How Much Commitment In The Sevilla Commitment? Taking Stock After Six Months

Barry Herman

Initiative for Policy Dialogue
Columbia University

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Abstract

Development policy analysts usually focus on how specific reforms would improve economic or social wellbeing in developing countries. Sometimes analysts broaden their perspective to think about what a comprehensive package of such reforms should look like, paying attention to policy interactions and spill-overs. International politics rarely seeks to deliver comprehensive and coherent policy packages. The United Nations has been one global political forum that has periodically sought precisely that, most recently at the Fourth International Conference on Financing for Development in Seville, Spain in June/July 2025. The negotiated outcome of the Seville conference does reflect a coherent vision and promises negotiations toward making it more comprehensive. Admittedly, the consensus is limited to agreeing only to keep talking about unrealized elements of the package and not every government will even join such discussions. This paper draws together and assesses those opportunities, taking account of subsequent challenges to the nature and content of global economic cooperation viewed half a year after the Conference was held.

1. This paper draws on discussions with UN staff who substantively prepared the way for and facilitated the negotiations for the Compromiso de Sevilla, and with civil society advocates for FfD who closely monitored the intergovernmental discussions. It also draws on personal observation over many years of intergovernmental discussions and occasional participation in informal discussions of FfD issues at the UN. The paper, however, reflects only the personal views of the author. (herman@socdevjustice.org).

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Introduction

From June 30 to July 3, 2025 the United Nations and the Government of Spain hosted the Fourth International Conference on Financing for Development in Seville, bringing together all the world's governments except one, that of the United States. Also participating were representatives of the world's major international public development, trade and financial organizations and forums, international business associations, internationally active private financial institutions, and civil society organizations. In all, over 15,000 people were said to have attended, including nearly 50 heads of state or government. There were more than 470 "special" and "side" events, plus formal "roundtables" and plenary speeches, as well as an international business forum, an "SDG Investment Fair" where governments could pitch opportunities to investors, as well as a civil society forum and a feminist forum (UN, 2025c).

There was a great deal of interesting discussion over the four days among and between the official and non-official "stakeholders." In addition, various combinations of these stakeholders pledged to undertake 130 different joint initiatives to promote the financing of the development of the low and middle-income countries.[2] The central purpose of the conference, however, was to adopt an agreement of the governments – or as it is said in UN parlance, Member States – to advance financing for development (FfD) over the coming years.

For the civil society advocates who lobbied hard to get their views adopted in the Compromiso, the text was severely disappointing. As over 1,000 of them said in their joint declaration to the conference,

> "By adopting the Compromiso…Member States compromised on the ambition the outcome document should have delivered to reflect the urgency of our times…Civil society remains deeply concerned by the lack of political will to embrace bold reforms and the blockage of any real progress shown in the negotiations – particularly by Global North countries, which continue to protect undemocratic institutions where they hold the decision-making power…" (Civil Society FfD Mechanism, 2025).

In fact, the Compromiso, as disappointing as it may have been to some, is a fragile flower of an agreement, and the prospects for individual negotiations under its umbrella are uncertain. The Sevilla conference was a great party, whose participants celebrated a commitment to multilateralism that was less robust than it seemed, even minus an important Member State. And yet, the "Compromiso de Sevilla" (Sevilla Commitment), which includes over 19,000 words spread over 42 pages, is formidable (UN, 2025d). Moreover, the FfD Secretariat has announced six follow-up meetings in just the first half of 2026, indicating that despite the UN's own financial crisis, intergovernmental work on FfD is still underway on many FfD issues.[3]

It seems that the most useful way to think about the Compromiso is as a *tour d'horizon* of recent thinking by the policy-making community of States and international institutions on major FfD policy matters. Digging into the details of the Compromiso, one may thus see political disappointments, but also find opportunities. The following discussion seeks to identify the most interesting initiatives, chapter by chapter. At the same time, because so much is in the Compromiso, it was not possible to consider every discussed policy. Hopefully, all the highlights were hit. Because the Compromiso is long, this paper is long. Readers interested only in individual sections of the document are invited to read those and skip the rest. There is no quiz on the overall document at the end of the paper.

2. Collected together as the "Sevilla Platform for Action," each initiative is described at https://financing.desa.un.org/ffd4/sevilla-platform-action.

3. The meetings, which are noted in the subsequent sections of this paper include the Special Meeting on Financial Integrity (February 4), Special Meeting on International Cooperation in Tax Matters (March 27), Special Meeting on Credit Ratings (March 30), 2026 Financing for Development Forum (April 20-24), including an Inaugural Meeting of National Focal Points for FfD Implementation, and 2026 SDG Investment Fair (April 20-24). A meeting on sovereign debt issues that was proposed in the Compromiso has not been scheduled thus far, although Spain has initiated an effort to convoke an informal meeting on debt in 2026, to be called the Sevilla Forum on Debt. Debt is clearly the most sensitive FfD topic.

The nature of negotiated agreements at the UN

The UN is a unique intergovernmental forum in that small countries will be heard and can propose international policy initiatives that can grow a constituency of support…or not. In the end, however, reaching consensus among governments with more and less power will always limit what is agreed.

Indeed, the ability to even call the Sevilla Commitment a "consensus" had not been assured until the last minute of the last meeting of the Preparatory Committee (PrepCom).[4] Its deliberations had begun with a first substantive meeting in Addis Ababa in July 2024, continued through multi-stakeholder "hearings" and associated side events at the UN in New York in October, plus an "academic day" of presentations and the second formal "PrepCom" meeting in December, the third PrepCom in February 2025, where negotiations on a final text began, followed by the annual meeting of the FfD Forum in the UN Economic and Social Council (ECOSOC) in April and the opening portion of the fourth Prep Com, followed in turn by several informal sessions, culminating in the June 17 formal closing session.

Once the US Administration changed hands in January 2025 and Donald Trump became President, US participation in these meetings became increasingly strident and impatient. The US could even have blocked the consensus. All the US had to do in the final PrepCom meeting was call for a vote on the document. Instead, perhaps in a nod to the tradition of strong former US engagement in FfD, the US representative announced that the draft document had crossed so many "redlines" and was so unacceptable that the US was quitting the PrepCom and would not attend Sevilla (US, 2025c). With that, the US representative left the room and the remaining delegations adopted the Compromiso by consensus.[5]

However, the challenge to the Compromiso did not only come from the Trump Administration, as there were major differences among other governments on key policy matters. Happily, UN negotiations include a mechanism by which delegations can withhold acceptance of a particular paragraph in a document without formally breaking consensus on the document. It is one way for a government to appreciate a text as a whole without having to endorse every specific commitment in it. In the event, after the PrepCom adopted the Compromiso by consensus on 17 June, 33 delegations made statements. All expressed appreciation for the negotiation effort in which they had joined. Many statements expressed appreciation for the acceptance of positions they had advocated for and disappointment at positions that had not won acceptance. But most crucially, some Member States outright disassociated from specific paragraphs of the final text. As will be noted in the discussion of specific policy issues below, this has come back to haunt further actions prescribed in those paragraphs.

Chapeau: A "renewed" global FfD framework

The Compromiso begins by announcing a "renewed" framework to build on the outcome of the previous FfD conference in Addis Ababa, Ethiopia in 2015 (UN, 2015a), as well as on the initial conference in Monterrey, Mexico in 2002 (UN, 2002) and its follow up in Doha, Qatar in 2008 (UN, 2008). The Sevilla conference was thus the fourth international conference on financing for development (FfD4) and as such continued a central theme expressed in each of its predecessors.

That theme was stated in 2002 as achieving the international and domestic conditions needed to fulfill "internationally agreed development goals" (UN, 2002, paras. 2-3). That wording was a bit ambiguous,

4. The PrepCom was a committee of the whole of the General Assembly, chaired by the ambassadors of Burundi and Portugal. The co-chairs, in turn, asked the UN Missions of Mexico, Nepal, Norway and Zambia to jointly facilitate the negotiations that led to the Compromiso. In that assignment, the ambassadors and their staff more than fully earned their salaries, as did the staff supporting them of the Financing for Sustainable Development Office in the Department of Economic and Social Affairs.

5. The final step in adoption of the Compromiso was as a resolution of the General Assembly on August 25, at which point the US did call for a vote (US, 2025d). The Compromiso was adopted as resolution 79/323 by a vote of 158 in favor, 2 opposed (United States, Israel) and one abstention (Argentina).

reflecting certain controversies at the time, albeit accepting to include within its remit the goals contained in the Millennium Declaration (UN, 2000). However, any controversies over the scope of officially endorsed development goals was settled by the time of the Addis conference, because soon after that, the UN General Assembly adopted the 17 Sustainable Development Goals (SDGs) and 169 targets of policy measures to help achieve those goals, all as spelled out in the Agenda for Sustainable Development (UN, 2015b).

Although governments would be free to implement the SDGs to whatever degree they chose and more or less implement cooperation commitments they made or might make, there would be no ambiguity as to what the goals were or that they were universally endorsed. Indeed, the UN Statistical Office had led an intergovernmental and expert effort to define statistical indicators to measure progress toward the targets and almost all countries have presented voluntary national reviews on their own implementation of the goals and targets during one session or another over the past ten years of the annual High Level Political Forum in ECOSOC.

In other words, if anything in international diplomacy at the UN could be considered settled, the SDGs should qualify. Alas, not so, as in March 2025 the United States "rejected" and "denounced" the 2030 Agenda and its SDGs, claiming they "advance a program of soft global governance that is inconsistent with U.S. sovereignty and adverse to the rights and interests of Americans" (US, 2025b). Innocent readers might wonder what in the world the US diplomat understood about the SDGs (see box 1). However, no other government appears to have followed the United States into its heated rejection of a key document of development diplomacy. At least for the time being, however, the global consensus on development cooperation to realize the SDGs is a global consensus minus one.

Box. 1. United States v. Sustainable Development

The authorities that express the views of the United States on international economic and social policy matters are angry. Reflecting the political divisions in the US, they repudiate views that a strong majority of US citizens have embraced for decades, at least at the level of concepts (e.g., children have rights), if not as binding obligations on the United States (e.g., UN Convention on the Rights of the Child). Indeed, the United States has not formally endorsed a UN agreement since the Senate ratified the UN Framework Convention on Climate Change in 1992 (Lafortune and Sachs, 2025). It nevertheless appears that US negotiators at the UN have worried more than many other national delegations about possible legal entanglements of positions adopted in agreed outcomes, despite knowing full well that "UN General Assembly resolutions are non-binding documents that do not create rights or obligations under international law" (US, 2025e).

US diplomats have declared that they are no longer willing to participate in crafting "symbolic text" in "performative resolutions" negotiated in "endless mired bureaucratic debates" (US, 2025e). One may feel the frustration of foreign service officers being forced to hone their negotiating skills in such exercises. However, the US policy change goes beyond ending the cant to reducing the substantive scope of activities universally deemed to lie within the UN mandate. The US Mission said it thus: "Too often, the UN has drifted from its original purpose. It has grown slow, politicized, and distracted by agendas that have little to do with peace, prosperity, or accountability" (US, 2025e).

In fact, FfD is and has always been very much about "prosperity." Indeed, the Compromiso has adopted many policy positions that the US has advocated (admittedly, not all). But its impatience in having discussions with other governments that might have different views has recently gone from impatience to unwillingness to even hear other views stated, as evidenced by its withdrawal from 66 organizations, including 31 UN bodies, including several of which it is not even a member, such as various Secretariat entities (US, 2026).

Since the original effort to prepare the first FfD conference in the late 1990s, which was led by delegations from the Global South, continuing to today, delegations to FfD meetings have sought to focus attention on concrete policy matters. FfD was seen as the one universal political forum on the coherence of global policy. Thus, policy matters that are decided in other forums are routinely discussed in FfD with appreciation that the responsibility of UN delegations is to work with, be informed by and also inform their national colleagues in those other forums. Also, wary that substantive policy differences are rarely settled in negotiations over texts, but rather papered over, FfD leaders have sought to delay negotiation over texts and keep texts short, precisely to limit the focus on words instead of substance (Herman, 2006). Admittedly, delegations were less successful in this regard in Sevilla than they had been, in particular, in Monterrey, but the political era had changed.

Beginning in 2026, governments will hold FfD meetings focused on implementing the Compromiso. It may be suggested that they seek in their negotiated conclusions of those meetings to report on discussions held and discussions they intend to hold and not seek to update the Compromiso, especially as the ink on it is barely dry.

This is not to say that the SDGs are themselves realistic goals. Today, it seems that achieving the SDGs by their 2030 target is frankly beyond reach. Based on the data available in 2025, only 35% of the 137 SDG targets for which trend data or additional inputs are available from custodian agencies are "on track or making moderate progress," while there has been retrogression from the 2015 benchmark on 18% of the targets and "insufficient progress" on the remainder (UN, 2025a).

Yes, there has been a global pandemic and wars across and within borders with harmful spillover effects. But most SDGs were off track even as of 2019. One might hopefully say there are still five years left to turn those SDG results around before the target year of 2030 is reached, but developments in 2025 make that extremely unlikely. That is, people who think about development need to absorb how the United States has not only officially disavowed the SDGs, but also fractured the rule of law and stable expectations in trade relations and terminated most of its international development cooperation. Meanwhile Europe partially retreats from its own international economic and social cooperation to re-arm in the face of Russian expansion outside its borders.

In addition to endorsing the SDGs, the chapeau of the Compromiso pays homage to human rights, including the right to development, democratic institutions, and major international policy themes, notably, climate action, disaster risk reduction, social protection (now said to be needed for addressing inequality, not poverty reduction, which is an improvement), and for the first time the "care economy." The section also notes the estimated US$4 trillion annual financing gap to deliver the SDGs, without making any commitment to close that gap. The text of the Compromiso was completed before the International Monetary Fund (IMF) circulated a paper saying that developing countries could never absorb such a huge surge in financing were it ever procured (IMF, 2025). But of course, there is no worry on that account.

The chapeau section also flags the "INFFs" (integrated national financing frameworks), which had been just an idea in 2015 at the Addis conference, but are now a more fleshed out program operating in 86 countries that are meant to help countries choose from among different financing options for whatever priorities they pursue, aiming for a more coherent and sustainable overall financing package (UN, 2019, chapter II). There is also a pledge that was originally drafted to "strengthen the role of the United Nations in global economic governance." It was diluted in the negotiations to pledge to strengthen the role of the international financial institutions and other relevant international organizations as well as the UN per se. The sentence now only pledges to strengthen global economic governance writ large, without shifting greater authority to the UN. But with the US withdrawing from various international agencies, it is hard to see how "global governance" will be strengthened in the near future. Still, it must remain a goal.

In sum, while the UN and its Member States put on a brave face, the "renewed" FfD framework seems more hopeful than operational. Indeed, the Compromiso was drafted in careful tentative terms, including promises "to launch" actions "with urgency" (mostly without a starting date), or "to scale up" actions (without a time frame), or "encourage efforts" or "commit to support" or "stress the urgency of enhancing ambition…." And yet, there were also concrete opportunities, as will be noted in remaining sections of this paper.

Domestic public resources

One uncontroversial FfD issue is the necessity for adequate mobilization and use of domestic public resources, and so this section of the Compromiso is important. And it is comprehensive as regards both public expenditure and revenue. Aside from another nod to the INFFs, the section begins with the well-honed principles of public finance and good governance.

Taxing and spending

The Compromiso encourages some initiatives and it is less committed to others. Thus, while "gender responsive budgeting" has entered the approved lexicon (if not actual budget policymaking in most countries), gender biases in tax systems have not and thus the Compromiso would only agree to "advance discussion on gender responsive taxation." Another idea not quite in the mainstream yet is "outcome based financing," which has featured in some international aid and investment programs and could well be applied by developing country governments in setting up and funding programs at regional or community level wherein payment to the operating agency is contingent on meeting stipulated objectives (OECD, 2025). The Compromiso only promised to "consider" this innovation, which is not a bad idea as it has drawbacks as well as advantages.

Other proposals that have acquired some political notoriety if not legislative adoption were also flagged as options that would be interesting to think about, including effectively collecting taxes on high net worth individuals and appropriately taxing tobacco and alcohol (but not mentioning sugary drinks), and "green budgeting" (albeit without any reference to curbing fossil fuel subsidies). However, every proposal for what individual governments might do domestically is carefully hedged, even textbook principles of public finance, such as progressive tax systems, were recommended only "where applicable."

Some welcome attention is given to the imperative of arranging adequate financing of social protection as a long-term obligation, which took the form of calling on countries to integrate social protection into their medium-term "country-led plans and strategies." Moreover, the Compromiso pledges to "provide support" to countries seeking to increase population coverage of social protection, including countries that adopt a target increase of two percentage points of coverage per year. This was a nod to the secretariat of the International Labor Organization (ILO), which proposed the target (ILO, n.d.). However, since adopting the target was not stipulated as a condition for getting additional international support, whether or not countries adopt it is immaterial from an FfD perspective per se.

One issue that the Compromiso does not touch is delivering public services outside the budget, as through state enterprises or public-private initiatives or employer/employee funded social security systems. There was one exception, national development banks. While the ownership structure of such institutions was not addressed, the Compromiso clearly values their potential contribution to development, which would mainly be by lending to domestic enterprises, possibly including to financial institutions that would on lend, say, to micro-enterprises. Loans from public development banks can be made available at below market interest rates and with longer maturity, copying the financing models pioneered by the World Bank and its International Development Association. Indeed, the Compromiso commits "to provide support" to countries that wish to establish national development banks and encourages the multilateral development banks to take supportive action in this regard, which they are doing individually and through the Finance in Common network (https://financeincommon.org/).

The Compromiso continues the FfD commitment to deepen international cooperation to help developing countries strengthen their fiscal systems. This builds on the outcome of the Addis FfD conference in 2015, which inspired several initiatives, including the Platform for Collaboration on Tax, a joint initiative of the UN, IMF, World Bank and the Organization for Economic Cooperation and Development (OECD) (https://www.tax-platform.org/), as well as the Addis Tax Initiative (https://www.addistaxinitiative.net/) and Tax Inspectors without Borders (https://www.tiwb.org/).[6] While not actually pledging any funds, the Compromiso calls on "development partners to collectively at least double" their technical support, focused on countries aiming to increase their ratio of tax revenue to gross domestic product (GDP), especially those countries seeking to increase their ratios to at least 15%, which is a benchmark that the IMF has been advocating as the minimum required if a government intends for its economy to grow adequately. The governments of many low-income countries and some middle-income ones raise substantially less and provide correspondingly smaller amounts of economic and social services. The Fund has argued that such countries can substantially raise those tax ratios (IMF, 2024).

International dimensions: double taxation and BEPS

Even with technical assistance, some aspects of tax policy and its administration cannot be strengthened by individual authorities alone, as they involve taxing the economic activities of foreign-owned firms (or foreign individuals, whether opera or rock stars, architects or construction workers). There is no question that the operations of foreign owned but locally registered firms should be subject to local income taxation. It is also deemed fair that the same income should not be taxed twice by host and source country authorities. Some international rules were thus warranted. Moreover, the actual operations of an entity may not be transparent to the tax authorities; e.g., firms may not purchase their inputs or sell their outputs to the market but transfer them from or to another affiliate of the foreign subsidiary in another country using some notional price for the transfer. In developing countries that host large foreign operations in agriculture, mining, manufacturing, and financial and commercial services, this may have a large macro-critical impact as well be a matter of tax fairness.

Globally, as many countries are both the host and source of foreign-owned firms, there is a mutual interest in establishing tax rules for such cases that both sides regard as fair. The standard solution has been that countries negotiate bilateral treaties on reciprocal tax treatment of their nationals. To facilitate this end, the OECD, building on work under the League of Nations, devised a model double taxation treaty that its members could use as the starting point in negotiating their bilateral treaties. As the OECD model was designed for countries at comparable levels of development, the UN created a group of experts in the 1960s to devise a model tax treaty for such negotiations of developing countries with developed countries, which gives developing countries certain preferential opportunities to tax. Both model treaties are updated periodically and serve as global standards. This much is settled policy.

What is relatively new is that, in the wake of the global financial crisis and subsequent leaks of offshore banking and tax information, several countries realized how little they were collecting in tax payments from foreign firms operating in their countries owing to legal if excessively aggressive tax avoidance schemes. In response, the Group of 20 major economy countries (G20) charged the OECD in 2012 to develop an initiative on "base erosion and profit shifting" (BEPS) to curtail such practices. The OECD then developed a set of 15 "action items" that tax authorities should take and in 2016 invited developing countries to join with OECD members in the BEPS Inclusive Framework to implement and further develop the BEPS Project.

As a result, large firms based in participating countries have to report their business activity to their

6. While the inter-agency Platform for Collaboration on Tax is free standing and periodically informs the finance ministers and central bank governors of the Group of 20 of its activities, the other initiatives have joined the Sevilla Platform for Action and will be monitored in the follow up to the Sevilla conference.

tax authority on a country-by-country basis, which facilitates checking on inter-affiliate transfer pricing, among other features, in figuring out how much of the firm's earnings should be subject to tax in each country. Such information is now shared with relevant other tax authorities that meet certain technical requirements, which exclude many developing countries (and hence a call in the Compromiso for more technical assistance to upgrade their systems). Such corporate taxpayer information is made public in some jurisdictions, such as in the European Union, but not others, such as the United States (Avi-Yonah, 2025). The Member States agreed in the Compromiso to further evaluate "the creation of a central public database for country-by-country reports." Don't hold your breath.

Two pillars and a UN initiative

Recognizing that more than greater transparency was needed from the BEPS Project, the OECD hosted additional negotiations aiming toward a more fair and responsible set of global tax practices. That resulted in October 2021 in more than 130 jurisdictions adopting the "Two Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy" (OECD, 2021).

Under the first pillar countries would end or not impose "digital services taxes" on cross-border internet transactions in exchange for permission to collect new taxes on a share of the global profits above a certain benchmark of the largest internationally active firms that sell to them. Besides the quid pro quo of removing internet transaction taxes, the rule would for the first time permit tax revenue collected where customers reside even without the firm having a physical presence in that jurisdiction. A draft treaty to implement pillar one was issued but the deadline of June 2024 for finalizing it passed without action. It would seem that pillar is no longer standing.

The second pillar would set a minimum tax of 15% on the earnings of the largest internationally active firms and allow the home tax authority of a covered firm to tax that part of the foreign earnings of the company that were taxed abroad at less than 15%. In effect, Pillar Two would remove any incentive of any jurisdiction to tax the earnings of a covered company at less than 15% (there are exceptions, but that is the principle). OECD created a template for updating national tax legislation and some 65 countries have either introduced or adopted such legislation. However, the Trump Administration exempted US-based companies from Pillar Two, substituting a "side-by-side" approach in which US firms would fall under US rules. The Group of 7 (Canada, France, Germany, Italy, Japan, UK, and US) endorsed "side-by-side" on June 28, 2025 (Bunn and Bray, 2025). In Sevilla, the Compromiso recognized the "ongoing implementation of Pillar Two" and called for technical assistance to countries seeking to implement it (para. 28d). However, given the removal of the US-based firms, which account for a large share of the set of companies to be covered by Pillar Two, it is not clear if Pillar Two is also no longer standing.

This narrative on disappointments in implementing internationally negotiated tax agreements is relevant to discussions at the UN on deepening international collaboration on tax matters. Many delegations in preparations for the 2015 Addis FfD conference sought to raise the UN Committee of Experts on International Cooperation in Tax Matters to the status of an intergovernmental committee. In fact, many of the experts who serve on the UN committee have or had senior positions in their national tax authorities, but the nature of their deliberations would change if they spoke as governments instead of as individuals. The proposal to change the committee's status was not accepted then, nor was it accepted in Sevilla, although the Member States said in the Compromiso that they would "promote inclusive cooperation and dialogue among national tax authorities" (para. 28c). To this end, the ECOSOC has held an annual Special Meeting on International Cooperation in Tax Matters since 2013. The 2026 meeting is scheduled for March 27.

The delegations further promised in Sevilla to "continue to engage constructively in the negotiations on the United Nations Framework Convention on International Tax Cooperation and its protocols," and it encouraged support for the process (para. 28b). Indeed, the General Assembly had earlier agreed to open negotiations towards a global "framework convention" on tax cooperation, which would go well beyond the BEPS Program. As to the realization of the proposed UN tax framework and its associated protocols, we shall have to wait and see (see box 2).

Box. 2. What kind of agreement can the UN deliver on international tax matters?

The international community has created a World Trade Organization, an International Monetary Fund and a World Bank, but it has never come near to creating a World Tax Organization, despite numerous proposals to do so, notably in the FfD context by the group of experts that helped to prepare for the Monterrey conference. They had been appointed by Secretary-General Kofi Annan and chaired by Ernesto Zedillo, former President of Mexico (UN, 2001). Only more modest proposals have followed, albeit also without success, including the unsuccessful effort to raise the UN Committee of Experts to an intergovernmental body at the Addis FfD conference. Nevertheless, developing countries have continued to press for formulating international tax reform through the UN. And this time they gained political traction.

That is, beginning in 2019, African leaders began calling for an intergovernmental tax initiative at the UN, momentum on which built and led to a resolution proposed in the General Assembly by the Africa Group that found consensus to investigate what shape such an initiative might take (UN, 2022b). Noting that the resolution was adopted December 30, after the normal working period of the Assembly had suspended for the holidays and that some developed countries made cautioning statements after adoption, it seemed that the Africans had successfully stuck their toe in the door of international tax reform through the UN. The following year, the Assembly approved actually beginning work on negotiating a framework convention on international tax cooperation, albeit by a vote of 145 in favor, 45 against and 9 abstentions, and with several critical statements made both before and after the vote was taken (UN, 2023a). The Assembly decided in that resolution to create an ad hoc intergovernmental committee to negotiate the terms of reference of the work on the framework convention and possibly certain protocols of priority issues and to complete its organizational work by the following August (UN, 2023b). And so the UN initiated a new negotiation on tax matters.

The Intergovernmental Negotiating Committee (INC) that the General Assembly created in 2024 began its substantive sessions in August 2025 and has targeted autumn 2027 for reaching agreement on the framework convention and its first two protocols, one on taxation of services and the other on dispute prevention and resolution. The process follows the model of the UN Framework Convention on Climate Change (UNFCCC), which set goals, parameters and processes for negotiating specific agreements, such as the Kyoto Protocol which bound developed economy countries to targets for reducing carbon emissions. On tax, the aim of the INC is to agree to a legally binding framework convention that all Member States would sign and then ratify into national law. It would establish a process for follow up, akin to the annual Conference of Parties of the UNFCCC. The negotiated protocols would also be legally binding agreements that concretely addressed particular issues, such as rules for taxing transborder services.

Clearly, the new UN process is ambitious, most notably because the developed economy countries have voiced their opposition to formulating a legally binding tax convention at the UN. They believe they already have such a framework in the OECD-led efforts, which is precisely the complaint of the developing countries, most notably the Africans, which are not party to that framework. The European Union said it “could consider…working at the UN on a non-binding multilateral agenda for coordinated actions” (European Union, 2023). The United States formally withdrew from the INC at its Organizational Session in February, 2025, saying “We do not plan to participate further…We reject the very nature of these discussions…we underscore our profound objection to the process thus far…the United States intends to reject the outcomes of this Framework Convention process…Thank you” (US, 2025a).

But the negotiations are indeed progressing, proposals are being submitted and discussed, and the negotiating workstreams are keeping to their schedules.[7] Although only a limited number of country delegations submit proposals (Mamberti, 2026), it is not indicative of limited government interest, especially when technical matters require expertise from capitals which is limited in many cases.

At this point, two outcomes seem possible. In one, the draft legally binding convention and possibly the protocols are presented for signature in late 2027, which only some developing countries sign and which only some of them later ratify. The document then becomes possibly useful for regional tax cooperation among participating countries. Alternatively, to bring OECD-member countries into the consensus, the legally binding ambition of the agreement might be dropped and it becomes what might be called "morally binding" in the sense that its principles could be taken into account in other tax cooperation forums. The latter would probably benefit the developing countries.

Illicit financial flows

Some of the discussion of international cooperation on tax matters overlaps with the consideration of illicit financial flows. An enterprise might want to hide its ownership to shield the owner from taxation by its home country, while an owner receiving illicit financial transfers would also hide his identity. Certainly, the recovery of stolen assets is made more complicated when their ownership is not easily traced. Governments have devised national beneficial ownership registries, but these are not generally in the public domain as that would defeat the entire purpose of allowing enterprises to hide their ownership. The Compromiso promised to enhance "mechanisms for information exchange" among national registries and said it would "consider the feasibility and utility of a global beneficial ownership registry." Presumably, offshore (and onshore) financial centers that profit from opacity would not join such an effort.

Although the overlap is not perfect, illicit financial flows have a lot to do with corruption and FfD has a long history of concern about corruption. The Monterrey FfD conference committed to finalizing the negotiations then ongoing on a UN Convention against Corruption, which Member States did at the end of October 2003 (it entered into force in December 2005 and 190 States are party to it). The Convention criminalizes corruption and promotes international cooperation to combat it, including on the return of stolen assets. The Convention comes up for review in 2026, after finishing its current cycle of country reviews of their implementation at national level.

One observation that the Compromiso implicitly makes with respect to illicit financial flows is that too many people make too much money facilitating them, in effect, sharing in ill-gotten gains. To address this, governments committed to "effectively regulate professional service providers" (lawyers, accountants, finance professionals, etc.) and to "enhance international cooperation," including through global discussions on standardizing regulatory regimes governing the service providers. This is a new topic for FfD and could be one topic among others for a promised ECOSOC "special meeting" on "financial integrity." The first meeting is scheduled for February 4 in the ECOSOC Chamber at the UN and will focus on strengthening global coordination on exchange of information and enhancing national enforcement capacities.

Domestic and international private business and finance

The discussion of policy toward private enterprise in FfD forums since the earliest days has emphasized promoting more domestic and cross-border business investment, and further developing the financial sector of developing countries. This speaks to the reality of economic development. However large the public sector in a country, private enterprise usually accounts for most economic activity in most countries, ranging from smallholder farmers, informal traders and artisans up to large agricultural, manufacturing, mining and service firms. While the FfD discussion of policy toward the private sector could have paid more attention to appropriate regulation and taxation of those entities, the discussion of how to promote

7. Information on the previous and forthcoming negotiation sessions are posted by the UN at https://financing.desa.un.org/inc.

the sector has always been germane. That continues today, notably in a context of slowing growth of global investment over the past decade and with private financing having "not reached expectations" as the Compromiso said.

Strengthening business investment

There is a tendency to think of large-scale capital formation when discussing the financing of private activity, but the bedrock of production is usually smaller scale activity, much of it self-financed. In this context, the Compromiso acknowledges the need for "building a domestic savings base," which is essential for financing small-scale investment as well as smoothing expenditures over the life cycle. However, the Compromiso says nothing about improving savings services for low-income people, which may be provided by non-profit private or public institutions that invest with their savers (e.g., savings and loan cooperatives, or national savings banks). It does make proposals for lending to or selling insurance to micro, small and medium enterprises, especially women-led enterprises.

While promising to promote standard banking and financial market institutions, the Compromiso could have given more attention to promoting varieties of financial sector development in developing countries. For example, while it makes passing reference to *sukuk* securities, a form of long-term Islamic finance, it is in the context of innovative international securities, which like green bonds, seem mainly of interest to internationally active institutional investors.

The Compromiso encourages "support for social and solidarity economy entities," which is one type of innovation in domestic financial development. They have been defined by the International Labor Conference of ILO as entities that serve the collective or general interest and are based on principles of voluntary cooperation and mutual aid (ILO, 2022).

At the larger end of the spectrum of enterprise finance, the Compromiso promises more technical assistance in infrastructure project preparation (an issue since the very first FfD conference), and promises to promote "public-private partnerships that share both risks and rewards fairly." Perhaps an admission might have been made that the effort to coax more international private funding into national infrastructure projects in developing countries has been disappointing. "Billions to trillions" has been a failure. The point is made elliptically when the text promises to "work to increase the mobilization ratio of private finance from public sources by 2030." Here the Compromiso lists a number of incentives to attain that result, all of which have been in use for many years without great impact.

In fact, the world has no shortage of risk-taking entrepreneurs and financiers. Their reluctance to commit to long-term and illiquid investments might have other roots than insufficient risk reduction policy incentives. The general term for the view that there is something deeper than policy incentives holding back financing from abroad lies in the call for an "enabling environment." It is recognized in the Compromiso as having much to do with "good governance, anti-corruption measures and the rule of law, enhanced transparency, investor and consumer protection, and fair competition." The Compromiso might have added fair labor standards and worker protection, plus settled regulatory regimes that enjoy popular support so that businesses might have confidence in their durability.

Finally, the Compromiso speaks to the social and environmental responsibilities of business, albeit not using such words. It notes efforts to adopt SDG indicators and metrics for application to private enterprises. It promises to give "due consideration to the elaboration of sustainable business and finance regulation that is country-led and context-specific." It is wary of "greenwashing," and promises to "engage in international dialogue on the interoperability of sustainable business and finance regulation." However, it would also "ease compliance burdens" and speaks to related matters involving public oversight. No mention was made of the long-accepted UN Guiding Principles on Business and Human Rights (UN, 2011), or the labor standards of ILO,[8] as had the Addis Agenda ten years earlier.

Small and large international flows

Over time, policy reforms opened developing country economies to increasing large-scale private financial flows, as in foreign purchase of local securities and in more traditional transnational banking and financing of infrastructure. The Compromiso references these but more interestingly adds a focus on smaller scale private flows.

Indeed, the Compromiso makes a dramatic pledge regarding remittances: "We resolve to redouble our efforts to reduce remittance costs to less than three per cent of amounts transferred by 2030." However, this is not a price controlled by national governments or international institutions, but is set by private transfer providers who charge very different prices for different modes of transfer over different transfer routes, based on their own costs, competition and financial regulations. In fact, average charges for remittance transfers have fallen since 2015 when the three per cent charge was adopted as a target of SDG 10. The actual level remains above six per cent (World Bank, 2024).

While it would be desirable to further reduce the charge, it does not seem that there is a political strategy to do so, or at least none was referenced in the Compromiso. The text does call on "relevant institutions" to support rebuilding correspondent relations among banks in different countries through technical assistance, especially for banks in small island states. These inter-bank relations declined dramatically over the past 15 years, in part owing to concerns about their use in money laundering and terrorist financing, but improvements in technology to ease that concern seem within reach (Garratt and others, 2024). On the other hand, the United States has imposed a 1% tax on outward remittances beginning January 1, 2026. The tax does not apply to electronic fund transfers, so only people using cash transfer services will pay the tax, namely, lower-income migrants (Minott, 2025).

Further on, the Compromiso promises to "strengthen efforts to facilitate diaspora investment," which has traditionally meant selling government bonds to diaspora populations or attracting diaspora direct investment in the home country. Coupled with remittances, this is quite a range of topics pertaining to the cross-border private financial flows of migrant populations. However, it avoids the most controversial issue: the legal and often parlous personal situation of migrants in host countries that no longer want them present.

Historically, foreign financed private investment in developing countries has mainly taken the form of foreign direct investment (FDI), much of it in trade-related agriculture, mining, or manufacturing. These days, such operations are typically meant to fit into a multi-country supply chain. FDI thus requires some stability in international trade policy, as most facilities are not easily disassembled and moved. As a result, little positive can be said about encouraging FDI in the midst of the Trump-imposed chaos in global trade policy. The text can only promise to "address policy obstacles" and offer support to investment promotion centers for special groups of countries.

In sum, the Compromiso outlines a range of issues in financing business activity on which "international dialogue" is warranted. In fact, the 2026 FfD Follow-up Forum at the UN provides an opportunity for multistakeholder, multi-governmental and multi-institutional discussion on this topic, as this chapter of the Compromiso is slated for a relatively intense focus (along with trade and systemic issues). Many of the issues can also be addressed within the more business-oriented context of the SDG Investment Fair, which will parallel the 2026 Forum meeting. Member states at the UN could decide to use these opportunities to undertake a deeper dive on these issues, which might put a toe in the door to better address

8. ILO maintains a comprehensive data base of internationally adopted labor standards and their implementation, called "Normlex." (https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:1:0::NO:::).

sustainability responsibilities of businesses, let alone their financing.

International development cooperation and development effectiveness

Official development cooperation has been a core part of FfD from its beginning. There are essentially two dimensions of discussion on the matter. First is the amount and terms of assistance provided by the various providers, and second is the capacity of aid-receiving countries to appropriately select and manage their inflows.

Volume of assistance

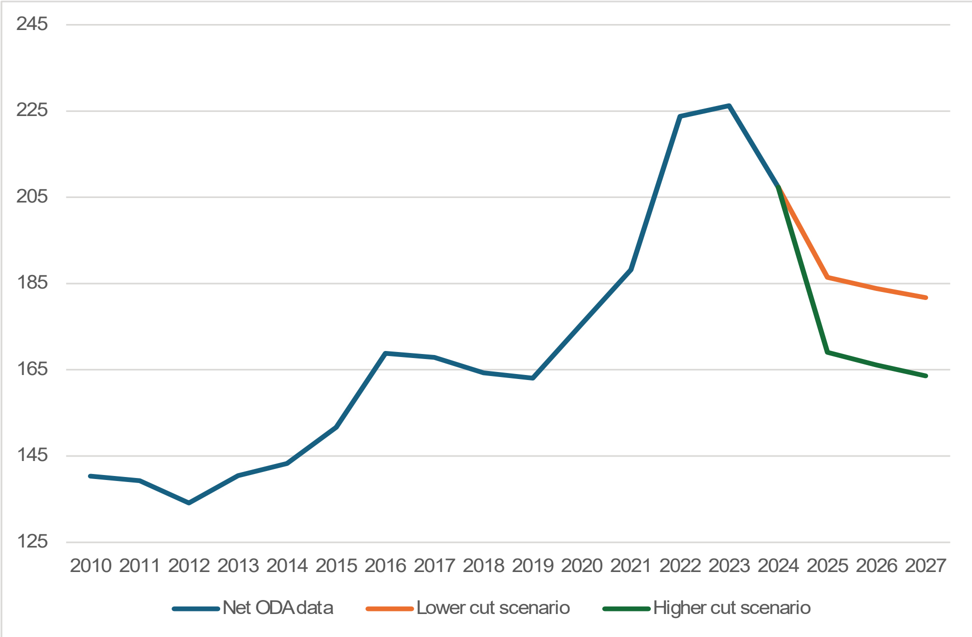
Developed country governments have long provided grants of cash, goods and technical assistance and highly concessional loans directly to developing country governments. The governments have also provided funds to the IMF and the multilateral development banks (MDBs) to support their own highly concessional loans and grants. Together, these flows are categorized as official development assistance (ODA).

The Compromiso raises a question on the financing of the highly concessional loans and grants that the MDBs offer. There are four basic sources for funding the "concessional windows" of these banks: donor grants, repaid earlier borrowing, a share of profits from the less concessional loans of the MDB, and commercial borrowing. The latter tends to reduce how concessional the MDB loans can be or how much of their disbursements can be given as grants. In this context, it is not clear what was intended by the following sentence: "We commit to establish sustainable pathways to further replenish concessional windows at the MDBs" (para. 37e). If the sentence was meant as a nod to expanding the role of the private financing option, the Compromiso might have been more cautious as it will limit how concessional the future flows can be. In another context the Compromiso gives a relevant plaintive cry: "We emphasize the need to preserve the concessional character of flows reported as ODA" (para. 36b). Indeed!

The volume of ODA flows is monitored using standard definitions adopted by the member countries of the Development Assistance Committee (DAC) of the OECD. Each FfD conference has sought commitments to increase the volume and efficacy of ODA as measured by the DAC. In particular, each FfD conference has sought stronger commitments to meet international targets for donor governments that were agreed at the UN, namely that developed economy countries should provide 0.7% of gross national income (GNI) as ODA to the developing countries and 0.15-0.20% of GNI for ODA to the least developed countries (LDCs). Only a few individual countries have ever met any of the targets. Moreover, some donor countries have allocated significant parts of their aid budgets in recent years to expenditures in the home country, as for support of refugees or in earlier years to cover losses to donor governments when they accorded debt relief to developing country partners. To address this anomaly, the Compromiso proposes that more ODA be programmed at country level, potentially as budget support.

However, redirecting more ODA to in-country uses will not solve the much bigger problem of the sudden collapse in ODA funding. The Compromiso acknowledges " the urgency of undertaking sustained efforts to reverse declining trends in official development assistance" (para. 36b). In fact, as of the time of writing, we do not know how steep the drop in ODA has already been. The DAC produces estimates of the current funding and projections for the coming two years, based on information that DAC donors provide to the OECD. As of November 2025, Germany, the European Commission and the United States had not yet reported, but somehow the DAC estimated the fall in 2025 to be between 10 and 18 per cent, as illustrated in figure 1. However, there has been so much chaos in the United States as the government eliminated or reduced its main aid programs that even the high cutback scenario in the figure may be optimistic. The DAC traditionally releases estimates of ODA of the previous year around April of the current year. Those figures will be greatly anticipated in 2026.

Figure 1. Net ODA from DAC member countries of the OECD, 2010-2027
(Billions of 2023 US dollars)



source: OECD (last updated, November 2025).

At the same time, a number of Southern governments provide financial assistance to other developing countries, some of it on highly concessional terms, albeit not at the same volume as DAC ODA. For political reasons, these flows from Southern donors are classified separately as "South-South cooperation" and are less systematically measured and tracked than ODA, although work to address measurement questions is underway (see box 4 below). The Compromiso welcomed these flows and encourages their expansion.

In addition, IMF and the MDBs offer financial assistance on less concessional terms than ODA. Prospects for these flows are more encouraging. Here the Compromiso expresses concern that the institutions may overly focus on how funded projects aim to increase economic growth per se, and considers that complementing that focus with measures that "reflect progress on the economic, social and environmental dimensions of sustainable development" might be an improvement. The Compromiso also invites the MDBs and international organizations to take more account of country vulnerabilities in project formulation and funding, in particular by considering "the use of the Multidimensional Vulnerability Index" (see UN, 2024a) to inform their policies and practices. The need for improved coordination among institutions is also recognized, not least when seeking to address "the drivers of conflicts, disaster risks, humanitarian crises and complex emergencies." The Compromiso thus calls for greater inter-agency coordination and synergy, including through review of the UN peacebuilding architecture.

The Compromiso then endorses various measures to further increase IMF and MDB lending capacity. One of them warrants special mention. It entails repurposing some of the developed economy holdings of a monetary asset called the "special drawing right" (SDR). It is a reserve asset created and allocated by the IMF whenever it is internationally agreed. Because of the need to maintain the reserve asset nature of SDRs and in light of their disproportionate allocation to developed countries that do not need them, the international community has twisted itself into knots to allow them to be used to help increase the lending capacity of MDBs and of the IMF itself. While more a topic for consideration in the systemic issues section of the Compromiso (below), we may note here a point made below that the SDRs are no longer needed for their original purpose and their reserve asset nature might be rethought.

In addition, individual governments extend loans on non-concessional terms directly to developing countries, such as for financing exports to them. The OECD also monitors these "other official flows" and has monitored a yet broader classification of financing for developing countries called "total official support for sustainable development" (TOSSD). Under the statistical methodology for TOSSD adopted in 2019, it includes all official grants and loans plus any private lending deemed to have been mobilized by the donor government (e.g., private co-financing of a donor-financed project), all meant to be in service of the SDGs and thus contributing to advancing the global public goods in the SDGs as well as the development of the developing countries.

The TOSSD methodology embodies numerous compromises. It can include security assistance, as SDG 16 focuses on promoting "peaceful and inclusive societies," but it excludes lethal equipment under the general principle to "do no harm." Private flows can be included only "where a direct causal link between the official intervention and the private resources can be demonstrated" (TOSSD, 2025, 7). In addition, trade-related flows should not "create trade distortions," and providers of scholarships in donor countries should consider whether the country of the recipients "has put in place incentives to minimize brain drain" (TOSSD, 2025, 5). As often is the case, classification is political as much as analytical, and the world has no agreed target for TOSSD.

Developing country management of assistance

In addition to all these categories of officially mediated financial flows, developing countries increasingly borrow from global financial markets and may join with private foreign firms in public-private partnerships, as for large infrastructure projects. Overseeing this complex mix of financial providers and opportunities can be a challenge for the aid-receiving countries. Public and private lenders, donors and investors usually act more or less independently to advance their own perception of the recipient country's needs or business opportunities. Countries need the capacity to select the types and volumes of flows that best meet their requirements and debt-carrying capacities. FfD conferences have thus encouraged programs for better coordination among donors, investors and recipients, as well as helping to evaluate the consequences of the financial flows. This focus was especially salient at Sevilla, where it was seen that INFFs could help inform financing decisions.

Indeed, the Compromiso calls on donors to "respond to country plans and strategies," which may be supported by INFFs, and where "inclusive, country-led national coordination platforms" may be created to support such efforts. While the Compromiso would also "support the United Nations in playing a central and coordinating role in international development cooperation," that role would likely remain primarily at the level of global principles and practices. In fact, the UN resident coordinators in developing countries are more likely supporting players in the aid field, as UN operational agencies are usually minor contributors to the overall flow of international development financing per se.

However, the Compromiso created an opportunity for a deeper dive on making development cooperation more effective through a "revitalized" Development Cooperation Forum (DCF) of ECOSOC. While the Compromiso gives few details on what that means, it appears that the DCF may "give policy guidance and recommendations" toward enhancing "coherence, effectiveness, accountability and impact of development cooperation." It is thus just possible that the DCF might become more than a "talk shop" and recommend policy conclusions to the FfD Forum that donors, creditors – at least bilateral official creditors – and recipient country governments might adopt in their negotiated outcome. More significant than a paragraph in an outcome document would be if providers actually began to work more effectively together and with recipients.

As part of its new mandate, the DCF would henceforth take account of development cooperation data in the voluntary national reviews that individual governments prepare for the High Level Political Forum on Sustainable Development, as well as the work of the Global Partnership for Effective Development

Cooperation, the DAC and the International Forum on TOSSD, all initiatives of the OECD, as well as the work of the International Aid Transparency Initiative, a broadly supported international initiative. Especially in light of the current DAC self-review of its aid policies (Ellmers, 2025), strengthening the DCF could become a significant initiative. Governments – notably, developing country clients and donors – only need to be willing to use the forum more effectively than in the past. The next meeting of the DCF will be in 2027. It is an opportunity that should be grabbed.

Finally, and to further complicate matters, development cooperation has been classified separately in UN forums from financial cooperation to protect and preserve the ecosystem, for which several international funds and initiatives provide and need to further provide financial resources. Support for these initiatives are enumerated almost as an addendum to the text on development cooperation.

International trade as an engine for development

Although international trade policy is not strictly about finance, it was added to the FfD agenda during the preparations for the original Monterrey conference. Indeed, trade policy relates both to how developing countries earn foreign exchange from exports and their access to imports on fair and stable terms, not to mention trade's inevitable link to FDI. However, there was never serious ambition among UN delegations to actually negotiate trade agreements in FfD, as the expertise and responsibility for such negotiations resided in different government ministries or offices. Rather, the goal has been to work closely with the World Trade Organization (WTO), both its staff and country negotiators (Herman, 2006). To this end, both trade negotiators and WTO staff have participated in FfD meetings, along with executive directors and staff of IMF and the World Bank. Lately, however, although WTO staff continue to cooperate with the UN Secretariat in the Inter-Agency Task Force that prepares the main documentation for FfD meetings, participation in the actual meetings largely fell into abeyance. This should change in the 2026 FfD Follow-up Forum, as trade policy is one of the three "action agenda" areas that the Compromiso selected for deeper consideration this year, and an intergovernmental dialogue is planned with WTO and UNCTAD (UN Trade & Development).

However, given the current state of trade policy, can a discussion jointly among country representatives from ministries of trade, finance and foreign affairs at the FfD Forum help normalize trade relationships? The assessment in the Compromiso is that it will be a challenge. Indeed, there is enough in the trade section to make one cry.

A long paragraph of commitments on international trade rules begins, "To preserve the multilateral trading system…." Right! In fact, the problem is deeper than the Trump Administration's chaotic tariff policies, as the WTO has struggled for many years to arrive at meaningful negotiated trade agreements (notably failing on agriculture). In addition, the WTO dispute resolution system is broken, and trade barriers have been growing well before the advent of the Trump Administration (WTO, 2024). The international community seems to face the same problem in international trade policy as the homeowner after a hurricane: repair or replace.

However, there has been progress in some areas, to which the Compromiso alludes. This includes the 2022 agreement to limit harmful fishery subsidies. After the Sevilla conference it reached ratifications by the requisite two thirds of WTO members and entered into force (WTO, 2025), while negotiations to further develop fishery subsidy rules continue (Irschlinger, 2025). A second agreement referenced in the Compromiso calls on WTO members to "fully implement" the Trade Facilitation Agreement. It had been agreed in 2013 and entered into force in 2017, when ratified by the requisite two thirds of WTO members (including the US). It aims to simplify trade mechanics (red tape), but some members still need technical assistance to adequately upgrade their systems and standards.

On the "hard" issues, there seemed little point in FfD negotiators fighting over wording about policies that are politically intractable. Thus, regarding dispute resolution, the text calls on WTO members to deliver on their commitment to fix the system "as soon as possible." Regarding "measures taken for environmental purposes" (i.e., the European Union's Carbon Border Adjustment Mechanism), the Compromiso could only stress "the urgent need for constructive discussions in the relevant multilateral fora." On "unilateral measures" (i.e., US and allied country trade embargoes), member states were "strongly urged to refrain from promulgating and applying any unilateral economic, financial or trade measures." On a related investment policy matter, countries resolved "to support efforts to reform the mechanisms for investor-state dispute settlements in trade and investment agreements," including the negotiations in the UN Commission on International Trade Law (UNCITRAL). This has been a focus of UNCITRAL's Working Group III since 2017, where "asymmetric power" is said to be undermining negotiation advances (Mehranvar, 2025).

Otherwise, the Compromiso endorses various standards of cooperation, as in acknowledging the principle of "special and differential treatment" of developing countries, preferential market access for LDCs, and the need for a smooth transition period when graduating LDCs lose those preferences. There are also implicit endorsements of various UN organizations that support developing country trade efforts, such as UNCTAD, the International Trade Center, and the Common Fund for Commodities. There is also a call for increasing "aid for trade," especially for LDCs.

There is some general text on facilitating developing country integration into international value chains, and on developing downstream processing of commodities, which must raise smiles to readers familiar with the US effort to untangle those supply chains and bring manufacturing production back to the US. Since the United States is so far away from having a comparative advantage in low-wage manufacturing of standardized products, and as tariffs on steel, aluminum and various manufactured inputs to US manufacturing have raised their production cost, the Trump Administration strategy is more likely over time to raise the price of imports and domestically manufactured goods than it is to increase manufacturing employment, which continues to shrink in the United States. However, with the US accounting for only 13% of world imports, one may expect that the rest of the world will not struggle a great deal to adjust to fewer final sales to US customers.

Debt and debt sustainability

The high sovereign debt burden of many developing countries was clearly the most salient FfD issue in Sevilla. The discussion pertained to helping countries prevent debt difficulties through national and international policies, and then how to strengthen mechanisms to help resolve sovereign debt crises when they nevertheless occur.

Managing sovereign debt

The Compromiso begins at the level of principles that creditors and debtors should follow in lending and borrowing. Different initiatives have sought over the years to draft such principles and the Compromiso calls on the UN Secretary-General to convene a working group with the IMF and World Bank to draft a consolidated set of principles. The exercise will not be a drawn out process, as the working group is tasked to give an interim report on its work at the 2026 FfD Forum in April and to present a complete report at the 2027 Forum. Although it appears that the working group has not been announced as of early January 2026, the contrast between this detailed commitment and much of the rest of the Compromiso could not be more dramatic.

The Compromiso thus "encourages" enhanced legislative oversight of government borrowing; "urges" compilers of international debt data bases to consolidate them into a single central debt data registry to be housed at the World Bank (some compilers already do that); "encourages" borrowing governments and their creditors to disclose more of their debt data (only some do that and only some will do that); "promotes" the inclusion of state-contingent clauses in official and commercial lending so as to automatically suspend debt servicing in periods of crisis (an option provided by some multilateral lenders and potentially in bond contracts); and "strengthen measures" to curb corrupt borrowing, including by "exploring options" to make corrupt contracts "unenforceable."

Furthermore, the Compromiso encourages the IMF and World Bank to "continue to refine debt sustainability assessments" in their joint Debt Sustainability Framework for Low-Income Countries" (LIC-DSF). In fact, the Fund and Bank are currently reviewing their LIC-DSF methodology. The political attention flagged by inclusion in the Compromiso may encourage that work along the suggested lines, such as taking account of "climate and nature actions," and "multidimensional vulnerabilities." The Compromiso could have also counselled taking into account obligations to continue to deliver social protection programs over the projection period of the DSF (the Compromiso implicitly took that into account in the domestic resources section above and in the context of funding provided during crises in the systemic issues section below).

The Compromiso also called on credit rating agencies, which are independent private enterprises, "to similarly refine their methodologies" for assessing the creditworthiness of governments (see box 3 below). The Compromiso further notes a dramatic claim that African countries may pay higher interest rates "compared to their peers despite similar risk ratings" and promises to take corrective action (unspecified except for capacity building for debtors to engage effectively in dialogue with financial market actors).

The Compromiso then calls for actions to assist countries facing a range of debt-servicing pressures. The text appreciates the IMF and World Bank proposed "Three Pillar Approach," which would assist countries differently according to the seriousness of their fiscal stresses, ranging from technical assistance to help them better mobilize and use fiscal resources and policies to promote more private investment (Pillar 1), to additional multilateral institution loans (Pillar 2), to reduced debt servicing through debt restructuring (Pillar 3). The Compromiso calls for an institutional home for this and "other efforts by the international community" (meaning which ones?), which could be at the Bank or the Fund.

Among the proposed activities to anticipate how to handle future debt stresses, the Compromiso supports simplified, standardized and less costly SDG-related debt swaps, wherein a creditor would forego debt servicing on a specific loan for debtor commitment to spend the released proceeds (or some fraction of them) on an approved activity. It would also consider developing standardized "term sheets" of the financial terms for different types of financial instruments, such as how to reschedule debt-servicing payments at no loss to the loan's net present value when temporary relief will suffice. In this spirit, the text also "encourages" developing countries to further adopt collective action clauses in bonds and majority voting provisions in syndicated bank loans, which would specify reasonable rules for the multiple creditors to reach agreement on deals to replace a defaulted debt instrument with a new one that the debtor could service.

Global debt architecture

In all, this is quite an agenda, but it is incomplete as the international mechanisms by which insolvency crises are resolved also need attention. Higher-income developing countries in debt crisis directly engage with their creditors, principally bondholders, usually in a context of an IMF-supported adjustment program. Low-income countries draw on an elaborate official creditor-led process with the IMF at its center, called the Common Framework. It was devised by the G20 in the aftermath of the Covid-19 pandemic. Deferring to the G20, the Compromiso "encourages" it to consider adding to its standard processes automatic debt-service suspensions during negotiations with creditors, an indicative timeline for the different steps in the process, refined tools for assessing that the "haircut" (loss) that private creditors accept matches that of the government creditors, and looks for ways to enforce that comparability of treatment.

The Compromiso also encourages creditor country "jurisdictions to consider passing legislation aimed at limiting holdouts by creditors [that obstruct] effective debt restructuring." This latter point relates to an effort in the New York State legislature to adopt a bill to remove an exception to a law that had prevented "vulture funds" from buying distressed securities with the sole intention of pursuing the full claim in court, which they can now do. In June, such a bill to end the exemption passed one house of the New York legislature but not the other and will need to be reconsidered in 2026. Its adoption is not assured and much less so is a more ambitious bill that would offer an option to add more transparency to simultaneous restructuring negotiations with multiple classes of private creditors as well as limit individual creditor recovery through the courts (see Herman, 2024).

Clearly, the processes for resolving sovereign debt crises are not fully settled, while the variety of private and official loans that may need to be restructured in crisis situations continues to grow. In this regard, it will be interesting to see the promised review of the sovereign debt architecture that the UN Summit of the Future in September 2024 invited the IMF to lead with other partners (UN, 2024b, para. 78b). According to the UN monitoring of implementation of the Pact for the Future commitments, the IMF is preparing its report, with support from UNCTAD, which the Secretary-General will present to Member States by March 31, 2026 (https://www.un.org/pact-for-the-future/en/action-50b2; accessed January 17, 2026).

In anticipation of that report, the Compromiso agreed that the sovereign debt architecture should be further considered in "an intergovernmental process at the United Nations, with a view to make recommendations for closing gaps in the debt architecture and exploring options to address debt sustainability, including through holding a dialogue among member states of the United Nations, the Paris Club, and other official creditors and debtors, along with the IMF and World Bank, other multilateral development banks, private creditors and other relevant actors" (para. 50f).

The prospects for that dialogue have been unclear, especially as the European Union, Canada, Japan and the Republic of Korea "disassociated" from that paragraph, while a number of other developed economy countries expressed concern or regret that it had remained in the Compromiso. Nevertheless, the Government of Spain offered to host an informal discussion among the relevant parties that might join such a discussion, calling it the "Sevilla Forum on Debt." It was launched in October with technical support of the UN Department of Economic and Social Affairs in New York and UNCTAD in Geneva (UNCTAD, 2025c). It appears that dates for meetings of the Sevilla Forum on Debt have not yet been fixed.

While lifting the discussion out of the halls of the UN may encourage more countries to participate (or not), this was not the intention of the paragraph in the Compromiso or what the African Group of countries had initially proposed for Sevilla, which would have initiated consideration of a "framework" agreement on debt, somewhat in parallel to the negotiations already underway in the General Assembly to create a framework agreement on international tax cooperation, as discussed above. It will be interesting to see how/if this initiative develops.

Finally, an additional commitment was made in Sevilla regarding sovereign debt policies. This was the decision to "establish a platform for borrower countries." It would not only support them on technical issues but also "coordinate approaches and strengthen borrower countries' voices in the global debt architecture." Nothing like this has ever been included in a globally negotiated outcome document. It would be supported by "existing institutions," presumably the Bretton Woods institutions although they are not named, with a UN entity selected to serve as its secretariat (expected to be UNCTAD). The Governments of Egypt and Zambia have taken the lead in follow up.

It remains to be seen what the borrowers' platform could achieve regarding reform of the global debt architecture. Borrower countries have never successfully organized themselves into an interest group that would negotiate on behalf of its members, although they have tried, for example, in the Latin American "Cartegena Consensus" in the 1980s (Bohoslavsky and Cantamutto, 2024). Each country is ultimately most concerned for its own terms of access to the multiple sources of external finance and would not opt for advancing the collective at the expense of the national interest. At the same time, the idea of creating a forum on sovereign debt that does not negotiate but provides technical assistance to negotiating countries has been in the public domain for decades.[9] It will be very interesting to see what comes from the new borrower forum.

International financial architecture and systemic issues

The initial motivation for FfD was a realization among a group of middle-income countries in the late 1990s that global financial policy had failed to adequately address the Asian financial crisis (1997), the default and debt moratorium of the Russian Federation (1998), and some unusual volatility in the market for US treasury securities (1998). The policies feeding those crises were seen as reflecting over confidence in the "wisdom" of less regulated financial markets, but also reflecting inappropriate political pressure of the United States on the IMF (Gordon and Sanger, 1998). Developing countries had had little say in these or any other policies shaping global financial frameworks, rules, or institutions. They thus saw it as essential when agreement neared to start the FfD negotiations in 2000 that developed countries agree to include "systemic" issues as part of the remit of FfD. The focus then was on better hearing the voice of developing countries on the agenda of systemic reforms. By Sevilla, the concern over "voice" remained, while the scope of debate on systemic issues had narrowed.

Less controversy on systemic principles

Two aspects of the main systemic concerns in Monterrey fell by the wayside in Sevilla. One was the criticism in 2002 of global macroeconomic management by the Group of 7 major economies:

> "Strong coordination of macroeconomic policies among the leading industrial countries is critical to greater global stability and reduced exchange rate volatility, which are essential to economic growth as well as enhanced and predictable financial flows to developing countries and countries with economies in transition" (UN, 2002, para. 54).

A quarter century later, following the global financial crisis which led to a number of developing countries being added to the Group of 7 to form the Group of 20, the interest in major economy macroeconomic policy coordination seems to have lapsed outside of global crises:

> "We will continue to strengthen global macroeconomic coordination and policy coherence while respecting domestic legal frameworks and policy mandates to enhance global financial and macroeconomic stability and reduce negative spillover effects" (UN, 2025d)

Readers may struggle to parse that sentence, although it seems there is little appetite any more for policy coordination to stabilize key currency exchange rates (Frankel, 2015). Concern over "negative spillovers" (e.g., impacts on developing countries of US monetary policy changes) is a real issue but one that lacks a clear path to resolution.

The second concern that had appeared in Monterrey but disappeared in Sevilla was on the volatility of financial flows into and out of developing countries (indeed, a source of the Asian financial crisis). Monterrey had addressed the issue in its chapter on private financial flows:

> "We underscore the need to sustain sufficient and stable private financial flows to developing countries and countries with economies in transition…Measures that mitigate the impact of excessive volatility of short-term capital flows are important and must be considered. Given each country's varying degree of national capacity, …strengthening prudential regulation and supervision of all financial institutions, including highly leveraged institutions, liberalizing capital flows in an orderly and well-sequenced process consistent with development objectives, and implementation, on a progressive and voluntary basis, of codes and standards agreed internationally, are also important…" (UN, 2002, para. 25).

9. For example, proposed at a side event of the Monterrey FfD conference in 2002 by Richard Gitlin, a prominent international insolvency attorney, and subsequently in Gitlin and House (2014).

It seems that the battle over "capital controls" is no more. While full liberalization of financial inflows and outflows is the acknowledged goal, the IMF and policy makers more generally have become more eclectic. Instead, the focus in the Compromiso was on adequately financing the "global financial safety net."[10]

The Compromiso advocated improving access of developing countries to international public resources during times of stress or crisis, including that the IMF itself be adequately resourced. The intent is that the IMF's various loan facilities should be able to meet prospective calls on them, which would allow governments to more effectively sustain their social protection and social spending obligations, among other priorities, during IMF-supported recovery programs.

The IMF not only lends funds to its members in need, but it also can create liquidity, which it shares with all its member countries, namely the SDR, which was discussed in the development cooperation section above. The IMF designed the SDR in the 1960s for a different era with a different international monetary system, which collapsed in the 1970s. Thus, for most of its life the SDR has been asleep (Solomon, 1996). Then two large allocations of SDRs were made during global emergencies, one in 2009 and the other in 2021. The SDR clearly has a use but not the one originally intended. Most of the SDRs are held by countries that do not need them and would not use them for managing their balances of international payments, which are mainly left to market forces. The Compromiso thus calls on "countries in a position to do so to voluntarily rechannel at least half of their SDRs to developing countries," albeit recognizing the limitations in so doing owing to the reserve nature of the SDR (see Plant and Ward, 2025). However, while the text of the Compromiso does not stray from approved policies on the allocation and use of SDRs, it invites the IMF Executive Board to design an "SDR playbook" to guide use of SDRs in various circumstances and it encourages "the IMF to continue to review the role of SDRs and their place in the international monetary system." If only it would!

Global economic governance

Although a few large developing countries were invited beginning in 2008 to join the major developed economy countries in the new G20 policy-making summits, FfD negotiators from developing countries have consistently called for improving the "voice and participation" of developing countries in global economic governance, in improving access to the global financial safety net, and in setting global standards in financial regulation, including emergent concerns about credit ratings and digital currencies.

Because the governing bodies of the key actors in the international monetary and financial system – the IMF and the World Bank – have treaty-based responsibility for their oversight, negotiated FfD documents "invite" or "encourage" those bodies to take various steps, as in strengthening the voice and participation of developing countries in the management and policy development of the institutions. In the same spirit, the more informal international standard-setting bodies on financial regulation and the Bank for International Settlements (BIS) have been invited by FfD agreements to undertake work on regulatory issues that might be of concern to developing economies.

To be sure, the degree to which negotiated FfD outcome documents influence systemic policy at global

10. Argentina's experience in 2025 underlined the difference between political and economic exigencies to be addressed by the global financial safety net. Argentina's central bank sought to prevent the collapse in the peso/dollar exchange rate while the economy was experiencing massive financial outflows, evidencing fear that opponents of the President would do well in the pending legislative elections and curtail unpopular policy initiatives. To support the Argentine President, the US Treasury offered Argentina a US$20 billion swap line and promised to mobilize an additional US$20 billion credit line from US banks, which settled the market. Furthermore, the US transferred $872 million of SDRs to Argentina, which it mainly used to make an interest payment to the IMF (US, 2025f). The usual IMF prescription in such cases is to devalue, which is always politically disruptive, which in this case the US was seeking to prevent, at least until after the elections. Perhaps reflecting strong US political support for Argentina's President, his supporters did better than expected in the election, further calming investors. Perhaps it is ironic that US Treasury Secretary Scott Besent, who saved the Argentine peso, worked for George Soros 33 years ago when they made a fortune shorting the pound by overwhelming the Bank of England's reserves, forcing devaluation.

level is less the negotiation over formal wording in FfD texts and more that the effort raises global consciousness about the policy concerns of developing countries and engages discussion of members of the relevant boards and committees whose views are then reflected back into the FfD negotiations. In this regard, while it has long been standard practice for members of the IMF and World Bank executive boards to join the discussions in FfD meetings, it was somewhat concerning that representatives of international regulatory bodies attended less frequently.

Perhaps this will now improve as the Compromiso delves into detail on certain financial regulation issues, for example, asking how the risk weightings of bank loans to developing countries that have guarantees or use other risk reduction techniques are adjusted in regulatory requirements aiming to ensure that banks have adequate equity buffers. It is also noteworthy that the Compromiso invites the regulatory authorities to present their findings and recommendations on such issues to the FfD Forum. Similarly, the Compromiso encourages the Financial Stability Board to present to the FfD Forum proposals and recommendations to "enhance the resilience of non-bank financial institutions," which have higher risk profiles than banks. It may be hoped that representatives of those bodies respond positively to the invitation. On one regulatory issue in particular, the public oversight of credit rating agencies, the Compromiso took more concrete action (see box 3).

Box. 3. The concern that sovereign credit ratings are biased

Credit ratings are assessments made by specialized private firms of the probability that borrowers will default on specific financial obligations.[11] The FfD focus has been on accusations of bias in sovereign-risk bonds (i.e., bonds without collateral and depending only on the sovereign's promise to pay its obligations fully and on time). The concern has especially focused on the ratings of African governments (UNDP, 2023).

The assessment is important, especially as some regulated investors are restricted to holding only financial assets that are regarded as low risk and are rated "investment grade," a case in point being pension funds, which need to have low probability of not being able to meet their obligations to pensioners. Besides paying attention to agency ratings as a benchmark, however, most institutional investors around the world also make their own assessments.

Investors in the major financial markets mainly follow the ratings by three firms based in those markets (Moody's, Standard & Poor's, and Fitch Ratings). If their bias is real, it imposes a financial cost on borrowing governments as investors would add a higher risk premium than justified to the interest they require be paid on the bond.[12] Indeed, the rating agencies are not perfect and were roundly criticized for undervaluing the risks of the financial securities backed by US housing loans that led to the global financial crisis in 2008.

In fact, the rating agency assessments are only one factor in determining the interest cost that borrowers will have to pay. The interest "yield" on a government's outstanding bonds indicates what the market expects borrowers will need to pay on new bonds.[13] In addition, financial markets may offer a kind of insurance policy against default, called a "credit default swap." The higher the price for those instruments, the greater the perceived risk of default. Developments in the market yield and the price of credit default

11. These assessments differ from the assessments of the overall debt sustainability of low-income countries jointly made by the IMF and World Bank (see "Managing sovereign debt" section above).

12. There have also been complaints that the market underestimates the degree of recovery of bondholder claims after default which adds excessively to interest rates in order to compensate for default risk (Spiegel, 2010).

13. That is, as bonds have fixed interest payments written into their contracts, the interest yield on a bond (i.e., the interest payment divided by the market price) depends on how the price moves in the financial markets. The market's perception of a bond's riskiness is revealed by the amount by which the interest yield exceeds the yield on a riskless bond, usually US treasury securities.

swaps undoubtedly also feed back into rating agency assessments.

Rating agency views are probably most important for the bonds of countries that are thinly traded, as for countries newly issuing such bonds. It is also likely that as the rating agencies and the market become more familiar with the bonds of newly issuing governments that the risk premium will fall. There is also evidence that investors rely less on ratings when borrowing countries "adopt high quality and transparent data and debt management systems and establish accountable and effective institutions" (UNCTAD, 2025a).

As most African governments and their larger private companies are relatively new issuers of bonds in international markets and given the perception of bias, the Africa Union has facilitated creation of an African credit rating agency, which is expected to launch in 2026 and be headquartered in Mauritius. It is envisaged as "an independent, commercially viable entity supported by public, private and multilateral stakeholders, designed to prevent political interference while ensuring accountability to Member States" (Dushime, 2025). It would aim to marshal more local data than the "big three" and could interpret it with more nuance, as suggested by the local rating experiences of Indian and Brazilian credit rating initiatives.

In this context, Member States decided in the Compromiso to "establish a recurring special high-level meeting on credit ratings under the auspices of ECOSOC for dialogue among Member States, credit rating agencies, regulators, standard setters, long-term investors, and public institutions that publish independent debt sustainability analysis." For some years, the UN Secretary-General has encouraged work on this issue, which the "Pact for the Future" (another globally negotiated UN exercise) recognized and further encouraged (UN, 2024b, para. 50c). Bringing the UN initiative on rating agencies to an inter-governmental and multi-stakeholder discussion could be interesting for policy development. The 2026 ECOSOC Special Meeting on Credit Ratings is scheduled for March 30 in New York.

Science, technology, innovation and capacity building

Ten years ago, the Addis Ababa Action Agenda of the FfD conference added a new topic to the FfD agenda on policy issues in "science, technology and innovation" (STI). Each of the policy issues in that section might just as well have been included as parts of the preceding chapters on public and private, domestic and international finance and trade. In collecting them into a separate section, however, the Addis negotiators focused attention on a fundamental aspect of development, one that goes beyond financing but must itself be financed, namely the effective integration of technological advances into the economic growth of the developing countries.

The Addis section in 2015 focused on improving access of developing countries to advanced technologies, improving their capacity to adapt and adopt such technologies, and increasing their capacity to join in the process of creating new technologies. While all types of technology would be pertinent, most attention was devoted to digital technology, albeit also calling for support of advances underway and needed in medical, agricultural, marine and climate-related technologies.

To this end, the Addis Agenda added a Technology Facilitation Mechanism to the family of international forums and task forces that address different issues in the development of science and technology. The Mechanism would include an Interagency Task Team on STI, a new Multistakeholder Forum on STI that would meet annually and be assisted by a committee of ten non-official experts along with the Task Team, and an online platform to serve as a "gateway" to information on STI initiatives within and outside the UN. The Addis Agenda also encouraged completion of the preparations for a new Technology Bank for Least Developed Countries.

The Compromiso carries forward this Addis theme, discussing general features of systems for promoting and disseminating new technologies, while narrowing the scope of policy proposals to digital technology (including in financial services) and artificial intelligence. The Member States promised to enforce intellectual property rights that transfer technology to the mutual advantage of producers and users in a manner conducive to social and economic welfare. They called for support of education programs for children, scholarships for older students and international exchange programs, as well as financial and digital literacy programs. They also focused attention on the need for increased investment in digital infrastructure, digitizing the financial system for more inclusive access, supporting public venture capital funds (which public development banks might offer), and more generally giving more space for STI financing in development frameworks.

Meanwhile, the Technology Bank has begun operations. It is actually not a bank but a technical assistance program, located in and funded by Türkiye, and governed by a Council appointed by the Secretary-General. It is mandated to help LDCs identify and access appropriate technologies, develop country capacities and strengthen relevant public and private partnerships. The Compromiso invited increased voluntary contributions and technical assistance for the Bank, and said Member States will "enhance the capacity" of both the Bank and the Facilitation Mechanism "with adequate resources."

Ten years ago when the Addis FfD conference and the SDGs were adopted, it was perhaps recognized that advances in science and technology were threatening a discontinuity in global development. Perhaps policymakers realized that many developing countries would fall hopelessly behind if special efforts were not made to help them join the rapidly changing world and many such efforts were initiated. However, one may ask whether the effort has not led to a glut of international committees, programs and mechanisms, while the major development banks and international institutions also advance programs of their own.

A case in point is the follow up just before the Sevilla conference by a UN expert group on implementing "the commitment [made in 2022] to undertake feasibility studies to explore the possibility of establishing an Online University or other equivalent platform for LDCs" (UN, 2022a, para. 52). The expert group, meeting in June, considered various options for a "potentially enormous and ambitious initiative" for expanding access to higher education in STI fields, which would require "coordinated action across governments, the private sector, international development partners and philanthropic organizations" (Teferra and Tamrat, 2025). Will this happen? Should it?

The Compromiso seems to recognize – and perhaps governments are concerned about – the plethora of technology forums, platforms, panels and "actors in the STI ecosystems." It explicitly called for "enhanced collaboration" of the STI Forum with a separate UN Commission on Science and Technology for Development and other international platforms. Perhaps a consolidation of initiatives is warranted. This notwithstanding, the Compromiso clearly showed interest in continuing discussions of "fintech," artificial intelligence, and digital financial services in the FfD Forum, and it invited countries to bring digital public goods and infrastructure projects to the FfD Investment Fair.

Data, monitoring and follow up

The concluding section of the Compromiso addresses two separate topics, efforts to mobilize data better for monitoring FfD and SDG outcomes, and decisions on follow up to Sevilla.

The need for appropriate data had been mentioned in different contexts 31 times across all the previous sections of the Compromiso, so the thrust of the final section was mainly to support statistical agencies of developing countries that need to collect that data. The Compromiso thus committed to implement relevant previous commitments on strengthening data systems in developing countries and encouraged cooperation of development banks and other authorities in capacity building in this endeavor. Hopefully, they will do so. The Compromiso also addressed a challenging statistical issue on measuring cooperation for development (see box 4).

Box 4. A statistical challenge: measuring cooperation received for development

The Agenda for Sustainable Development pays particular attention to promoting "cooperation for development," as a concept understood to be more inclusive than ODA. Negotiators on the SDGs thus included target 17.3 on mobilizing financial resources "from multiple sources," and the statisticians created indicator 17.3.1 to measure progress on target 17.3. The Compromiso then called for "enhancing the regular reporting on and use of SDG indicator 17.3.1." However, the indicator is only partly developed.

The indicator for SDG target 17.3 (UN, 2021), which was approved by the UN Statistical Commission in 2022, includes gross receipts of official and private (charitable) grants, loans on ODA terms, loans for sustainable development from official sources that did not qualify as ODA (e.g., World Bank loans), FDI, and "mobilized private finance – on an experimental basis" (e.g., private funds mobilized to collaborate with donor financing of an investment in a developing country).

Data for components of this indicator are calculated by international institutions and the donor governments participating in the OECD TOSSD exercise that was noted in the development cooperation section above. As TOSSD reports flows to individual recipients (but also regional and "unallocated" flows), it is possible to view the "mirror data" for each recipient aggregated over the providers. The UN Secretariat regularly publishes the mirror estimates of components of indicator 17.3.1 (UN, 2025b). However, the published data are incomplete as they do not yet include mirror data for official flows from Southern providers. And while the Compromiso calls for "broader reporting by South-South providers…under the UN Voluntary Conceptual Framework to measure South-South cooperation," it will take some time before such information is available on a standardized basis, as a manual for pilot testing under the Framework was only recently published by UNCTAD (2025b).

Similarly, the data on "mobilized private finance" would currently include only private finance mobilized by countries reporting to the TOSSD data base, which remains donor focused, rather than mobilized by the recipient government. And it is indeed curious to treat all the FDI received by a country as if "mobilized" by the government of that country. Much of recorded FDI is a function of the reinvested earnings of foreign-owned firms already in a country as well as any "greenfield" investments that are just beginning. Also, it may be a stretch to assume that private grants received by a country were "mobilized" by that country's government; e.g., some charitable donors may well refuse to work with governments that they deem unreliable.

In short, while the data series compiled as the components of indicator 17.3.1 may possibly be informative in many countries, they must be interpreted with great care.

On follow up to Sevilla, the Compromiso is very specific. First, it continues the mandate of the Inter-agency Task Force on FfD, whose 60 plus international agencies work with the UN's Department of Economic and Social Affairs to prepare the *Financing Sustainable Development Report*, the primary documentation for the annual FfD Forum meetings. This signals the continued confidence of member states in its work. Indeed, the Compromiso created opportunities for deeper work by the Task Force in support of deeper discussions in the FfD Forum, which could in turn feed into deeper intergovernmentally agreed conclusions and recommendations. The strategy is simply to divide the Compromiso chapters in half and review all the issues in a two-year cycle. Governments also decided to continue to hold a High Level Dialogue on FfD in the General Assembly every four years, back to back with the High Level Political Forum on Sustainable Development in the Assembly.

The Compromiso further decided to continue annual discussions with the Bretton Woods institutions (BWIs) in the FfD Forum, and will "engage with WTO and UNCTAD" in the years that trade is discussed, as earlier noted. While there is a long tradition that the FfD discussions with the BWIs are with members of the executive boards of the institutions, the extent of the FfD engagement with the trade institutions or their member states will be interesting to monitor. The Compromiso also intends that the various UN meetings that have been programmed in the Sevilla document "will be taken into account by the Forum on an appropriate cycle," and it envisages continuing the SDG Investment Fair.

Furthermore, the Compromiso encourages governments to appoint "national focal points" on FfD. How will his work out? It has been quite common that inter-ministerial cooperation of governments in the run up to FfD conferences dissipates after the conferences conclude. Country missions to the UN typically serve as national focal points for their UN deliberations, but usually lack the political capital across government ministries that a dedicated office in the capital could have. The intention to create such focal points in capitals is thus most interesting. According to a communication from the FfD Secretariat (January 8, 2026), the 2026 FfD Follow-up Forum is envisaged to launch the inaugural meeting of National Focal Points for FfD4 implementation.

The Compromiso concludes with a promise to "consider, by 2029, the need to hold a follow-up conference on financing for development." Noting where the commas were placed in that sentence, no decision need be taken in 2029. Nevertheless, the governments that met at Sevilla could well feel that with the Compromiso they had reaffirmed their "trust in multilateralism."

Conclusion: FfD may be tattered but endures

When FfD began to take shape among UN delegations in the late 1990s, representatives of many developing country governments could assert that they had the ability, as well as the responsibility, to design their own development and that they would succeed as long as the international economy and its policies did not throw up enough roadblocks. The late 1990s international experience alluded to earlier that prompted developing country insistence on including systemic issues in the FfD agenda may have been based on the sense that more international democracy was needed, but it importantly also reflected a loss of confidence in the existing global policy management. Thus, while the lowest income countries still depended most heavily on financial and technical assistance, which all countries supported in solidarity, the middle-income countries were more focused on being heard better in setting international trade and financial policies (Franco, 2001). That self-confidence of the South remains the sentiment in FfD negotiations today, matched by the confidence of the most powerful countries in their own policy perspectives. FfD meetings can thus be useful exchanges.

Nevertheless, it is important to say what FfD meetings are not. FfD is not a return to the role the UN played in its early years in international trade and financial policy, when negotiations in the General Assembly and at UNCTAD led to new trade policies, including agreements to manage certain international commodity prices, a generalized system of trade preferences, policy targets on development assistance, guidelines for sovereign debt restructuring in the Paris Club, and institutional innovations like establishing the UN Development Program (UNDP). That role ended in the 1970s. Political sentiments became more contentious in the 1980s as efforts to convoke a "Global Round" of negotiations at the UN on the "hard" issues of trade and finance failed repeatedly. By the 1990s, the General Assembly had become a forum for negotiations of a different scope and ambition on environmental and social issues, and UNCTAD largely became a research and advisory body.

Monterrey in 2002 marked a return to policy debate in the General Assembly on the "hard" issues of trade and finance, albeit with an important constraint. While governments could negotiate some policy actions at the UN, international responsibility for other policies had migrated to other international institutions and forums. Progress would require their buy in, which with dialogue could be achieved. The different pieces might then be fit together as a coherent overall vision of FfD (Herman, 2006).

It seems from Sevilla, in sum, that the process for negotiating global policy reform under FfD can endure. The FfD meetings that Sevilla has programmed, if they can take place despite the financial challenge to the UN itself, may or may not yield results. A lot depends on dialogues on policy issues at the UN being paralleled by talks in relevant other forums or among ad hoc groups of interested governments. Sometimes that yields good results. That is enough to make FfD worthwhile.

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