



# From Sevilla to Implementation: The Post-FfD4 Agenda on Financing for Development

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**Authors:**

**Iliana Olivé (ETTG / Elcano),  
Karim Karaki (ECDPM),  
María Santillán O'Shea (Elcano)**

**Reviewers:**

**Damien Barchiche (IDDRI),  
Daniele Fattibene (ETTG)**


## KEY MESSAGES

1. Moving towards better international cooperation for sustainable development means approaching ODA as one part of the FfD toolbox and putting partner countries' needs and strategies at the core of the reform; making the most of the EU; fine-tuning narratives on aid and cooperation; and, when unavoidable, implementing cuts with a strategic vision.
2. Progress on the FfD4 agenda will remain limited unless the Sevilla Commitments related to public development banks are backed at the political level, where shareholders can convert broad commitments into concrete reforms and institutional incentives. This applies in particular to the issues of working better as a system, mobilising private and public capital and country platforms.
3. The debt situation requires a pooled, coherent use of existing and new debt management tools and institutional coordination mechanisms to deal with the current debt crisis with an updated narrative, while structurally standardising the fairness, sustainability and predictability of future borrowing conditions and debt contracts.



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## INTRODUCTION

In July 2025, the **4th International Conference on Financing for Development (FfD4)** took place in **Sevilla**, marking a milestone in the international agenda on sustainable development. At a time of deep crisis of multilateralism, the fact that the conference's conclusions were backed by consensus of all United Nations member states present was a remarkable achievement in itself. In addition to the outcome document, titled the Sevilla Commitment (*Compromiso de Sevilla*), the Conference also delivered a **concrete roadmap**, the **Sevilla Platform for Action (SPA)** that sets out the steps to be taken in the coming years to close the Sustainable Development Goals financing gap, estimated at US\$ 4.2 trillion per year. Agreeing on such a roadmap was a crucial outcome in a context of US disengagement from the FfD4 process, a widespread lack of trust between countries – even among traditional allies – and declining confidence in the multilateral system. The SPA therefore represents not only a diplomatic success but also a significant improvement on the results of the three previous development finance conferences. However, reaching an agreement was only the first step. We now find ourselves at a critical juncture, as the post-Sevilla phase must walk the talk, in order to accelerate the sustainable development agenda.

Although the Sevilla discussions and the SPA cover all key and traditional areas of the financing for development agenda – trade, investment, debt, remittances, science, innovation, among many others – some issues stood out as particularly salient. These include **development aid**, **debt**



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**sustainability**, and the role of **public development banks (PDBs)**. These themes not only dominated the debates during the conference but also shaped several of the proposals incorporated into the SPA.

It is against this backdrop that, with the support of the Agence Française de Développement (AFD) and the Spanish Ministry of Foreign Affairs, European Union and Cooperation, the European Think Tanks Group (ETTG) and the Elcano Royal Institute co-organised a dedicated event focused on how to promote these prominent issues under the **post-Sevilla agenda**. During the discussions, held in Madrid on 29–30 January 2026, participants – selected UN and EU member states, PDBs, civil society organisations, private foundations, the business sector, the OECD, UNDESA, think tanks and other experts – provided useful recommendations on the way forward in these three critical agendas.

## 1. AID IN A POST-WESTERN WORLD

There is an unresolved tension regarding official development assistance (ODA). While the UN member states agreed to reaffirm the 0.7% target in the *Compromiso de Sevilla*, major traditional donors have been cutting their aid budgets for over a year. The OECD projects a 9 to 17% drop in ODA in 2025 with France, Germany, the United Kingdom and the United States all cutting simultaneously their ODA for two consecutive years.

Meanwhile, most traditional donors have undertaken a shift towards a more transactional and interest-driven development cooperation – or at least a stronger emphasis on domestic interests in their aid narratives. This is the natural result of a long-term process materialised, for instance, in the trend towards the bilateralisation of the multilateral system, via targeted funding – instead of core funds.

In spite of all this, and with several crises increasing in intensity – conflicts, humanitarian crises – more money is needed in the system.

Against this backdrop, the debate on the future of aid revolved around the three following guiding questions.

### 1.1. Doing less with less. Where and what should ODA be prioritised for?

Confronted with less aid, traditional donors do not necessarily need to do less development. Participants agreed that it is possible – and much needed – to do better in several ways.

#### **Aid as part of the Financing for Development (FfD) bucket.**

It is important to acknowledge that aid is a very specific – and narrow – concept for a very specific reality that cannot be addressed via other development instruments and funding sources. Development at large needs to be approached with the whole of the FfD toolbox – a large part of which is captured in the concept of total official support for sustainable development (TOSSD). In this sense, aid must be approached as part of this larger FfD bucket, looking for interactions and synergies with other FfD flows. Some participants stressed that the catalytic role of aid for the mobilisation of domestic resources in Africa is still well below its potential.

**Strategic cuts.** Aid cuts need to go hand in hand with a clear vision for smaller ODA budgets, both at the project and at the strategic levels, and with close alignment with the mandates of the different institutions. This will also entail more predictability and less fragmentation on the part of traditional donors, which could materialise, for instance, in a larger share of core contributions to the multilateral system resulting from “portfolio similarity analysis”.

**Partner countries’ needs and strategies at the core.** Aid needs to be channelled in a way that allows domestic systems to perform, creating the conditions for sustainable development. In this regard, it is important to avoid one-size-fits-all solutions: what needs to be preserved in international cooperation with Latin American and Caribbean countries is different to what it takes to engage effectively with the Sahel. In the shift by major donors towards development finance institutions – away from technical cooperation – it is essential not to leave behind fragile countries, where ODA is particularly needed as the operations of development finance institutions are more complex and unable to target the most acute development needs.<sup>1</sup>

**Making the most of the EU.** Some endeavours can only be faced by the EU as a whole. The most ambitious initiatives in EU relations with the Global South – trade agreements with Mercosur and India, for instance – have been achieved at the EU level. This rationale applies to the agendas on sustainability and agriculture.

#### **Fine-tuned narratives on aid and development cooperation.**

There has been a major shift in aid narratives among most traditional donors, in order to respond to – or even incorporate – the arguments of populist positions. This has happened despite the lack of longitudinal data on where public support comes from, or what public opinions expect from aid – evidence that should be gathered in order to fine tune aid narratives and strategies. Tangible results on very basic needs – humanitarian, health – tend to garner greater public support in donor countries; meaning that strategies and projects should be reshaped accordingly. In the same vein, it is important to connect development cooperation policies with domestic challenges, debates and agendas.

### 1.2. How should the eco-system of aid governance be reformed?

**Coalitions of the willing.** Given the current context of geopolitical fragmentation, addressing development cooperation governance from plurilateralism, by building ad hoc and flexible coalitions of the willing, seems to be a valid answer in order to keep the system on the move, particularly through a sector approach – SPAs are a good example of this. Nevertheless, this also entails challenges, such as the lack of accountability and transparency of such coalitions, and the risk of crowding political capital out of the much-needed structural reform of the system.

**The Global South needs to have a place in the aid and development governance system,** a principle that is guiding the Development Assistance Committee (DAC) reform, with ongoing discussions on how to better incorporate South-South cooperation. This can also be addressed with geographical lenses – see, for instance, the DAC-Arab dialogue – or through specific tools, such as TOSSD. A participant also noted triangular cooperation as a privileged space for North-South political dialogue.

1. Based on the latest statistics, in 2025 least developed countries are projected to see a 13–25% fall in net bilateral ODA from DAC providers. Countries in sub-Saharan Africa could face a 16–28% decline (OECD, 2025).



**1.3. Cracking private-public partnerships.  
How to make aid more effective in catalysing private funding for development?**

Public-private partnerships were discussed at length in the sessions on debt and, especially, PDBs. However, when discussing innovative aid initiatives, such as Global Gateway, it was also noted that a **distinction** must be made between **long-term bilateral partnerships** – which must be grounded on the long-term interests of all parties involved – and **business deals** – anchored in the short-term interest of some players.


**1.4. Next steps**

Although, as shown above, the debate on the future of aid resulted in a number of practical and actionable recommendations (see box 1), some questions arose on how to address the next steps: (1) how to connect coalitions of the willing, plurilateralism and multilateralism; (2) how to assess and enhance the catalytic role of ODA in relation to other FfD flows; (3) how to better connect development cooperation with other policies, such as trade or investment; and (4) how to operate with highly polarised boards of multilateral institutions – see also section 2.

Given the current context of geopolitical fragmentation, addressing development cooperation governance from plurilateralism, by building ad hoc and flexible coalitions of the willing, seems to be a valid answer in order to keep the system on the move, particularly through a sector approach – SPAs are a good example of this. Nevertheless, this also entails challenges, such as the lack of accountability and transparency of such coalitions, and the risk of crowding political capital out of the much-needed structural reform of the system.



Box 1. Recommendations on the future of aid	
<p><b>Doing less with less?</b> <b>Aid priorities</b></p>	<ul style="list-style-type: none"> <li>• ODA as part of the broader Financing for Development (FfD) toolbox; synergies with other flows need larger evidence on its catalytic role.</li> <li>• Strategic aid cuts: mandates, predictability, complementarity.</li> <li>• Partner countries' needs and strategies at the centre, avoiding one-size-fits-all approaches and safeguarding fragile countries in the shift towards development finance institutions.</li> <li>• Full use of the EU's added value for large-scale initiatives, notably in trade, sustainability and agriculture.</li> <li>• Fine-tuned aid narratives based on larger evidence (which still needs to be created), highlighting tangible results in basic needs and exploring how to better link development cooperation to domestic agendas.</li> </ul>
<p><b>Reform of aid governance</b></p>	<ul style="list-style-type: none"> <li>• Explore how to promote flexible, accountable and transparent ad hoc coalitions of the willing while addressing the structural reform of the system.</li> <li>• Ensure a stronger role for the Global South in aid governance.</li> </ul>
<p><b>Public-private partnerships</b></p>	<ul style="list-style-type: none"> <li>• Clearly distinguish between long-term strategic partnerships and short-term business deals.</li> </ul>



## 2. PUBLIC DEVELOPMENT BANKS WORKING AS A SYSTEM

The discussion confirmed that PDBs – multilateral, regional and national – have become one of the most prominent and operationally advanced pillars of the FfD agenda, as reflected in the Sevilla commitments and the associated SPAs. Participants recognised tangible progress in coordination, innovation and private capital mobilisation, while also highlighting structural constraints that continue to limit system-wide effectiveness.

### 2.1. Working better as a system: deepening integration among Multilateral Development Banks, PDBs and national development banks

There was broad consensus that political support for greater coordination among PDBs exists, but that practical integration remains uneven. The development finance ecosystem has expanded rapidly, now comprising Multilateral Development Banks (MDBs) as well as hundreds of regional and national PDBs and vertical funds. In addition to an expanding ecosystem, the work of MDBs relating to the capital adequacy framework process and the Standard & Poor's update of its MDBs allowed the latter to gain extra lending capacities. While this diversification increases potential financing capacity (though this needs to be accompanied by additional deployment capacity), it has also intensified fragmentation, duplication and transaction costs for partner countries and private investors.

Several concrete actions were identified to deepen system integration. First, **improving interoperability at the operational level** – through common project preparation standards, aligned safeguards and environmental, social and governance policies, shared pipelines and mutual reliance agreements – was seen as essential. Initiatives such as joint MDB platforms for pipeline development and co-financing demonstrate that alignment can reduce costs, accelerate implementation and generate investment packages of sufficient scale to attract private capital. Though several PDBs have been active in this agenda, more will need to be done between them, and between PDBs and MDBs.

Second, a **clearer division of labour** within the system is needed. PDBs have a comparative advantage in local market knowledge, project origination and engagement with domestic financial institutions, yet they remain undercapitalised and underutilised. Strengthening their balance sheets, governance and access – particularly to bond markets, through credit enhancement where relevant – would allow them to play a more central role in mobilising domestic savings and crowding in private investment.

Third, **risk management practices require reform**. Evidence that PDBs exhibit significantly lower default rates than other financial institutions is not adequately reflected in current risk assessments. Better recognition of diversification and portfolio effects could unlock greater risk-taking at a system level, particularly through guarantees and risk-sharing instruments. At the same time, MDBs' governance constraints – including board polarisation and risk aversion – continue to limit the pace of reform. In this context, more efforts should be dedicated to bringing these rather technical discussions (on risks, but also interoperability, division of labour, etc.) to the political level, as change will only happen where there is sufficient political backing.



MDBs' governance constraints – including board polarisation and risk aversion – continue to limit the pace of reform. Hence, more efforts should be dedicated to bringing these rather technical discussions (on risks, but also interoperability, division of labour, etc.) to the political level, as change will only happen where there is sufficient political backing.



Last, greater efforts should be paid to **engaging non-traditional and/or non-development financiers** in the PDBs ecosystem. This includes institutions such as export credit agencies or import banks, which play a key role in supporting trade relations – which can go hand-in-hand with development finance, when properly coordinated. This largely echoes the notion of “going beyond aid”, and mobilising the private sector for development as envisaged and reiterated throughout the Sevilla Commitment.

## 2.2. Partner countries in the driving seat: strengthening country platforms

Country platforms were widely recognised as a critical institutional mechanism for translating system-level coordination into country-owned investment strategies. When effectively designed, they can align policy reforms, public investment priorities, risk mitigation instruments and private capital mobilisation around nationally defined objectives.

Participants stressed that, for country platforms to be effective, they should be **anchored in national development strategies and fiscal frameworks, and driven by countries themselves**. They should ensure the systematic involvement of **domestic financial ecosystems**, including PDBs, local commercial banks, regulators and capital market authorities. Several speakers cautioned against overly centralised or externally driven models, noting that competition among institutions to “lead” platforms can undermine their effectiveness.

In practice, **sector-focused platforms** may offer a more pragmatic approach than a single comprehensive framework, particularly in complex environments. Such a targeted approach may also be more conducive to engaging both the domestic and international private sector, as the business case is concrete and easier to appreciate and assess. In this regard, country platforms should be seen not as a purely development endeavour but as part of a broader effort to transform economies. Importantly, country platforms should also serve as vehicles for capacity deployment – particularly for project preparation – rather than merely coordination/co-financing forums.

## 2.3. New initiatives and SPAs: bottlenecks and implementation challenges

The discussion acknowledged that the SPAs related to PDBs reflect a high level of ambition and innovation. Initiatives such as shared risk databases, contingency clauses and coordination hubs address well-identified market and systemic failures. However, **implementation risks are substantial**.

A first bottleneck relates to **stakeholder complexity**. Many SPAs require coordinated action by multiple MDBs, PDBs, governments and private actors, with unclear accountability mechanisms. Measuring collective performance – particularly in areas such as private capital mobilisation and debt-related instruments – remains challenging, as current metrics often focus on volumes rather than outcomes.

Second, **inadequate approaches to risk measurement and management** constrain the effectiveness of several SPAs. Without reforms that allow PDBs to better absorb and price risk – especially where perceived risk exceeds actual risk – initiatives aimed at mobilising private capital are unlikely to reach scale.

Third, **fiscal constraints in partner countries** and declining budgetary space heighten the urgency of making concessional and non-concessional flows work more effectively together. While ODA remains critical, sharper deployment, stronger leverage and better integration with domestic financial markets are increasingly necessary.

## 2.4. Conclusion and ways forward

The PDB ecosystem is one of the areas where tangible innovation is already occurring, notably through networks such as Finance In Common Summit (FICS), and new co-financing and mutual reliance initiatives. However, these innovations are not sufficiently visible or systematised, and their transformative potential risks being diluted by fragmentation and institutional inertia.

Looking ahead, three priorities stand out. First, **scaling project preparation and pipeline development**, where regional and national PDBs have a comparative advantage but need stronger support. Second, moving **beyond mutual leveraging among MDBs and PDBs** to better integrate other public and private financial actors (from export credit

agencies to commercial banks) that currently operate outside the development finance "system". Third, ensuring that **shareholder strategies** – particularly among European actors – are **coherent across institutions** and aligned with the objectives of FfD4 and the Sevilla commitments.

In sum, while progress is real and momentum exists, delivering on the ambitions of FfD4 will require sustained pressure on leadership, sharper division of labour and a more honest confrontation with the political and risk-related constraints that shape the development finance architecture.

Box 2. Recommendations on strengthening PDBs working as a system.	
<b>Working better as a system: deepening integration among MDBs, PDBs and national development banks</b>	<ul style="list-style-type: none"> <li>Improving interoperability at the operational level by fostering common standards, policies and frameworks</li> <li>Exploring competitive advantage of multilateral, regional and national PDBs through a clearer division of labour</li> <li>Opening the PDB architecture to non-traditional actors such as export credit agencies</li> </ul>
<b>Partner countries in the driving seat: strengthening country platforms</b>	<ul style="list-style-type: none"> <li>Country platforms should be anchored in national development strategies, and involve the domestic financial ecosystem</li> <li>There are no one-size-fits-all country platforms. While some cover the whole economy, others are sector-focused which can offer easier entry points and be more pragmatic</li> <li>Country platforms should go beyond coordination and co-financing endeavours, to include strong focus on project preparation</li> </ul>
<b>New initiatives and SPAs: bottlenecks and implementation challenges</b>	<ul style="list-style-type: none"> <li>SPAs need to deliver in practice to maintain political momentum. Engaging at the technical and especially at the political level will be key to unlock reforms and actions</li> </ul>

### 3. HOW TO MANAGE THE DEBT BURDEN?

The discussions around sovereign debt took centre stage in the lead-up to and during the Sevilla Conference. The situation of indebtedness in which many developing countries find themselves, which prevents them from allocating enough resources to their developing needs due to constricting servicing obligations, together with the complexity and slowness of debt restructuring attempts, makes debt a high-stake topic. The lack of sufficient progress in this agenda – both in terms of easing the burden of existing debt and of enabling future debt in fairer, more sustainable and accessible conditions – can have significant political as well as development implications.

#### 3.1. Debt burden and fiscal space. What concrete measures could be undertaken for progressing in a more effective, flexible and adapted process for debt restructuring, pause or cancellation?

**Rethink debt systemically, beyond emergency action.** The existence of a wide variety of public and private creditors and debtors of very different nature leads to a case-by-case tackling of the debt burden over a systemic approach, which gives a comparative advantage to creditors in terms of power and information asymmetries, and of lack of incentives for effective, speedy and fair debt restructuring. Additionally, debt is often dealt with when concerns over its sustainability become apparent, which results in debt conversations being framed as emergency instances, relatively isolated from other policy areas, tools or interrelated phenomena.

Instead, the entirety of the economic model that generated this debt problem in the first place should be rethought. That is, in order to avoid current debt action becoming the root of the next debt crisis, diversification and resilience-building should be



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prioritised over an excessive reliance on external sectors, and debt should be dealt with together with fiscal space, domestic resource mobilisation capacity, the digitalisation of revenue systems, industrial policy or domestic debt market development. In other words, debt design – and not only debt levels – needs to be rethought in credible, real and long-lasting terms.

### 3.2. Old debtors, new creditors. What institutional changes could be realistically implemented for creating multilateral spaces with all stakeholders involved, including private creditors?

**Build on existing mechanisms.** Given the fragmented nature of the current debt system, real coordination mechanisms become necessary for effective follow-up, and inclusive and transparent dialogue among relevant actors and ongoing initiatives. In that sense, additional coordination spaces, such as the Sevilla Forum on Debt, are intended to complement and help improve, rather than substitute, existing initiatives such as the G20's Common Framework or the IMF's Debt Sustainability Analysis work. These mechanisms are highly relevant as they provide shared analytical frameworks and have explicit development mandates.

**Untap the potential of knowledge exchange and coordination.** The Sevilla Forum on Debt is thus intended to provide a permanent, inclusive space where public and private, international and national creditors and debtors, and other actors like academia, can interact on equal footing and engage in real dialogue. The exchange of knowledge and best practices on these terms can help unleash capacities for better debt design and management, as well as ensure measurable progress on the debt initiatives launched in Sevilla.

**Strength in numbers.** To date, debtor countries have borne the responsibility of individually bringing creditor countries to the negotiating table for restructuring conversations, for which the latter have had small incentive. The Borrowers' Forum launched in Sevilla can help pool efforts for a greater, more united convening power.

### 3.3. Cost of borrowing. How to minimise the cost of borrowing where this is most needed?

**Expand and systematise responsible lending and borrowing.** The ongoing elaboration of voluntary guidelines for responsible lending and borrowing, agreed in Sevilla, attempts to systematically expand the use of existing tools or initiatives, such as the incorporation of debt pause clauses into debt contracts with the corresponding insurance provisions. These can realistically be used for greater predictability, as both climate hazards and countries' future need to keep borrowing are foreseeable.

**Reduce information asymmetries.** Participants highlighted the importance of data access for debtor countries, including through improved digital technologies, to reduce information asymmetries that often result in debt contracts that are not aligned with their national interests.

**Rethink debt through innovative tools.** Many countries, particularly in Africa, are forced to resort to far less affordable capital markets once they reach their maximum concessional borrowing levels. Debt swaps, to be further explored below, can help reprofile existing debt and thus liberate fiscal space for new borrowing. Additionally, innovative approaches being implemented by MDBs for risk sharing or currency risk reduction were highlighted, such as IDB Invest's "originate-to-share" model.

**Multilateral coherence and fairness.** The need for approaching new debt contracts with consistency was reiterated. A clear case for improvement is the fact that Climate Resilient Debt Clauses (CRDCs) are still linked to countries' income levels. The political value of the EU's potential active contribution to SPA initiatives and other efforts in the service of fairness and coherence – and the corresponding political cost of inaction – should not be overlooked.

### 3.4. New initiatives. Which are the main bottlenecks and challenges for implementation of the SPAs related to debt management?

**Early action and piloting.** Importantly, the SPA initiatives – including the Global Hub for Debt Swaps for Development, the Debt Pause Clause Alliance or the aforementioned Borrowers' Forum – led by coalitions of willing actors should be viewed as early action spaces to be scalable and integrated with other related efforts. Part of their potential lies in the fact that they are largely based on information exchanges and



coordination, as a key challenge now lies in the scaling up, follow-up and implementation of existing ideas or tools, rather than requiring new or costly mechanisms.

**Debt swaps as management and political tools.** The use of debt swaps has thus far been limited and is far from standardised. They are currently perceived by many as an emergency instrument, and as comparatively less cost-effective than alternative instruments. Yet, their potential lies in their ability to make existing debt more affordable and feed developing countries' multiannual financial needs. That is, debt swaps should be viewed as a debt management tool aimed at unlocking fiscal resources without incurring further deficit, as they provide a development-oriented alternative to new borrowing. If rightly designed, while avoiding punitive conditionalities and ensuring the adequate allocation of their proceedings, debt swaps can be of political value both to borrowers and to creditors. The narrative around swaps should thus emphasise the demonstrated political commitment that their standardisation can bring, as long as they are used for priorities or commitments already defined by the country in question.

**Existing and future capacities.** The Global Hub for Debt Swaps for Development can contribute by generating common standards and learning, improving coordination and gradually lowering the complexity of swap operations through the provision of technical assistance and the strengthening of debt management capacities, through both official and commercial debt swaps. The great interest received by the Hub so far creates the need for an effective distribution of labour and resource allocation within the Hub, aligned with absorption capacities.

**Built-in resilience and predictability.** The Debt Pause Clause Alliance was considered an outcome of significant political value. The standardisation of such clauses has the capacity to embed resilience from the outset in debt contracts. An important bottleneck is their cost, as borrowers may often prefer to borrow more money than to allocate a portion of it to these clauses and the corresponding insurance contracts. However, these clauses can offer predictability both to borrowers and to lenders, including private sector lenders, of which an interesting example is the London Coalition of Sustainable Debt. The Alliance is already working with regulatory bodies to ensure that pause clauses can be of interest to private lenders.

Box 3. Recommendations on managing the debt burden	
<b>Measures for restructuring, pause or cancellation</b>	<ul style="list-style-type: none"> <li>Beyond isolated emergency response, rethink economic models leading to unsustainable, unfair debt design, and tackle together with other policy areas and tools</li> </ul>
<b>Institutional changes for the involvement of all stakeholders</b>	<ul style="list-style-type: none"> <li>Build on, complement and improve existing initiatives and coordination mechanisms, among others through the Sevilla Forum on Debt, capitalising on shared analytical frameworks and development mandates</li> <li>Untap the capacity-building potential of knowledge exchange and dialogue on equal footing</li> <li>Pool efforts for a more united convening power on the part of borrowers</li> </ul>
<b>Minimising the cost of borrowing</b>	<ul style="list-style-type: none"> <li>Expand and systematise responsible lending and borrowing (voluntary guidelines for responsible lending and borrowing, including the standardised inclusion of debt pause clauses)</li> <li>Reduce information asymmetries that create disadvantages, improve transparency and data access (including through the systematisation of the use of digital technologies)</li> <li>Expand on innovative approaches for generating fiscal space and reducing risk (such as debt swaps or "originate-to-share" risk-sharing models)</li> <li>Ensure fairness and political coherence in borrowing conditions (such as de-linking CRDCs to countries' income levels)</li> </ul>
<b>Implementation of SPA initiatives</b>	<ul style="list-style-type: none"> <li>Exploit the potential of SPAs as spaces for piloting to be scaled up</li> <li>Update the narrative of debt swaps to that of a debt management tool with considerable political value</li> <li>Standardise practice around debt swaps for generating capacity</li> <li>Standardise the use of debt pause clauses for resilience and predictability with the corresponding insurance, including in private sector contracts</li> </ul>



## 4. CONCLUSIONS

As shown above, the discussions held during the event generated a number of ideas and recommendations on how to move forward the agendas on ODA, debt and PDBs. Moreover, there were a number of more general issues across the whole event.

1

**COALITIONS OF THE WILLING ARE A PRAGMATIC RESPONSE, NOT A SILVER BULLET.** In a context of geopolitical fragmentation and institutional gridlock, such coalitions can help prevent a total short circuit of the system in specific areas. They allow actors to move forward when consensus among all members is unattainable. Also, under a logic of variable geometry, highly heterogeneous coalitions can emerge around the different topics of security, finance, development or diplomacy, including quite diverse initiatives. In short, their value lies in flexibility and speed. However, they should be understood as partial and temporary solutions, even pilot initiatives; not as substitutes for a functioning multilateral order, since these coalitions raise accountability concerns and do not replace systemic reform.

2

There is an ample margin of manoeuvre for **EFFICIENCY AND STRATEGIC GAINS IN BETTER COORDINATION** across tools, given the increased fragmentation of the multilateral and development systems in recent years. Such gains will only materialise if coordination is based on deep understanding of the **DIFFERENT FUNCTIONALITIES AND LIMITS OF DIFFERENT INSTITUTIONS AND TOOLS.** For instance, multilateral public development banks struggle to invest at scale in long-term local-currency instruments, while national development banks can provide funding in local currency but face limits of scale.

3

**NARRATIVES AND ACCOUNTABILITY** came up several times during the conversations, despite the fact that this was not the main topic of the event. This shows the importance of the aid crisis for the daily work of the development system.

4

Lastly, in the process of reforming the development system and responding to the pressing needs in the FfD agenda, policymakers will necessarily face persistent **TENSIONS BETWEEN SHORT-TERM AND LONG-TERM GOALS:** development partnerships versus transactional deals, short-term de-risking instruments versus long-term investment tools, coalitions of the willing versus deep institutional reform. These are not binary choices: substantial progress will require working on both fronts simultaneously.

## ANNEX: PARTICIPANTS (IN ALPHABETICAL ORDER)

- (1) **Adama Mariko**, Finance in Common (FICS), Secretary General
- (2) **Ana Henche**, Spanish Ministry of Foreign Affairs, European Union and Cooperation, Head of service for development finance and DAC (OECD)
- (3) **Angélique Botella**, European Bank for Reconstruction and Development, Associate Director in the Corporate Strategy Unit
- (4) **Axel Berger**, IDOS, Deputy Director
- (5) **Charles Powell**, Elcano, Director
- (6) **Cristina Díez**, Spanish Ministry of Foreign Affairs, European Union and Cooperation, Ambassador-at-Large for financing for development
- (7) **Damien Barchiche**, IDDRI, Director of the Sustainable Development Governance programme
- (8) **Daniele Fattibene**, ETG, Coordinator
- (9) **Daouda Sembene**, AfriCatalyst, Founder and CEO
- (10) **Dora Meredith**, ODI Europe, Director
- (11) **Emilio Martin-More**, BBVA, Director Sustainability Advocacy
- (12) **Eva Del Hoyo Barbolla**, European Investment Bank (EIB), Senior Advisor Partnerships for Impact EIB Global
- (13) **Eva Valle**, DG International Financing, Spanish Ministry of Economy, Business and Trade, Senior Advisor
- (14) **Iliana Olivie**, ETG, Director
- (15) **Jean-Paul Adam**, United Nations, Director of Policy, Monitoring and Advocacy in the Office of the Special Advisor on Africa to the United Nations Secretary General
- (16) **Jérémie Daussin-Charpantier**, Agence Française de Développement (AFD), Sustainable Development Expert
- (17) **Karim Karaki**, ECDPM, Head of economic recovery and transformation team
- (18) **Luis Jiménez-McInnis**, Inter-American Development Bank, European Representative
- (19) **María Santillán O'Shea**, Elcano, Fellow
- (20) **María Paloma Guaita Guardado**, European Investment Bank (EIB), Trainee Madrid Office
- (21) **Mariana Camelo**, ETG, Engagement Officer
- (22) **Pilar Garrido**, Development Co-operation Directorate, OECD, Director
- (23) **Rosalind McKenna**, Children's Investment Fund, Senior Associate
- (24) **San Bilal**, ECDPM, Executive Director
- (25) **Sara Riol**, DG International Finance, Spanish Ministry of Foreign Affairs, European Union and Cooperation, Advisor
- (26) **Sébastien Treyer**, IDDRI, Executive Director
- (27) **Sergio Colina**, Directorate General for Sustainable Development Policies, Spanish Ministry of Foreign Affairs, European Union and Cooperation, Director General
- (28) **Shari Spiegel**, UNDESA, Director
- (29) **Stefania Lenoci**, World Bank Group, Special Representative for Southern Europe
- (30) **Thomas Melonio**, Agence Française de Développement (AFD), Chief Economist - Executive Director of Innovation, Strategy and Research

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