negotiated outcomes and multi-stakeholder initiatives can move in tandem, generating momentum for implementation.

Debt Innovation and Restructuring

Sovereign debt and debt sustainability emerged as one of the most politically salient themes at Sevilla. With over half of low-income countries—many middle-income countries—already in or at high risk of debt distress, the outcome document recognizes the urgent need for new mechanisms.⁶ It calls

for scaling up state-contingent debt instruments (SCDIs), including climate-related pause clauses, expanding the use of debt-for-climate and debt-for-development swaps, and reaffirming the UN's role as a forum for convening dialogue on more universal and inclusive approaches to debt sustainability.⁷

The SPA reinforces the outcome document's priorities by establishing coalitions focused on implementing the negotiated commitments. The Debt Pause Clause Alliance is working to standardize and embed pause clauses into sovereign bond contracts, allowing debtor countries to suspend repayments when struck by natural disasters or other external shocks. By establishing this feature as a global norm, the alliance addresses one of the major weaknesses of the current debt architecture—its inability to respond rapidly and flexibly to exogenous shocks.⁸

Similarly, the Sevilla Forum on Debt Swaps and the Global Hub on Debt Swaps are pursuing practical pathways for debt-for-development swaps, offering countries negotiation platforms and repositories of best practices and technical support.⁹ These mechanisms are good examples of concrete measures to advance more sustainable debt management in developing countries.

Action platforms like the SPA serve as bridges between political consensus and practical implementation. By translating the *Compromiso de Sevilla*'s commitments into concrete alliances and initiatives, the SPA provides the technical capacity, partnerships, and country-led platforms needed to test and scale new financing models. Through these coalitions, governments, international institutions, and civil society actors can pilot mechanisms, from debt management tools to climate-responsive finance, while reinforcing the legitimacy of the intergovernmental commitments made at Sevilla. Although more ambitious systemic reforms, such as a sovereign debt restructuring framework, remain absent for now, the SPA's initiatives mark tangible progress toward a

6 International Monetary Fund (IMF) Independent Evaluation Office, "IMF Engagement on Debt Issues in Low-Income Countries," May 2025; Erica Hogan, "Why Debt Relief Matters to the Wealthy West," Carnegie Endowment for International Peace, April 25, 2024.

7 "Compromiso de Sevilla," "Debt Sustainability" chapter.

8 "Sevilla Platform for Action Registry," entry on "Debt Pause Clause Alliance."

9 Ibid., "Global Hub on Debt Swaps for Development" and "Sevilla Forum on Debt Swaps—Coalition on Debt-for-Development Swaps."

more inclusive and sustainable global financing architecture.¹⁰

Although not included in the SPA, there is also growing support in several forums for launching an intergovernmental process to establish a UN Convention on Sovereign Debt—a process that could eventually institutionalize many of these innovations within a binding framework.

Blended Finance and Private Sector Mobilization

The mobilization of private finance for sustainable development is another area where the outcome document and SPA reinforce one another. Governments emphasized that private capital is critical to closing the financing gap amid declining public development assistance.¹¹ They highlighted that private capital must be properly regulated and complement rather than displace public resources. The outcome document therefore underscores the importance of blended finance, de-risking instruments, and pipelines for bankable projects.¹²

Stakeholders translated these priorities into a set of concrete platforms featured in the SPA. The Sustainable Capital for Development (SCALED) platform aggregates projects and pools risk across countries and sectors to enable blended finance at scale. For instance, smallholder irrigation projects in East Africa—often too small and risky to attract institutional capital—can be bundled into larger, financeable packages. By blending concessional and private resources, SCALED reduces transaction costs, spreads risk, and makes agriculture a

The SPA can create a reinforcing cycle: intergovernmental consensus provides legitimacy and political backing, while the SPA initiatives offer the technical capacity and coalition-building needed to test, implement, and scale up new models.

viable investment class for institutional investors.¹³

Complementing this, the Platform for Investment Support and Technical Assistance (PISTA) tackles upstream bottlenecks such as limited technical capacity, weak feasibility studies, and poor transaction structuring. It provides tailored technical support, structured transaction design, and pipeline development to help projects reach bankability. In practice, many renewable energy projects in low-income countries fail not for lack of investor interest but because feasibility studies are absent or prohibitively expensive. PISTA acts as an incubator, enabling these projects to mature and eventually be aggregated and de-risked via platforms like SCALED.¹⁴

At the same time, the Inter-American Development Bank's (IDB) FX EDGE facility addresses foreign exchange risk, a persistent challenge for infrastructure and renewable energy projects in developing countries. In many developing countries, revenues are generated in local currency, while loans are repaid in dollars or euros. Exchange-rate volatility can inflate debt burden overnight. By offering hedging instruments and promoting local-currency lending, FX EDGE reduces this risk, making projects more affordable and financeable.¹⁵

Together, these initiatives translate the outcome document's commitments into practice. While they do not solve all the systemic challenges of mobilizing private finance, they provide a foundation for progress.¹⁶ Questions remain, however, about scalability, governance, and whether blended finance truly delivers additionality.¹⁷

10 UN DESA, "FfD4 Invites Sevilla Platform for Action Initiatives," April 9, 2025; UN Development Programme (UNDP), "Sevilla Platform for Action Launched to Scale Country-Led Financing Approaches for Sustainable Development and Climate," July 2025; CESR, "Building Blocks for Change."

11 Patricia R. Blanco, "La cumbre de la ONU de Sevilla intenta movilizar al sector privado ante la ola de recortes de los países al desarrollo," *El País*, July 1, 2025.

12 "Compromiso de Sevilla," "Private and Blended Finance" chapter.

13 "Sevilla Platform for Action Registry," entry on "SCALED—Scaling Capital for Sustainable Development (formerly the Hamburg Sustainability Platform [HSP])."

14 Ibid., "Platform for Investment Support and Technical Assistance (PISTA)"; UNDP, "PISTA: A Powerful Enabler of Climate Finance Where It's Needed Most," July 2, 2025.

15 Ibid., "FX EDGE: Foreign Private Capital Mobilization and Currency Hedging Initiative"; Simon Jessop, Marc Jones, and David Latona, "IDB Seeks to Unlock \$11 Billion-Plus for Sustainability Goals," *Reuters*, July 1 2025; Inter-American Development Bank (IDB), "IDB Launches FX EDGE to Unlock Private Investment," press release, July 1, 2025.

16 Chiara Mariotti et al., "Blending from the Ground Up: Multilateral and National Development Bank Collaboration to Scale Climate Finance," *Global Economic Governance Initiative (GEGI)*, Boston University Global Development Policy Center, February 2025.

17 Convergence, "State of Blended Finance 2024: Climate Edition," April 2024; Ole Winckler Andersen et al., "Blended Finance Evaluation: Governance and Additionality," *Organization for Economic Co-operation and Development (OECD)*, January 2019.

Climate Finance

The outcome document reaffirms that sustainable development and climate action are inseparable. It calls for aligning all means of implementation with the UN Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. These include instruments such as the New Collective Quantified Goal on climate finance (NCQG) adopted in Baku, the Loss and Damage Fund, and other climate mechanisms like the Adaptation Fund, the Green Climate Fund, the Global Environment Facility, the Least Developed Countries Fund, and the Special Climate Change Fund. The outcome also emphasizes support for the implementation of nationally determined contributions (NDCs) and national adaptation plans (NAPs) and looks ahead to the launch of the “Baku to Belém Roadmap to 1.3T” while stressing the need for transparency in climate finance reporting.¹⁸

The SPA complements these priorities through the launch of the Global Coalition for Pre-arranged and Responsive Finance. This coalition aims to ensure disaster-prone countries have rapid and predictable access to funding following shocks, thereby reducing the fiscal vulnerability that so often derails development plans.¹⁹ Its design explicitly links disaster risk financing with development planning, helping countries avoid recurring cycles of recovery that deter long-term investments.

Simultaneously, MDBs showcased ambitious instruments, such as the FX EDGE platform mentioned above, proposals for expanding local-currency lending, and the pilot of the ReInvest+

investment loop to recycle capital for green investments.²⁰ Although not formally submitted to the SPA registry, these initiatives were extensively discussed in side events and technical papers, signaling a growing appetite for systemic innovation in climate finance.²¹

Despite these efforts, the outcome document and SPA do not fully align. The document does not specify how much climate finance should be scaled, leaving open questions about the concessionality and composition of loans, a particular concern given that many climate flows are loan-based. Its emphasis on adaptation and resilience is symbolically important but lacks concrete targets. While

The outcome document gives the political framework, while the initiatives showcased around the SPA—and beyond—provide the tools and partnerships to put this principle into practice.

countries agreed that climate finance must address both mitigation and adaptation, they did not set specific quantitative benchmarks or assert the need to balance finance between the two areas.

As a result, the outcome document does not address the persistent bias toward mitigation-focused finance, leaving adaptation projects in vulnerable countries underfunded. Also, while it calls for coherence between climate and development finance, it does not address the politically sensitive issue of double counting, where the same amounts may be reported both as official development assistance (ODA) and climate finance, undermining transparency and inflating reported financing flows.²²

Aligning climate and development finance is particularly important as it demonstrates a shift toward treating these as interlinked challenges rather than siloed agendas. The outcome document gives the political framework, while the initiatives showcased around the SPA—and beyond—provide the tools and partnerships to put this principle into practice.²³

18 “Compromiso de Sevilla,” para. 41(b).

19 United Nations, “Sevilla Platform for Action Offers ‘Ambitious, Action-oriented Response to Global Financing Challenge,’ Says Secretary-General, at Launch Event,” press release, June 30, 2025.

20 Jessop et al., “IDB Seeks to Unlock \$11 Billion-Plus for Sustainability Goals.”

21 IDB, “IDB Group Launches ReInvest+: Going Where the Money Is to Unlock Private Climate Finance,” July 1 2025.

22 Kathrin Berensmann and Yabibal M. Walle, “What Does the FfD4 Seville Compromise Comprise?” *Welthungerhilfe*, June 17, 2025; European Network on Debt and Development (Eurodad), “UN Financing for Development Outcome Derailed by Global North: Key Events in Sevilla,” June 25, 2025.

23 United Nations, “Sevilla Platform for Action Offers ‘Ambitious, Action-Oriented Response to Global Financing Challenge,’” see also CESR, “Building Blocks for Change.”

Trade and Micro, Small, and Medium-Sized Enterprise Finance

While less politically visible than debt, trade and micro, small, and medium-sized enterprise (MSME) finance emerged as another area of meaningful alignment between negotiated commitments and concrete initiatives. The outcome document recognizes that inclusive trade systems and access to finance for MSMEs are vital to achieving the SDGs.²⁴ The SPA complements this recognition with initiatives such as the African Exchanges Linkage Project, which connects African capital markets and to expand MSMEs' access to investment, and new MSME trade finance facilities supported by the International Chamber of Commerce and regional development banks.²⁵

Through these efforts, the SPA is helping to expand cross-border exchange connectivity and trade-credit facilities for developing countries, mitigating fragmented global value chains and easing the high financing barriers faced by small firms.²⁶

Complementary Innovations Beyond the SPA

Not all promising ideas are captured in the SPA. Many emerged in the broader Sevilla ecosystem—across more than 450 side events organized by governments, MDBs, national development banks, and civil society. Two stand out as good examples: collaboration between multinational and national development banks and ReInvest+.

A 2025 Boston University report highlights the transformative potential of structured partnerships between multilateral development banks (MDBs) and national development banks (NDBs). They contribute concessional finance, guarantees, and global market access, while NDBs provide local knowledge, pipelines, and technical capacity.

Together, they can lower financing costs, manage currency and climate risks, and strengthen country ownership of development platforms. Evidence from South Africa, Latin America, and Asia shows that such contributions can scale up investments in renewable energy and infrastructure.²⁷ Despite these advantages, no SPA entry codifies a standing MDB-NDB platform with standardized risk-sharing templates. This absence underscores both the promise of such collaboration and the SPA's limits as a voluntary registry.

The Inter-American Development Bank's ReInvest+ idea channels global institutional investment into developing countries in support of the "Baku-to-Belém Roadmap to 1.3T," all without public subsidies. It works by purchasing existing, high-quality loans from local banks, pooling and insuring them against political and currency exchange risk, and issuing investment-grade securities for institutional investors. The proceeds are recycled to buy more loans, while local banks reinvest freed-up capital in new, country-aligned lending—for example, sustainable infrastructure or projects that mitigate emissions. With more than \$3 trillion in performing loans sitting on the balance sheets of banks in developing countries, ReInvest+ unlocks this idle capital to finance new projects at scale. After an initial launch in Latin America, the program is designed to be rolled out globally.²⁸

For ReInvest+ to work, regulatory barriers—such as non-risk-based capital requirements and country-credit ceilings—must be addressed.²⁹ These rules often force banks to keep the same capital buffer even for low-risk loans, tying up funds that could be re-lent. Similarly, country credit ceilings set strict limits on how much investors can put into any one country, even when the loans are solid and insured. Barring a few regulatory hurdles, ReInvest+ operationalizes the outcome document's call to mobilize private capital while tackling systemic bottlenecks.

²⁴ "Compromiso de Sevilla," paras. 61–64.

²⁵ "Sevilla Platform for Action Registry," entries on "African Exchanges Linkage Project (AELP)" and "Scaling Social & Sustainability-Linked Trade Finance to Mobilise Inclusive, Low-Carbon Trade."

²⁶ UNCTAD, "World Investment Report 2025: International Investment in the Digital Economy," June 2025.

²⁷ Kevin P. Gallagher and Stephany Griffith-Jones, "Blending from the Ground Up: Multilateral and National Development Bank Collaboration to Scale Climate Finance," Boston University Global Development Policy Center, February 2025.

²⁸ IDB, "IDB Group Launches ReInvest+."

²⁹ IDB, "Stocktaking of Private Finance Mobilization at the IDB Group," 2024, p. 29.

Both MDB-NDB collaboration and ReInvest+ exemplify the kind of structural innovation needed to close the global financing gap. They show that systemic reform often incubates outside formal coalitions. However, these innovations must eventually be anchored in formal governance frameworks to make a sustained impact.

Progress but Not Yet Transformation

The alignments and overlaps between the outcome document and the SPA highlight how negotiated commitments and voluntary initiatives can reinforce one another. Debt pause clauses, debt swaps, blended-finance hubs, risk-mitigation facilities, climate-linked instruments, and trade and MSME finance initiatives all represent tangible areas of progress. Complementary ideas such as MDB-NDB collaboration and the ReInvest+ further show that innovation continues beyond the SPA framework. Countless local, national, and regional efforts are also contributing to the FfD agenda.

Yet most of these measures focus on improving contracts, building project pipelines, and expanding risk-sharing instruments rather than advancing the structural reforms that many developing countries see as essential, such as comprehensive debt restructuring, fairer global tax cooperation, and fundamental MDB reform. In this sense, the outcome document and SPA fall short of the breakthroughs required to close the financing gap.

Gaps: Where Commitments Lack Action

If the areas of alignment between the Compromiso de Sevilla and the SPA reveal growing momentum,

the divergences expose the gaps where the FfD agenda still falls short. In some areas, the outcome document lays out politically important commitments that remain unmatched by voluntary initiatives; in others, SPA proposals provide solutions that are valuable but not at the scale or ambition needed. These gaps highlight both the limits of voluntary coalitions and the continuing need for state-led systemic reform to achieve transformative change.

Systemic Reforms in Debt Architecture

Debt innovations like pause clauses, debt swaps, and technical-assistance hubs featured prominently in the outcome document and the SPA, but transformative reforms of the international debt architecture remain elusive. The outcome document reiterates the need for debt-resolution mechanisms that are

A familiar pattern persists: countries gain only temporary breathing space through pause clauses or debt swaps, while deeper structural issues remain.

more predictable, timely, and inclusive, echoing two decades of frustration with ad hoc, creditor-driven processes.³⁰

Yet the SPA contains no initiative toward a statutory or quasi-statutory sovereign debt restructuring mechanism, no coalition to require creditors to coordinate across instruments, and no practical pathway to overcome collective-action bottlenecks among diverse creditor classes.³¹ Instead, most actions focus on technical instruments within the existing system such as contract-level, state-contingent features; debt-for-climate or debt-for-development swaps; and technical support.³²

Nevertheless, a familiar pattern persists: countries gain only temporary breathing space through pause clauses or debt swaps, while deeper structural issues remain. Restructuring negotiations frequently drag on for years, offering only short-lived relief, as Zambia's protracted debt talks under the G20 Common Framework showed.³³ Meanwhile, private creditors may refuse to accept restructuring terms,

30 "Compromiso de Sevilla," "Debt" chapter; Ameenah Gurib-Fakim et al., "Can and Should FFD4 Deliver a Just Global Debt Deal?" Project Syndicate, June 26, 2025; Andrea Shalal, "Global Roundtable Sees Rising Debt Risks for Low-Income Countries," Reuters, April 23, 2025.

31 "Compromiso de Sevilla," paras. 55–60; Daniel Reichert-Facilides, "Sovereign Debt Restructuring after Sevilla," Finance for Development Lab, July 2, 2025; Mahinour El Badrawi et al., "Cautious Consensus: Where We Stand on the Compromiso de Sevilla," CESR, 2025.

32 Contract-level state-contingent features are clauses in individual loan or bond contracts that adjust repayment terms automatically when there are shocks like recessions or natural disasters. They provide flexibility but, because they are applied case by case rather than through a universal framework, they do not address systemic coordination problems among creditors.

33 Rachel Savage, "Zambia's Debt Restructuring Limpers Over the Line in Painful Test Case," Reuters, June 4, 2024.

opting instead to litigate for full repayment, as seen in Argentina's post-2001 battles with holdout creditors.³⁴ The weaknesses of the Common Framework continue to constrain developing countries' ability to secure fairer outcomes, skewing the bargaining power toward creditors.³⁵

Even with recent innovations such as pause clauses and debt-for-climate swaps, many developing countries remain caught in recurrent cycles of debt distress without reaching sustainable solutions. This inhibits coordination among bondholders, bilateral lenders, and multilateral institutions, resulting in lengthy and uncertain restructuring negotiations, raises borrowing costs for countries forced back into international markets under strained conditions.³⁶

Without reforms that credibly bind all major creditor classes and establish predictable, time-bound procedures for standstills and resolution, the global debt system risks perpetuating a cycle of crisis and incomplete relief.³⁷ Initial discussions around a process to establish a UN Framework Convention on Sovereign Debt—similar to the ongoing negotiations on a UN Framework Convention on International Tax Cooperation—are a positive step toward developing a coherent mechanism for managing.³⁸

Special Drawing Rights and Global Liquidity

The outcome document acknowledges the role of Special drawing rights (SDRs) in strengthening the global financial safety net and encourages their reallocation to countries most in need.³⁹ Yet the SPA includes no coalition to operationalize the large-scale rechanneling of SDRs, no blueprint for using SDRs to back climate-and-SDG facilities, and no proposal to address balance-sheet and

accounting constraints that deter some issuers from reallocating.

Reallocating SDRs is not only a matter of finding the political will but also of overcoming institutional and legal obstacles. Decisions on using SDRs are made in the International Monetary Fund (IMF), where the largest shareholder countries hold most of the voting power. In many cases, national laws and central bank rules also restrict how SDRs can be used, since they are normally treated as part of a country's reserves. Moreover, the high-income countries holding the majority of SDRs have been reluctant to re-channel them, citing reserve-status constraints, accounting rules, and domestic political considerations.⁴⁰

For example, in 2021, the G20 pledged to reallocate \$100 billion in SDRs to address the COVID-19 pandemic. While the pledge was widely celebrated, implementation has been slow and uneven with only a fraction of the promised amount being rechanneled, mostly through complicated IMF trust funds rather than direct, flexible support to countries most in need.⁴¹ This experience illustrates the limits of voluntary pledges in the absence of binding global agreements.

Without further action on SDR reform, low-income and climate-vulnerable countries will still rely on sporadic allocations or small, ad hoc arrangements rather than a predictable, rules-based channel that links global liquidity to long-term development and resilience.

Climate Finance and Double Counting

Another major gap lies in the credibility and accountability of climate finance. The outcome document reaffirms the need to scale up resources and to integrate resilience and disaster-risk reduc-

34 J. F. Hornbeck, "Argentina's Defaulted Sovereign Debt: Dealing with the 'Holdouts,'" Congressional Research Service, February 6, 2013.

35 Larry Elliott, "World Bank Official Calls for Shake-up of G20 Debt Relief Scheme," *The Guardian*, April 21, 2024.

36 International Monetary Fund, "Debt-Vulnerabilities and Financing Challenges in Emerging Markets and Developing Economies," February 19, 2025; Finance for Development Lab, "Sovereign Debt Restructuring and the G20 Common Framework: Real or Symbolic Progress?" 2024.

37 Anna Gelpern and Andrew Powell, "Sovereign Debt Restructuring: The Need for a New Approach," July 2023.

38 Iolanda Fresnillo, "UN Framework Convention on Sovereign Debt: Building a New Debt Architecture for Economic Justice," European Network on Debt and Development, 2025; International Institute for Sustainable Development, "UNGA Establishes INC for Framework Convention on International Tax Cooperation," December 10, 2024.

39 "Compromiso de Sevilla," paras. 76(b)–(c), section on "Systemic Issues."

40 Center for Global Development, "The Challenge of Reallocating SDRs: A Primer," August 18, 2021; FindevLab, "A State of Play on SDRs," January 2024; Germanwatch, "Innovative Use Options for the Center Special Drawing Rights," February 2025.

41 Center for Global Development, "The G20's Broken Promise on SDR Recycling," October 30, 2023.

tion into development planning. Yet the text fell short in several key areas.

First, the Sevilla conference did not resolve the persistent problem of double counting climate finance and official development assistance (ODA). Developing countries stressed that without a clear separation, existing ODA can simply be relabeled as climate finance, undermining both agendas. Proposals for stronger monitoring safeguards were debated but did not make it into the outcome document. Between 2011 and 2020, 93 percent of climate finance reported by developed countries came from existing aid budgets, with only 7 percent genuinely additional.⁴² This leaves climate pledges vulnerable to inflation through creative reporting rather than genuine increases in resources.

Second, the outcome document lacks ambition on the total amount of climate finance required. It reaffirms the need to mobilize resources but offers no new collective target beyond the \$100 billion pledge that expired in 2020, an amount that has been widely criticized as insufficient. The UNFCCC Standing Committee on Finance estimates that trillions will be required annually for mitigation and adaptation,⁴³ but the outcome document provides neither a new collective target nor a roadmap for scaling up commitments.

Third, the balance between adaptation and mitigation financing remains unresolved. The outcome document acknowledges the importance of adaptation and resilience but lacks explicit targets or allocation ratios. Historically, over 70 percent of climate finance has gone to mitigation, with adaptation—the top priority for many vulnerable countries—significantly underfunded.⁴⁴

Fourth, questions of concessionality and debt sustainability persist. Much climate finance continues to take the form of loans rather than grants, deepening debt burdens in already climate-vulnerable countries.

On the SPA side, several initiatives help deliver

more finance but do not address these systemic concerns. The Global Coalition for Pre-arranged and Responsive Finance, the FX EDGE facility, and blended-finance platforms such as SCALED and PISTA are valuable contributions, but they are primarily technical instruments, not structural solutions. None of them confront systemic accountability gaps by preventing double counting, setting adaptation targets, or mandating concessionality.

Ultimately, the outcome document and the SPA demonstrate momentum on delivering climate finance but do not resolve the harder questions of how much finance is needed, in what form, and with what guarantees. Without that, climate finance risks becoming more about rhetoric and optics than substance and delivery. Vulnerable countries will continue to receive fragmented, often debt-creating resources rather than predictable, equitable support.

Illicit Financial Flows and International Tax Cooperation

The outcome document contains positive language on combating illicit financial flows (IFFs) and moving toward a more inclusive global tax framework, building on momentum from UN negotiations on a Framework Convention on International Tax Cooperation.⁴⁵ This recognition reflects growing concern that profit shifting, base erosion, and illicit outflows continue to strip developing countries of hundreds of billions of dollars annually, undermining their fiscal sovereignty and capacity to invest in the SDGs. Recent estimates suggest that governments collectively lose nearly \$300 billion annually in corporate tax revenue due to cross-border tax abuse, with developing countries suffering the most severe relative losses.⁴⁶

The SPA complements these commitments with initiatives such as the Anti-IFFs Policy Tracker and the Addis Tax Initiative's Seville Declaration,

42 CARE Denmark, "Double-Counted Climate Finance Means Poorest Pay the Price," September 18, 2023.

43 United Nations Framework Convention on Climate Change (UNFCCC) Standing Committee on Finance, "Fifth Biennial Assessment and Overview of Climate Finance Flows," October 2022; OECD, "Climate Finance and the USD 100 Billion Goal," accessed 2024, available at <https://www.oecd.org/en/topics/sub-issues/climate-finance-and-the-usd-100-billion-goal.html>.

44 OECD, "Climate Finance Provided and Mobilised by Developed Countries in 2016–2020: Insights from Disaggregated Analysis," 2022.

45 "Compromise de Sevilla," paras. 13, 26, and 29, section on "Illicit Financial Flows."

46 Tax Justice Network, "State of Tax Justice 2024: Global Tax Abuse—How Much Is Stolen and Who Pays for It?" November 2024.

which are primarily technocratic tools focused on transparency, benchmarking, and strengthening domestic resource mobilization.⁴⁷ While such measures can improve reporting and accountability, they do not alter the structural asymmetries in global decision-making power or the incentive structures that allow aggressive tax planning and illicit outflows to persist.⁴⁸

A clear message emerging from the Sevilla conference is that data and capacity are necessary but not sufficient. The challenge remains political: decisions about who sets the rules, whose interests dominate in disputes, and how enforcement is funded and implemented will ultimately determine whether reforms are fair and effective. Without a UN-anchored tax instrument and stronger cross-border enforcement mechanisms, domestic reforms will continue to be undermined by jurisdictional arbitrage and fragmented international standards.⁴⁹

The outcome document and the SPA demonstrate momentum on delivering climate finance but do not resolve the harder questions of how much finance is needed, in what form, and with what guarantees.

MDB and Governance Reform

The outcome document reaffirms the central role of MDBs in scaling up development and climate finance. It explicitly calls on MDBs to expand their lending capacity, increase concessional resources, and align their operations more closely with the SDGs and the Paris Agreement commitments. Yet most MDB-related SPA initiatives focus on incremental instruments like local-currency lending facilities, project-preparation platforms, or contingent financing for disaster response. These are important technical innovations that reduce costs and improve access, but they remain bounded by existing balance sheets and conservative risk

frameworks that do not allow the scale of resource mobilization required.

Unfortunately, SPA initiatives to reform the MDBs are conspicuously absent. As highlighted by the 2022 G20 Independent Review, a capital adequacy reform of the MDBs could unlock hundreds of billions of dollars in additional lending by adjusting their risk tolerance and leveraging available capital more effectively.⁵⁰ MDBs also continue to face governance constraints, particularly around shareholder representation, voting power, and risk appetite. This restricts them from funding large-scale climate-resilient infrastructure and other high-risk, long-term investments that are essential for achieving development and climate goals.⁵¹

While the management bodies of MDBs can pursue technical changes such as launching new lending instruments or scaling blended finance, they require shareholder approval for deeper reforms around capital adequacy, risk pricing, and governance structures. These shareholders—dominated by the G7 and major emerging economies—often have differing policy priorities and geopolitical interests, resulting in gridlock rather than transformation.⁵² Consequently, MDBs frequently resort to stretching limited resources through trust funds, project-level blended finance, or hybrid capital, which are all helpful but fall short of delivering the systemic capital boosts needed.⁵³

The gap between the outcome document's calls for MDBs to take more ambitious action and the SPA's focus on technical tools underscores a deeper structural constraint: According to the Organization for Economic Co-operation and Development (OECD), even with recent capital adequacy adjust-

47 "Sevilla Platform for Action Registry," entries on "Anti-IFIs Policy Tracker" and "Addis Tax Initiative's Seville Declaration on Domestic Revenue Mobilisation."

48 Tax Justice Network, "State of Tax Justice 2024."

49 International Institute for Sustainable Development, "A Roadmap for Negotiating the Protocols to the United Nations Framework Convention on Tax," July 2025; Tax Justice Network, "Breaking the Silos of Tax and Climate: Climate-Tax Policy Under the United Nations Framework Convention on International Tax Cooperation," December 9, 2024.

50 Independent Expert Panel for the G20, "Boosting MDBs' Investing Capacity: An Independent Review of Multilateral Development Banks' Capital Adequacy Frameworks," October 2022.

51 Angelos Delivorias and Dorothee Falkenberg, "Multilateral Development Banks: State of Play and Reform Proposals," European Parliamentary Research Service, October 2024.

52 Ibid.

53 Suma Chakrabarti, Mandeep Bains, and Annalisa Prizzon, "Reforming MDBs: We Have the Solutions, Now We Need Sustained Leadership," ODI, October 16 2024.

ments and balance sheet optimizations, current reforms would expand MDB lending capacity by no more than 30 percent by 2030, well below the G20 Independent Expert Group's goal of tripling MDB financing over the same period.⁵⁴ Without shareholder agreement on deeper reforms, MDBs will remain underpowered relative to the trillions in climate and development financing needed annually.

Why the Gaps Persist and What They Reveal

These gaps highlight a divide between what can be advanced technically and what requires political consensus. Technical and incremental reforms can advance through voluntary coalitions because they stay within existing mandates and avoid confronting questions of power and resource distribution. In contrast, deeper systemic reforms—such as rules-based sovereign debt mechanisms, large-scale SDR recycling, or fundamental improvements to the governance of MDBs—require political bargains among states and institutional shareholders, often involving contested shifts in influence, votes, or financial prerogatives.⁵⁵

The implication is clear: voluntary coalitions can innovate and maintain momentum on implementation, but without state-led decisions on systemic change, the FfD agenda risks becoming a collection of innovative efforts that are incapable of closing the financing gap.

The strategic task for the post-Sevilla phase is to link innovation to adoption—to embed coalition-led pilots in intergovernmental frameworks. The European Think Tanks Group argues that strengthening the Financing for Development follow-up process will require a more coherent framework for coordination and accountability, ensuring that the commitments made by governments and institutions are tracked collectively rather than through

fragmented efforts. Embedding these mechanisms in ECOSOC and other multilateral bodies would provide the institutional anchors needed to move from isolated initiatives toward systemic, sustained change.⁵⁶ Such anchors could be developed through the ECOSOC review process, MDB shareholder directives, or the UN negotiations on tax cooperation.

Innovations: Where Action Surpasses Intergovernmental Consensus

While the Compromiso de Sevilla shows the limits of what governments could collectively agree on, the SPA highlights a range of initiatives that complement those commitments and translate them into action. In some cases, these coalitions and partnerships incorporate ideas that negotiators

Voluntary coalitions function as incubators of ambition, testing politically sensitive or technically complex ideas that lack inter-governmental consensus.

had either watered down or excluded entirely from the outcome document due to political sensitivities. Voluntary coalitions thus function as incubators of ambition, testing politically sensitive or technically

complex ideas that lack intergovernmental consensus. Beyond the SPA registry, governments, civil society organizations, MDBs, and private sector actors convened over 450 side events during the conference to present initiatives and ideas that energized the FfD landscape.

Solidarity Levies and Innovative Taxes

One of the clearest examples of innovation beyond consensus lies in the growing movement for global solidarity levies. The outcome document reaffirms the importance of domestic resource mobilization and tax cooperation, but it stops short of proposing concrete measures, reflecting long-standing political resistance from several economic powers.

⁵⁴ OECD, "Multilateral Development Finance 2024," September 2024, p. 10.

⁵⁵ Masood Ahmed, Rachael Calleja, and Pierre Jacquet, "The Future of Official Development Assistance: Incremental Improvements or Radical Reform?" Center for Global Development, January 2025; María José Romero and Jean Saldanha, "Fourth International Conference on Financing for Development Exposes Continued Lack of Commitment to Address Systemic Issues," Bretton Woods Project, July 21, 2025; Kate Abnett and Simon Jessop, "US Seeks to Weaken Global Development Finance Efforts, UN Document Shows," Reuters, May 5, 2025.

⁵⁶ European Think Tanks Group, "FfD4 as a Turning Point: Overcoming Challenges to Strengthen Sustainable Development Finance," February 2025, p. 10.

By contrast, coalitions of civil society and philanthropic organizations advanced proposals for solidarity levies on sectors with cross-border carbon footprints such as aviation and shipping.⁵⁷ They framed these levies as tools not only for generating revenue but also for increasing equity, targeting high-emission sectors or luxury consumption to fund climate adaptation and other global public goods.

The inclusion of these initiatives in the SPA reflects growing momentum behind proposals to tax global commons of luxury emissions, particularly in high-carbon sectors such as aviation and shipping.⁵⁸ Recent studies suggest that well-designed levies on these sectors could generate predictable revenue streams for climate adaptation and other global public goods while advancing equity by targeting activities with disproportionate environmental impacts. The success of past experiments, such as the airline ticket levy used to fund Unitaid, shows that small, sector-specific international taxes can gain legitimacy when implemented transparently and in partnership with non-state actors.⁵⁹ Such coalitions could thus test politically sensitive measures that, if successful, could eventually be taken up by governments.

Health Financing and the “3 by 35” Initiative

Health financing offers another example of voluntary action surpassing intergovernmental consensus. The outcome document recognizes the importance of financing universal health coverage and pandemic preparedness but limits itself to broad commitments.

By contrast, the SPA showcases the “3 by 35” initiative, a global coalition calling for all countries to adopt excise taxes on tobacco, alcohol, and sugary beverages by 2035.⁶⁰ This initiative ties fiscal measures to both health outcomes and domestic resource mobilization, reframing so-called “sin-taxes” as pro-equity instruments that reduce

consumption of harmful products, improve health outcomes, and expand fiscal space for development spending.⁶¹ Beyond the SPA itself, renewed pledges to the Global Fund to Fight AIDS, Tuberculosis and Malaria reflect parallel momentum in mobilizing health-linked financing through international solidarity mechanisms.⁶² Together, these initiatives illustrate how voluntary coalitions and complementary initiatives can set measurable, time-bound targets in areas where intergovernmental negotiations yield only vague commitments.

Beyond GDP: New Indicators for Development Progress

The outcome document underscores the importance of better data and statistics and invites international financial institutions (IFIs), MDBs, and other international organizations to consider using the Multidimensional Vulnerability Index (MVI) as a complement to their existing metrics. This signals a modest but concrete move toward more nuanced measures of development. However, the outcome document avoids broader commitments to use alternative metrics, reflecting the political sensitivities around moving “beyond GDP.” Governments remain cautious because adopting new indicators could reshape eligibility thresholds for concessional finance and debt-sustainability analyses, many of which still rely on GDP or GNI per capita.⁶³

By contrast, the SPA includes the Beyond GDP Alliance, a coalition of governments, UN entities, and think tanks committed to piloting indicators that integrate environmental and social metrics alongside economic ones. It also includes the Youth Network on Beyond GDP to ensure that these metrics are informed by an intergenerational perspective.⁶⁴ Unlike intergovernmental bodies constrained by political consensus, these coalitions can deliberate more openly on alternatives to GDP as the primary method for measuring development.

57 “Sevilla Platform for Action Registry,” entry on “Global Solidarity Levies for Climate and Development.”

58 International Institute for Sustainable Development, “Fossil Fuel Subsidy Reform in Aviation and Shipping,” February 2025, pp. 6–8.

59 Unitaid, “Information Sheet: Airline-Ticket Levy,” 2011.

60 “Sevilla Platform for Action Registry,” entry on “3 by 35: Global Coalition for Health Taxes.”

61 World Health Organization (WHO), “The 3 by 35 Initiative,” July 2, 2025.

62 Global Fund to Fight AIDS, Tuberculosis and Malaria, “Pledges and Contributions Report 2025,” September 26, 2025.

63 “Compromiso de Sevilla,” paras. 138–139; OECD, “Beyond GDP: Measuring What Counts for Economic and Social Performance,” 2020.

64 Beyond Lab at UN Geneva, Rethinking Economics International, and UNCTAD, “Launch of the Youth Network on Beyond GDP,” July 2, 2025.

These coalitions build on ongoing UN efforts to move beyond income-based indicators toward multidimensional measures of development. The General Assembly, through the High-Level Panel on the Multidimensional Vulnerability Index (MVI), UN Department of Economic and Social Affairs (DESA), and UN Statistical Committee, has led the creation of the MVI to capture structural vulnerabilities, such as exposure to climate shocks, economic concentration, and governance fragility, that GDP alone cannot reflect. The MVI is now being integrated into discussions on eligibility for concessional finance and debt sustainability assessments. Together, these initiatives mark a gradual but significant shift toward a “beyond-GDP” approach that embeds resilience and sustainability into how development progress is measured.⁶⁵ Other long-standing initiatives that advance multidimensional measures of well-being include the UN Development Programme’s (UNDP) Human Development Index, the World Bank’s Human Capital Index, and the OECD’s Better Life Index, each of which broadens the lens beyond income to capture social, educational, and health dimensions of progress.⁶⁶

There is a growing understanding that legitimacy in global financing requires transparency and responsiveness to the people most affected by financing decisions.

The Beyond GDP Alliance frames these new metrics not merely as technical refinements but as political tools to influence how resources are allocated and how success is defined in development cooperation. It could help move them from ideas long championed by civil society and academia toward official adoption at the UN and MDBs.

Accountability and Civil Society Engagement

While the outcome document reaffirms governments’ responsibility for transparency and accountability, it does not establish new, concrete mechanisms to ensure that public commitments translate into tangible results.

Civil society coalitions filled this gap by proposing the People-Led Accountability Framework for FfD—a stakeholder-driven model designed to track whether financing commitments are delivering for communities. The framework relies on independent monitoring, multi-stakeholder engagement, and regular biennial reporting. What makes it particularly notable is its people-centered and participatory design. Rather than relying solely on government self-reporting or top-down evaluations, it incorporates community-level feedback and co-developed metrics and involves civil society in monitoring outcomes.⁶⁷

While the framework is not binding, it embodies the spirit of people-led accountability championed by civil society at the Sevilla conference. The FfD4 Civil Society Forum declaration calls for financing frameworks that are transparent, participatory, and grounded in community experience rather than top-down reporting. It emphasizes that genuine accountability must come from democratic ownership and public oversight, ensuring that governments and international institutions are held to their commitments through open monitoring and inclusive evaluation. This approach reflects a growing recognition that legitimacy in global financing depends not only on intergovernmental consensus but on responsiveness to the people most affected by financing decisions.⁶⁸

Innovation beyond Consensus

The innovations showcased in the SPA are significant not only because they introduce new technical tools but also because they complement and, in some cases, go beyond the commitments made in the outcome document. Because these coalitions can move faster than formal negotiations, they help sustain momentum and generate evidence for policy shifts. For example, the Tax Expenditures Coalition provides a platform to measure, bench-

⁶⁵ United Nations, “Final Report of the High-Level Panel on the Development of a Multidimensional Vulnerability Index,” February 2024; UN General Assembly Resolution 78/322 (August 14, 2024), UN Doc. A/RES/78/322.

⁶⁶ UNDP, “Human Development Index (HDI),” available at <https://hdr.undp.org/data-center/human-development-index>; World Bank, “The Human Capital Index 2020 Update: Human Capital in the Time of COVID-19,” 2021; OECD, “Better Life Index,” available at <https://www.oecd.org/en/data/tools/oecd-better-life-index.html>.

⁶⁷ Center on International Cooperation (CIC), “People-Led Accountability Framework for FfD4,” available at <https://cic.nyu.edu/people-led-accountability-framework-for-ffd4/>.

⁶⁸ Civil Society Financing for Development (FfD) Mechanism, “Declaration from the FfD4 Civil Society Forum,” June 2025.

mark, and curb inefficient, regressive tax breaks, including fossil-fuel subsidies.⁶⁹

However, until they are formally adopted by governments, these pilots risk remaining fragmented, small-scale, or lacking in global legitimacy. A successfully piloted solidarity levy may demonstrate viability, but sustained impact will require commitment from states and financial institutions.

The Role of Civil Society and Philanthropic Organizations

Civil society and philanthropic organizations have become increasingly central to global financing debates, even if they remain excluded from intergovernmental negotiations. The Compromiso de Sevilla reaffirms governments' responsibility for mobilizing resources and ensuring accountability, but the negotiations largely excluded civil society and philanthropic organizations. By contrast, the SPA showcases their dynamism through coalitions advancing ambitious proposals—from solidarity levies to community-led accountability frameworks.

Moreover, civil society and philanthropic organizations were active across the side events at Sevilla, hosting panels on tax justice, feminist financing, debt relief, and climate accountability, thereby ensuring their perspectives fed into the discussions, even if they were not reflected in the outcome document.

Philanthropic organizations can play a catalytic role by convening coalitions, financing pilots, and shaping narratives. By providing “catalytic capital”—patient, risk-tolerant funding designed to unlock additional investment—they can support pilots and prototypes that governments or multilateral bodies may deem too risky.⁷⁰ For example,

There remains a risk that civil society and philanthropic organizations could be relegated to parallel tracks rather than integrated into formal processes.

foundations worked with advocacy networks to support efforts like the “3 by 35” health tax initiative and the Beyond GDP Alliance, providing not only resources but also technical expertise and communications platforms. Their capacity to absorb risk and coordinate across sectors allows these innovations to reach a point after which public and private finance can scale them further.⁷¹

At the same time, as philanthropic foundations take on a larger role in shaping global policy agendas, concerns persist about their growing influence and accountability. The OECD notes that while philanthropy can drive innovation and advocacy on global challenges, its engagement can also blur the line between partnership and policy influence when not accompanied by clear transparency and governance standards. To address these risks, the report calls for stronger disclosure practices, inclusive local partnerships, and safeguards that ensure philanthropic action aligns with public priorities and does not substitute for democratic oversight.⁷²

Going forward, there remains a risk that civil society and philanthropic organizations could be relegated to parallel tracks rather than integrated into formal processes. The People-Led Accountability Framework for FfD4, registered in the SPA, demonstrates the potential for civil society-led monitoring to complement intergovernmental review. Embedding civil society-led accountability frameworks into ECOSOC reviews, scaling up philanthropic pilots through MDBs, and institutionalizing civil society voices in UN-led processes on debt and tax cooperation could help bridge this divide. Ultimately, legitimacy in global financing depends not only on state commitments but also on public accountability, with civil society and philanthropic organizations serving as both enablers and watchdogs.⁷³

69 “Sevilla Platform for Action Registry,” entry on “Tax Expenditures Coalition.”

70 Tideline, “Catalytic Capital: Unlocking More Investment and Impact,” March 2019.

71 Rockefeller Foundation, “Zero Gap Fund: 2023 State of the Portfolio,” July 10, 2024.

72 OECD, *Private Philanthropy for Development: Second Edition* (Paris: OECD Publishing, 2021), chapter 3, especially 3.3 and Box 3.4.

73 New York University Center on International Cooperation, “People-Led Accountability Framework for FfD4,” June 30, 2025.

Conclusion and Recommendations

Through the Compromiso de Sevilla, governments reaffirmed that financing for development must remain state-led, anchored in domestic resource mobilization, and underpinned by a more equitable international financial system. In parallel, the SPA showcases 130 voluntary initiatives that give life to those commitments, while 450 side events broadened the discussions. These efforts illustrate how governments, MDBs, civil society and philanthropic organizations, and private investors can mobilize coalitions to deliver results.

Together, the outcome document and the SPA create an interesting financing ecosystem: governments provide legitimacy and the weight of the state machinery, while voluntary coalitions supply the ambition, technical detail, and experimentation needed to translate principles into action. The Sevilla conference showed that when these tracks align—as they did on debt pause clauses, debt swaps, blended finance platforms, and trade and MSME finance—they can quickly generate momentum. Initiatives such as the Debt Pause Clause Alliance and FX EDGE are emblematic of how political agreements can be operationalized through multi-stakeholder innovation.

Yet on systemic reforms—comprehensive sovereign debt workouts, large-scale SDR reallocation, international tax cooperation, and deeper MDB governance reform—the outcome document acknowledges the need but offers little detail, while the SPA registers almost no concrete action. These reforms are hard to agree on, as they require redistributive bargains among states and shareholders, not just technical ingenuity. Yet without such agreements, the global financing system risks remaining fragmented, leaving developing countries locked in cycles of debt distress, underfunded adaptation, and high-cost borrowing. Over half of low-income countries are already in or at high risk of debt distress, underscoring the urgency of systemic change.⁷⁴

At the same time, the SPA demonstrates that voluntary coalitions can push ambition beyond what is achievable through intergovernmental consensus. Initiatives on solidarity levies, the “3 by 35” health tax initiative, “beyond GDP” metrics, and community-led accountability frameworks can test politically sensitive ideas that governments would not necessarily endorse in negotiated text. These pilots matter because they can demonstrate feasibility, create evidence, and shift norms. However, without institutional adoption, they cannot deliver systemic transformation.

Civil society and philanthropic organizations play catalytic roles—providing early-stage resources, piloting ambitious models, and demanding accountability—but remain largely sidelined from formal agenda-setting. Their contributions in areas such as tax justice, health financing, and participatory monitoring are essential, but without being integrated into formal FfD processes, they cannot gain the legitimacy or reach the scale required for systemic impact. As these actors advance voluntary commitments, they too must be accountable, including by formally reporting their results to ensure credibility and prevent superficial or overstated claims of impact.

Technical innovation and voluntary action can drive progress, but without political breakthroughs on systemic issues, the \$4.3 trillion annual financing gap will remain daunting. The task ahead is to build bridges between coalitions and intergovernmental processes, so that innovation accumulates into structural change. Toward that end, governments, MDBs, civil society and philanthropic organizations, and private investors should consider the following:

- **Bridge intergovernmental and voluntary action:** Governments should create mechanisms to connect initiatives in the SPA and elsewhere to formal UN processes—including the ECOSOC reviews, UN reporting frameworks, and regional financing platforms—so that innovation strengthens accountability rather than substituting for it.

⁷⁴ IMF, “Annual Report 2023: Public Debt, 2023; World Bank, “Debt and Debt Sustainability Overview,” available at <https://www.worldbank.org/en/topic/debt/overview>.

- **Advance systemic reforms:** Political will must be mobilized around unresolved systemic issues such as statutory sovereign debt restructuring frameworks, SDR reallocation mechanisms, continued discussions on the UN Framework Convention on Tax Cooperation, and MDB governance reforms.
- **Institutionalize promising innovations:** Voluntary experimental pilots—such as solidarity levies, “beyond GDP” metrics, disaster-contingent finance, and the MDB ReInvest+ —should be incubated within multilateral frameworks to scale them up into institutionalized tools.
- **Better integrate civil society and philanthropic organizations:** Civil society and philanthropic organizations should be given structured roles in FfD processes, both as watchdogs and as innovators. MDBs should adopt community accountability frameworks and scale up successful pilots to reinforce their legitimacy and impact.

The Sevilla conference delivered a rich ecosystem of commitments and initiatives with real potential to accelerate progress. Whether it becomes a turning point or a missed opportunity will depend on the willingness of governments and institutions to pursue long-delayed systemic reforms and scale up promising initiatives.

The **INTERNATIONAL PEACE INSTITUTE** (IPI) is an independent, non-profit organization working to strengthen inclusive multilateralism for a more peaceful and sustainable planet. Through its research, convening, and strategic advising, IPI provides innovative recommendations for the United Nations System, member states, regional organizations, civil society, and the private sector. With staff from around the world and a broad range of academic fields, IPI has offices facing United Nations headquarters in New York.



777 United Nations Plaza, New York, NY 10017-3521, USA

TEL +1-212-687-4300 FAX +1-212-983-8246

www.ipinst.org