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HOW MUCH COMMITMENT IN THE SEVILLA COMMITMENT?

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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 spillovers. 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. 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 come even to talk. This paper draws together and assesses those opportunities.

From June 30 to July 3, 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, 2025b).

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. That text, the "Compromiso de Sevilla" (Sevilla Commitment), includes over 19,000 words spread over 42 pages (UN, 2025c). It is a challenge to absorb.

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

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[1] Personal views of the author. Comments and suggestions are welcomed (herman@socdevjustice.org).

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

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).

Well, yes, in the end, only the participating governments adopt the outcome document of an intergovernmental conference and consensus among governments with more and less power limits what will be agreed. In Sevilla, the challenge was not only from the United States. Even without the recent US imposed tariffs and trade disruptions and the US withdrawal from international cooperation on development, public health and global warming, not to mention its absence from Sevilla itself, there are major differences among other governments on key policy matters. Reflecting this reality, the negotiations that produced the Compromiso ended less with a new “program of action” and more with a *tour d'horizon* of current thinking on major FfD policy matters. And yet, the governments also agreed to an agenda for future intergovernmental discussions that have the potential to make policy reforms, if not necessarily right away.

Digging into the details of the Compromiso, one may thus see opportunities as well as the disappointments. The following discussion seeks to identify them, chapter by chapter.

Chapeau: A “renewed” global FfD framework

The Compromiso begins by announcing a “renewed” framework, which means to build on that of the previous FfD conference in Addis Ababa, Ethiopia in 2015 (UN, 2015), 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). Ten years ago, when the Addis Ababa Action Agenda was adopted, the focus was on mobilizing the international and domestic, public and private sources of financing to help deliver the new sustainable development goals (SDGs). 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 achieving the goals 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, 2025).

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 this year make that extremely unlikely. That is, people who think about development need to absorb how the United States has 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 beyond its borders.

The “chapeau” of a negotiated UN text on economic and financial policy is traditionally the section where delegations pay homage to human rights, including the right to development, democratic institutions, and major 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 UN agencies, it is hard to see how "global governance" will be strengthened in the near future.

Thus, 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 shall be noted in this paper.

Oh yes, one more thing, the chapeau section made no mention of global trade policy.

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.

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." 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 2 percentage points of coverage per year. This was a nod to 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 could 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.

More broadly, the international cooperation agenda on domestic public resources pertains to boosting technical assistance and international tax cooperation. Thus, while not an actual pledge, 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).

Appropriately taxing the earnings of firms operating in a foreign country has been a challenge, requiring reliable information on the business activity of those firms, including on appropriate prices of inter-subsidiary inputs and transfer of outputs. 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 owing to tax avoidance schemes of multinational firms. As the problem was global, the Group of 20 major economy countries (G20) charged the Organization for Economic Cooperation and Development (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 tax authority on a country-by-country basis, which facilitates figuring out how much of the firm's earnings should be subject to tax in individual countries. 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.

While the OECD has been the primary locus for standards on taxing international business activity, it has been charged since the 1960s with being biased towards the developed economies, leading the UN to create a committee of tax experts to devise standards that would better benefit developing countries. The role of the UN in this regard took a step forward when the General Assembly agreed to open negotiations towards a global "framework" agreement on tax cooperation, which would go well beyond the BEPS Program. Indeed, controversies exist even among OECD members, as on taxation of internet sales by foreign firms that do not have a tax-paying "permanent establishment" in the country. The Compromiso seems careful not to advocate for such taxation, stating only that jurisdictions should only tax foreign companies where "economic activity occurs and value is created."

As to the realization of the proposed UN tax framework, we shall have to wait and see. The United States withdrew earlier this year from the UN tax negotiations. Also, based on the statements of some governments in the Preparatory Committee after the adoption of the Compromiso, others besides the United States are skeptical about the UN process. As the framework agreement and its envisaged operational protocols would entail treaties requiring ratification by some to-be-specified number of countries, the practical relevance of the final text will depend on how many tax authorities covering what percentage of global business operations join it. The governments negotiating the UN tax agreement have set a target of autumn 2027 for agreement on the framework and its first two protocols.[3]

Finally, 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,

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

offshore (and onshore) financial centers that profit from opacity would not join such an effort.

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 "special meeting" of the UN's Economic and Social Council (ECOSOC) on "financial integrity." It is not stated whether that would be a one-off meeting or an annual exercise. Probably much depends on the meeting itself. ECOSOC is not the only relevant forum for such a discussion, as the UN Convention against Corruption also has a Mechanism for the Review of the Implementation of the Convention. It comes up for review in 2026, after finishing its current cycle of country reviews. Still, ECOSOC could take a more wide-ranging approach.

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 accounts for most economic activity in most countries, ranging from smallholder farmers and informal traders 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 the sector has always been germane. That continues today.

Sometimes, however, the policy perspective seems unnecessarily limited. For example, some of the text seems to advance proposals that would be mainly of interest to internationally active institutional investors and venture capital funds. It highlights innovative securities, like green bonds, but also *sukuk* securities, the only type of Islamic finance mentioned in the document, albeit the one that has attracted mainstream international investor interest.

While acknowledging the need for "building a domestic savings base," nothing is said about savings services for low-income people, which are often provided by non-profit institutions (postal savings, savings and loan cooperatives, etc.). There are proposals for lending to or selling insurance to micro, small and medium enterprises (MSMEs), especially women-led enterprises. The Compromiso also encourages "support for social and solidarity economy entities," which 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 least, in other words, the Compromiso acknowledges that the private sector may contain a large variety of non-state entities (although philanthropy, another class of social private activity, is not addressed).

The Compromiso then turns to remittances and makes a dramatic pledge: "We resolve to redouble our efforts to reduce remittance costs to less than 3 per cent of amounts transferred by 2030." However, this is not a price controlled by governments, but 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 3 per cent charge was adopted as a target of SDG 10, but the actual level remains above 6% (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 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 potential and actual cross-border 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.

Regarding infrastructure, the text promises more technical assistance in 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 private funding into public projects has been disappointing, notably in projects promoted by multilateral development banks. "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 invest 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 investment from abroad is 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.

Traditionally, 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.

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." It would "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,[4] as had the Addis Agenda ten years earlier.

It would have been better had the Compromiso specified where it would engage in "international dialogue" on these issues. Discussion in the FfD Forum at the UN could have been proposed, where the multistakeholder, multi-governmental and multi-institutional environment might bring broad considerations to bear. The issues could also be addressed within the more business-oriented context of such FfD initiatives as the SDG Investment Fair. Member states at the UN could still decide to undertake a deeper dive on these issues, which might put a toe in the door to better address sustainability responsibilities of private businesses.

International development cooperation and development effectiveness

Official development cooperation has been a core part of FfD from its beginning. There are essentially two sides to the matter. On the one hand, there are the grants of cash, goods and technical assistance and highly concessional loans that developed countries have provided directly to developing countries and to support the highly concessional programs of international institutions. These are classified together as official development assistance (ODA). On the other hand, adding together all official financial flows to developing countries from the governments of developed and developing countries and from the international financial institutions that pertain to development can be called official cooperation for development.

Each FfD conference has sought to increase the volume and efficacy of both the concessional and non-concessional flows, although international targets for donor governments were only agreed for ODA, 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, and in some cases significant parts of government expenditure that are classified as ODA have been spent in donor countries, as for support of refugees. To direct more ODA to support development in developing countries, the Compromiso proposes that more ODA be programmed at country level, potentially as budget support. That could be possible but the prospect now is for a major reduction in ODA owing to US closure and European reduction in aid programs, albeit with some of the lost funds being replaced by increased assistance by China and other countries.

Indeed, a number of Southern governments have increasingly provided financial assistance,

[4] 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:::).

some of it on highly concessional and some on less-concessional terms. For political reasons, these flows are classified separately as "South-South cooperation" and are less systematically measured and tracked than ODA, although work to address this is underway (see annex). The Compromiso welcomes these flows and encourages their expansion.

Meanwhile, prospects appear encouraging for increased financing from the multilateral development banks (MDBs), whose projects have been lauded and criticized over the decades. 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, 2024) 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." It thus calls for greater inter-agency coordination and synergy, including through review of the UN peacebuilding architecture.

The Compromiso endorses various measures to further increase 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.

As noted above, MDBs offer highly concessional grants and loans. 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." If this is a nod to expanding the role of the private financing option, the Compromiso might have been more cautious. In another context it gives a relevant plaintive cry: "We emphasize the need to preserve the concessional character of flows reported as ODA." Indeed!

In addition to the sources of official flows for development thus far noted, governments have provided loans to developing countries on more commercial terms, as for financing exports to them. The OECD, which monitors ODA of its member countries, also monitors these "other official flows" and since completing its statistical methodology in 2019 has monitored a yet broader classification of financing for developing countries called "total official support for sustainable development" (TOSSD). 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.

TOSSD 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). This, at least, is the methodology. As often is the case, classification is political as much as analytical, and the world has no agreed target for TOSSD.

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 reach agreed policy conclusions that donors, creditors – at least official creditors – and recipient countries might adopt.

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 Development Assistance Committee and the

International Forum on TOSSD, all initiatives of the OECD, as well as the work of the International Aid Transparency Initiative, a broadly held international initiative. Strengthening the DCF could thus be a significant initiative if governments are willing to use the forum more effectively than in the past.

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

There is enough in the trade section to make one cry.

The 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, as the World Trade Organization (WTO) has struggled for many years to arrive at meaningful negotiated trade agreements (notably failing on agriculture). In addition, the dispute resolution system is broken, and trade barriers have been growing well before the advent of the Trump Administration (WTO, 2024).

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 muster enough energy to 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). Yes, but in whose lifetime?

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, the Trump Administration strategy is most likely to merely raise the price of those imports to American consumers. With the US accounting for only 13% of world imports, one may expect that the rest of the world will in time adjust to fewer final sales to US customers.

Debt and debt sustainability

The high sovereign debt burden of many developing countries is clearly the most salient FfD issue in 2025 and the one on which the Compromiso contains the most concrete agreed actions. It begins at the level of principles that creditors and debtors should follow in lending and borrowing. Various initiatives have been taken 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 and to present a complete report at the 2027 Forum. The contrast between this detailed commitment and much of the rest of the Compromiso could not be more dramatic.

The Compromiso otherwise "encourages" enhanced legislative oversight of government borrowing; "urges" compilers of international debt data bases to consolidate them into a single central debt data registry, 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 (available to borrowers from 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" (DSF). In fact, the Fund and Bank are currently reviewing their DSF methodology. The political attention flagged by inclusion in the Compromiso can only 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 economic 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" (there is more on credit rating agencies in the systemic issues section that follows). 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).

In all, this is quite an agenda, but the additional decision to "establish a platform for borrower countries" could assist developing countries to follow up. 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).

Although borrower countries have tried – for example, in the Latin American "Cartegena Consensus" in the 1980s (Bohoslavsky and Cantamutto, 2024) – they have never successfully organized themselves into an interest group that would negotiate on behalf of its members. 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.[5] It will be very interesting to see what comes from the new borrower forum.

The Compromiso then calls for actions to assist countries facing debt-servicing challenges, including insolvent countries that need outright restructuring of obligations. The text appreciates the IMF and World Bank proposed "Three Pillar Approach," which would assist countries differently according to the seriousness of their fiscal pressures, 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 for such an initiative would be supporting simplified, standardized and less costly SDG-related debt swaps, wherein a creditor foregoes debt servicing for debtor commitment to spend the released proceeds (or some fraction of them) on an approved activity. It would also consider developing "term sheets" (standard language) for different types of financial instruments, such as to reschedule debt-servicing payments at no loss to the creditor in terms of the loan's net present value when temporary relief will suffice.

While the preceding considerations aim at reducing the likelihood of debt pressures that lead countries into insolvency, it still happens and so mechanisms are needed to work out of that situation. While higher-income developing countries in debt crisis directly engage with their creditors, principally bondholders, low-income countries now draw on an elaborate official creditor-led process with the IMF at its center, called the Common Framework. It was devised by

[5] For example, proposed by Richard Gitlin at a side event of the Monterrey FfD conference in 2002 and subsequently in Gitlin and House (2014).

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 ways to enforce that comparability of treatment.

The Compromiso also looks deeper into how to facilitate restructuring negotiations with private creditors, many of which would not fall under the Common Framework. The text "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 on terms that the debtor can service.

The Compromiso also encourages "jurisdictions to consider passing legislation aimed at limiting holdouts by creditors to facilitate effective debt restructuring." This latter point relates to an effort in the New York State legislature to adopt a bill to remove an exception that certain "vulture funds" got legislators to insert into the law in 2004 that would otherwise prevent them from buying distressed securities with the sole intention of pursuing the full claim in court. 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 court.[6]

Clearly, the processes for resolving sovereign debt crises are not fully settled, while the variety of private and official loans continues to grow. The Compromiso thus agreed that the issue 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."

The shape of those debt discussions will have to be worked out. It will need to take account of the 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, 2024a, para. 78b). This commitment is much less than 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. Nevertheless, the Compromiso commitment is not nothing, notwithstanding that several countries said they opposed that commitment when they spoke after the Compromiso was adopted. We shall see.

International financial architecture and systemic issues

The initial motivation for FfD was a realization among a group of middle-income countries in

[6] Both initiatives (and others) are discussed in Herman (2024).

the late 1990s that global financial policy had failed to adequately address the Asian financial crisis (1997), the default of the Russian Federation (1998), and some unusual volatility in the market for US treasury securities (1998). Developing countries had had little say in these or any other policies shaping global financial frameworks, rules, institutions and markets. They thus saw it as essential when agreement neared to start the FfD discussions in 2000 that developed countries agree to include "systemic" issues as part of the remit of FfD.

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 maintained that "systemic issues" must remain a core focus of FfD deliberations. In the Compromiso de Sevilla, that commitment was realized in discussions of global economic governance, strengthening the global financial safety net for developing countries, and 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 level is less the negotiation over formal wording in FfD texts and more that the effort raises global consciousness over time 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 is somewhat concerning that the participation of representatives of international regulatory bodies fell into abeyance.

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. Credit ratings are assessments made by specialized private firms of the probability that borrowers will default on specific financial obligations. The assessment is important, especially as some regulated investors may be restricted to holding only financial assets that have low risk ratings, a case in point being pension funds, which need to have low probability of not being able to meet their obligations to pensioners. Most institutional investors with or without such regulatory restrictions make their own assessments, but the ratings are still a benchmark for them. There has been some concern that the rating agencies have not fairly assessed the probability of default of developing country bonds (or of recovery of bondholder claims after default). Indeed, the rating agencies 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.

Hence, 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 Secretary-General has encouraged work on this issue, which the negotiated "Pact for the Future" recognized and further encouraged (UN, 2024a, para. 50c). Bringing the UN initiative to the level of an inter-governmental and multi-stakeholder discussion would create a unique forum and could be interesting for policy development.

Besides the focus on global financial stability, the Compromiso also 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 for more effectively sustaining social protection and social spending obligations during IMF-supported recovery programs.

The IMF not only lends funds to its members in need, but it also creates liquidity that is shared with all its member countries, namely the aforementioned SDR. The IMF designed the SDR in the 1960s for a different era with a different international monetary system, which collapsed in 1971. 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. 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 encourages "the IMF to continue to review the role of SDRs and their place in the international monetary system." If only it would!

Science, technology, innovation and capacity building

Ten years ago, the Addis Ababa Action Agenda of the FfD conference added a new section on policy issues in science, technology and innovation (STI) to the FfD Agenda. 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 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 the Addis themes, discussing general features of systems for promoting and disseminating new technologies, albeit narrowing the focus 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 in a financial sense 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."

Perhaps, ten years ago when the Addis FfD conference and the SDGs were adopted, it was 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.

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, 2022, 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 technical statistical issue that is deferred to an annex of this paper.

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. 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. 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. While the lowest income countries still needed financial and technical assistance, which all countries supported in solidarity, the middle-income countries were more focused on having more weight in setting international trade and financial policies (Franco, 2001). That self-confidence of the South remains the sentiment in FfD negotiations today, as does the confidence of the most powerful countries in their own policy perspectives.

It is important to say what FfD is 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 international commodity prices and a generalized system of trade preferences, and policies 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 negotiations 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, which allows one to paraphrase "Monty Python and the Holy Grail" and say, "We're not dead yet."

Annex. Unfinished business on SDG indicator 17.3.1

The Compromiso calls for "enhancing the regular reporting on and use of SDG indicator 17.3.1, which tracks progress on SDG target 17.3: "Mobilize additional financial resources for developing countries from multiple sources." Data for the components of this indicator are regularly published by the UN Secretariat (UN, 2025a). However, they do not tell us all that we want to know, certainly not yet and not without further thinking about the methodology.

The statistical indicator for SDG target 17.3 (UN, 2021) was approved by the UN Statistical Commission in 2022. The indicator 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).

The new indicator builds on the OECD's TOSSD, which was noted in the development cooperation section above as the broadest donor concept of development cooperation. An interesting feature of TOSSD is that it contains substantial data on donor flows to individual recipients, which may provide some of the data needed for a calculation of indicator 17.3.1 from the perspective of the developing countries receiving the flows.

However, TOSSD does not include flows from Southern providers, which are needed in addition to those from developed countries and multilateral financial institutions for a full recipient country indicator for target 17.3,. That information is not yet available. 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 (2025).

Moreover, 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, as 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.

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