BLOG POST July 16th 2026

One year on from the Compromiso de Sevilla on financing for development: challenges and priorities for countries in the Global South

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Reading time: 8 min

In July 2025, the Seville Commitment *(Compromiso de Sevilla)* reaffirmed the principles of international solidarity and proposed concrete solutions for financing the Sustainable Development Goals (IDDRI, 2025), against a backdrop of a significant decline in official development assistance,[1] followed by rising energy costs linked to the war in the Middle East. What concrete progress has been made to date in implementing the *Compromiso*? And what actions can be implemented swiftly at national level (particularly in the Global South) and internationally to accelerate this process?

Concrete progress, but significant shortcomings in implementation

The first post-Sevilla Forum on Financing for Development (FfD) took place from 20 to 24 April in New York and focused on the implementation and operationalization of the *Compromiso de Sevilla*. More than three-quarters of the Sevilla Platform for Action (SPA)'s 130 initiatives have already reported concrete progress, as have some of the 230 actions agreed in Sevilla.[2] Below an analysis of three concrete advances.

The Borrowers' Club

The official launch of this platform in April 2026 has marked a turning point for the countries of the Global South: it should enable the exchange of both practical and technical experiences between these countries and allow them to make their collective voice heard in international debates on sovereign debt, beyond the G20 alone—which is often seen as the counterpart to the Paris Club. Furthermore, this platform is in line with the African Common Position (ACP) on debt, which sets out the continent's priorities and demands regarding reform of the global debt architecture. And the latest G7 (under French Presidency) recognized this club as a tool capable of fostering constructive dialogue on debt issues with all relevant stakeholders, including the Paris Club and the private sector.

Renewed international tax cooperation

Around 140 countries (including the United States, which has been granted an exemption) have adopted a global minimum tax rate of 15% on the profits of large multinational companies operating across multiple jurisdictions. For Africa, however, the revenue generated by this mechanism is likely to be modest, given the limited number of large multinational companies[3] operating in the region. Above all, the agreement reached in early 2026 within the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) provides for a 'side-by-side' regime which exempts US-flagged multinationals from Pillar 2,[4] leaving them subject solely to the US minimum tax; the other members accepted this in exchange for the prospect of taxation of the digital economy. This framework effectively enshrines US tax sovereignty over its own companies, outside the OECD/G20 framework, thereby limiting its redistributive impact on countries of the Global South.

Furthermore, negotiations on the drafting of a United Nations framework convention on international tax cooperation and its protocols (paragraph 28b) have officially begun, with key deadlines scheduled for August 2026 and 2027. Conducted within the United Nations—rather than the OECD—framework, this convention aims to establish a universal and legally binding framework for international tax governance, accompanied by thematic protocols—notably on the taxation of cross-border digital services and on the exchange of information. It does not formally replace the OECD/G20 Inclusive Framework, but challenges its normative monopoly: the aim, for the Global South countries that spearheaded the initiative, is to shift rule-making to a forum where they have an equal say. Mechanisms for international tax cooperation, such as the exchange of information to combat tax fraud and evasion, or the taxation of the digital economy, can provide additional resources for investment in key development sectors in the Global South.

These developments were also highlighted at the conference on taxation and development held in Tokyo on 2 and 3 March 2026, and were thus directly enshrined in the final declaration of the latest G7.

Strengthening national capacities

The launch of the international network of national focal points for sustainable development financing (paragraph 65d) represents another concrete step forward, reflecting the commitment to strengthening ownership and leadership in recipient countries, many of which are building on existing integrated national financing frameworks. To date, more than 70 countries have established national focal points, which should strengthen monitoring (notably through improved data systems) and enhance coordination at national level. Indeed, in many African countries, ineffective collaboration between ministries and a lack of clarity regarding the roles and responsibilities of the various stakeholders involved prevent the optimal use of available funding. The focal points, often attached to the Ministries of Finance or Planning, will help ensure policy coherence at national level, in particular by convening inter-ministerial working groups on issues directly related to the financing of sustainable development.

Prioritize immediate, high-impact actions

The cost of debt servicing remains a major constraint for low- and middle-income countries, and for Africa in particular, where the average cost of borrowing rose by 91% between 2020 and 2024. The war in the Middle East risks exacerbating this crisis by reducing these countries' already low levels of public investment in physical and human capital, as well as their ability to service their debt. As capital, trade and investment are increasingly influenced by geopolitical considerations, it is becoming essential to identify and prioritize the most realistic measures with an immediate impact.

Increasing local value added: the case of critical minerals

Many countries in the Global South have substantial reserves of minerals that are essential to the global energy transition, for which demand (driven mainly by the need for minerals for electric vehicles and battery storage) is expected to quadruple by 2040. Better use of these resources requires international partnerships that support industrialization and strengthen local value addition, through capacity building and infrastructure development, whilst respecting the sovereignty of the countries concerned (paragraphs 46a and 46b).

Achieving this objective depends largely on the link between two global but distinct policy agendas on critical minerals. The first, based on a rationale of economic security and 'derisking' for consumer countries, echoes the mutually beneficial partnerships proposed under the French G7 presidency. The development of countries in the Global South is viewed not as an end in itself, but as a strategic lever to diversify the supply of rare earths for consumer nations (T7, 2026).[5] The second, championed by the South African G20 presidency, aims to enable producing countries to generate greater value from their mineral resources by supporting the development of value chains, whilst respecting their national sovereignty. This includes, in particular, the use of blended finance to develop infrastructure, the deployment of processing hubs, and the development of logistics corridors.[6]

Furthermore, a recent joint statement by multilateral development banks (MDBs) sets out how they can, in a coordinated manner, assist partner countries through market support and risk-sharing mechanisms. However, the challenge of this coordinated financing package from the MDBs and new international partnerships will be to enable countries with strategic natural resources, such as the Democratic Republic of the Congo (the world's leading producer of cobalt and coltan), to create jobs, develop industries and become major hubs for intra-regional trade.

Strengthening transparency and debt management

This priority is essential for reducing vulnerabilities and enabling more responsible borrowing in the Global South, at a time when corruption and the composition of debt are becoming increasingly complex, exacerbated by a patchwork of public and private creditors. The World Bank's International Debt Report 2025 states that transparency helps prevent crises by limiting hidden liabilities and uncertainty, and facilitates early detection as well as the effective management or restructuring of debt. The case of Senegal, with unreported debt of around

$7 billion revealed in 2025, illustrates the negative impact of a lack of transparency on the sustainability of public debt in the Global South.

At the international level, the focus should be on establishing a global debt register for all public and private creditors, including the timely and transparent publication of information on lending activities (paragraph 48c). At national level, priorities should include strengthening the powers of Parliament (paragraph 48b) to scrutinize and approve all large-scale international loans, as well as enhancing transparency through the publication of details of public borrowing and empowering Parliament to scrutinize and approve all external borrowing. These two aspects could be highlighted through advocacy and the exchange of experiences *via* the Borrowers' Club.

Strategic guidelines for decision-makers

One year on from the *Compromiso de Sevilla*, concrete progress has been made in implementing the resolutions, but much remains to be done, against a backdrop of global crisis. The needs of the countries of the South (funding, capacity, governance) are significant and will need to be taken into account by the forthcoming G20 presidencies (the UK and then South Korea in 2027 and 2028, respectively): accelerating reforms to the Common Framework through the adoption of a common approach to debt restructuring for vulnerable middle-income countries that are ineligible; implementation of the IMF and World Bank's three-pillar approach, also advocated by the G7. With regard to the publication and transparency of debt-related information, the current World Bank Data Sharing Initiative should rapidly expand the circle of participating creditors beyond the 18 G7 countries and the Paris Club. And the governments of countries in the Global South, particularly in Africa, should strengthen public sector integrity, notably through mechanisms for oversight and the fight against corruption.

The credibility of the implementation of the *Compromiso de Sevilla* now depends on the priority given to these immediate actions and their effective implementation by those responsible: Member States first and foremost, the governments of the Global South themselves, and their development partners.

1

https://www.oecd.org/en/publications/oda-projections-for-2026-and-the-near-term_d7c74fa2-en.html

2

The SPA does not cover all 230 actions of the *Compromiso*.

3

Those with a consolidated global turnover exceeding the threshold of €750 million.

4

i.e. Coordinated implementation of the global minimum tax.

5

The quantified target is to reduce dependence on a single non-G7 supplier of rare earths to below 60% by 2030.

6

https://www.g20.org.za/wp-content/uploads/2025/04/G20-TF1-FINAL-Deliverable-3-G20-Critical-Minerals-Framework.pdf (see pillar 3).

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