U N I T E D N A T I O N S N A T I O N S U N I E S

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The global community stands at a critical juncture. With only four years remaining to achieve the 2030 Agenda for Sustainable Development, the world is navigating a period of profound turbulence. Conflicts are intensifying, displacement is rising, and the impacts of climate change are accelerating, disproportionately affecting the most vulnerable. At the same time, debt service burdens are constraining needed investment, aid flows are declining, geopolitical divides are deepening, and mistrust is constraining collective action. Against this backdrop, financing for sustainable development faces mounting pressures – at a time when financing needs are historically large.

The global financial system has struggled to adapt to these evolving realities and continues to reflect economic structures and power dynamics rooted in the past. It is not equipped to adequately respond to the needs of today's economies, particularly those of developing countries.

The adoption of the Sevilla Commitment at the Fourth International Conference on Financing for Development (FFD4) marked a significant achievement at a time of rising fragmentation. It reaffirmed that countries can still unite around shared goals. Now we must take effective global action to implement the Sevilla Commitment.

A challenging global context

The United Nations has just published the *2026 Financing for Sustainable Development Report* (FSDR), a joint product of the United Nations with the World Bank, IMF and more than 60 international institutions participating in the Inter-agency Task Force on Financing for Development. The report provides the first comprehensive assessment of progress since the adoption of the Sevilla Commitment, with data-driven updates across all action areas.

The 2026 FSDR warns that the world is rapidly moving backward, underscoring the uneven and fragile nature of the recovery after shock of the COVID-19 pandemic. The conflict in the Middle East threatens to deliver a significant new shock to the already fragile global economy, with the ultimate impact hinging on the conflict's duration and severity. Beyond the toll on the affected region, spillover risks from elevated energy prices, rising inflation and financial market volatility can be substantial. A protracted conflict could also carry major implications for interest rates and debt sustainability, as well as on food security, tourism and remittances, given the region's role as a major fertilizer trade route, transit hub, and source of remittances.

The FSDR 2026 describes how, even before considering the impact of the conflict, developing countries have been experiencing a pronounced "financing squeeze". Tax revenues remain low, with more than 70 developing countries below the 15% threshold identified in Sevilla, compared with a median of 25% in developed economies. Foreign direct investment declined by 11% to $1.49 trillion in 2024. Official development assistance fell by 6% from 2024 to $214.5 billion, with a further decline of 9-18% already projected for 2025. Debt service burdens are at 20-year highs on average in developing countries.

Global developments add further risks, with geopolitical considerations increasingly shaping economic relations and financial policies. The geopolitical tensions are diverting trade and investment, discouraging cross-border capital, and feeding higher volatility. The reconfiguration of trade and investment relationships, alongside rising tensions, risks undermining predictability in global markets. The resulting global fragmentation also hinders agreement on, and implementation of, effective multilateral responses to global sustainable development challenges. Rising geopolitical tensions are also putting a strain on multilateralism which is indispensable for achieving the SDGs.

Implementation of the Sevilla Commitment can help address the financing squeeze and many of the financing challenges countries currently face, and help countries get back on track toward achieving the SDGs. The FSDR 2026 identifies five priorities.

Implementing the Sevilla Commitment

First, scaling up financing remains imperative. Closing the SDG financing gap requires mobilizing significantly greater volumes of both public and private resources. This includes strengthening domestic resource mobilization, including increased international support for capacity building and equitable and effective international tax cooperation, including through the UN Framework Convention on International tax Cooperation. Public development banks and development finance institutions have a central role to play in this effort and are already expanding their activities on increasing public investment and more effective leveraging of private investment, including through several initiatives they are leading under the Sevilla Platform for Action (SPA).

Second, financing must be better aligned with sustainable development outcomes. Increasing the quantity of financing alone will not be sufficient. Greater emphasis must be placed on the quality and impact of financing, as well as its alignment with country-owned strategies and priorities. Encouragingly, many developing countries are making progress in integrating sustainability considerations into financial sector policies and broader economic strategies, even in a challenging global environment.

Third, resilience must be strengthened in an increasingly shock-prone world. This requires action across the financing landscape. Countries need to build stronger domestic institutions and integrate climate and disaster risk considerations into financial instruments. The Sevilla Commitment has already catalysed efforts to expand pre-arranged financing mechanisms and to explore ways to strengthen the global financial safety net, including through the use of special drawing rights. At the same time, diversifying trade and production structures can enhance countries' resilience to external shocks.

Fourth, implementation requires a coherent and multi-layered approach to international cooperation.

National leadership must be supported by coordinated international action. Strengthening linkages between national development banks, regional institutions and multilateral organizations is essential, as is improving coherence across trade, financial and development frameworks. Greater coordination can help maximize impact and avoid fragmentation.

Fifth, multilateralism remains indispensable. In a more fragmented world, a predictable, rules-based international system is critical to reducing risks, fostering investment and addressing shared global challenges. At the same time, multilateralism must evolve to reflect changing realities. It must provide countries with the policy space to pursue new development pathways, while supporting collective action where global cooperation is essential.

The Sevilla Commitment exemplifies this renewed multilateralism by combining universal agreement with targeted, action-oriented coalitions under the SPA. While some multilateral actions may be difficult to implement in the near term in the current context, coalitions of Member States, international institutions and stakeholders are already implementing 130 high-impact initiatives under the Sevilla Platform for Action (SPA). Three quarters of them have already reported concrete progress. The SPA initiatives directly support 115 out of the total of 280 agreed actions in the Sevilla Commitment, across all action areas, contributing to early momentum in implementation. At the same time, the 2026 FSDR also notes that continued work toward global consensus remains essential to advance in those areas – e.g., global governance reform – that require multilateral action.

Conclusion

The alarming increased global fragmentation of the last few years has brought multilateralism to almost a breaking point. But this can also be an opportunity. Despite the challenging context, there are also early signs of progress. Global investment in renewable energy reached record levels in 2024, surpassing investment in fossil fuels. South-South trade has expanded significantly and now accounts for more than half of developing country exports. A growing number of initiatives under the Sevilla Platform for Action are already delivering tangible results, including innovative financing instruments and partnerships to address debt vulnerabilities and mobilize sustainable investment. These developments demonstrate that progress is possible even in a fragmented global environment.

The 'old' multilateral, rules-based system was far from perfect. It often did not meet the needs of the poorest, even as it provided some policy certainty and protection, especially in times of crisis. But taking a sledgehammer to this system without any plans for an alternative is not the answer, and would leave us all worse off. Instead, we need to address the flaws of the international financial architecture and transform our systems to better meet current and foreseeable challenges. The solutions are in the Sevilla Commitment. All it will take is the will to act.