

The 2026 Forum on Financing for Development: Progress or paralysis?

by Bodo Ellmers | May 2026

Executive summary

The international community convened at the United Nations (UN) headquarters in New York from 20-24 April for the first Financing for Development (FfD) Forum since the Fourth International Conference on Financing for Development (FfD4) in Sevilla last summer. The 2026 Forum took place against the backdrop of a severe backlog of international financial architecture reform and a growing financing gap for the Sustainable Development Goals (SDGs). The aim of the forum was to focus on the implementation and operationalisation of FfD commitments agreed in Sevilla. However, preparations were disrupted by two major shocks: the release of official development assistance data for 2025, which showed a record drop; and the outbreak of the Iran war, which caused significant disruption to the global economy.

The forum took place for the first time in a new format, covering only half of the FfD action areas and adding a dialogue with the World Trade Organization (WTO) and UN Trade and Development (UNCTAD) as a new module. This was a poor choice, because the action areas not chosen for review – especially international public finance and external debt – were the areas that actually needed policy dialogue and decisions in the current context. The new trade dialogue reflected the dire state of trade relations that had already derailed the WTO Ministerial Conference a few weeks earlier.

There was substantial dissent about the direction that the new FfD forum outcome document – the first political agreement on FfD after Sevilla – should take. While many had hoped for an operationalised paper that took the FfD agenda one step further, the outcome document ended up being an abridged version of the Compromiso de Sevilla that adds no value to the original agreement.

Despite the lack of political progress, the forum continues to be an important venue for convening the global FfD community, and many coalitions used the opportunity to launch or present their initiatives. Worth mentioning in particular are: the new Borrowers Platform; the new network of national FfD focal points; and efforts to improve effective development cooperation and address the cost of capital.

This briefing assesses the outcomes of the 2026 UN Financing for Development Forum, examining whether it delivered meaningful progress on implementing the Sevilla commitments or reflected broader paralysis in global economic governance. It finds that the forum largely failed to advance implementation, with weak outcomes, misplaced priorities in the agenda, and growing divergence among Member States limiting progress. Progress only took place at the margins of the forum, where new initiatives were launched.

Background: FfD challenges are getting ever bigger

More and better development financing and fundamental reforms to the international financial architecture remain key for the achievement of Sustainable Development Goals, even more so under the current conditions of ever more frequent and severe shocks. Despite the new political impetus that the FfD4 Conference created, there are unfortunately no signs that the SDG financing gap – estimated at more than US\$ 4 trillion annually – is being closed. The 2026 [Financing Sustainable Development Report](#), which was released before the forum, finds that progress has stalled in some development finance areas, while in others, the trends are pointing in the wrong direction.

Particularly worrying is the trend in official development assistance (ODA), as provision is in free fall. 2025 was probably the worst year ever for international development cooperation. A couple of weeks before the forum, the Organisation for Economic Co-operation and Development (OECD) released data that showed ODA had fallen by over 23%, and even this amount is inflated as a large proportion has been spent on refugee costs, or on war-related support to Ukraine. This while ODA to Least Developed Countries (LDCs) fell disproportionately. Before the cuts, bilateral ODA amounted to 15 per cent of these countries' government revenue on average, and played a vital role especially for investment spending and financing essential services such as health and education.

Ironically, donor countries had recommitted to the UN target to provide ODA volumes of 0.7% of their GNI at FfD4 in Sevilla. The fact that ODA provision collapsed in the same year calls into question the credibility of both the international

community and the *Compromiso de Sevilla*, even though most of the cuts were driven by the United States, which did not endorse the agreements reached in Sevilla.

The FfD process traditionally takes a holistic approach to development finance, beyond ODA. However, when it comes to alternatives, it is not looking that promising either. Tax collection in low-income countries (LICs) continues to be too low to finance public goods and social protection, at rates of just 12% of Gross Domestic Product (GDP). International negotiations on tax cooperation – including better taxation of transnational corporations and of the super-rich – are ongoing but are yet to achieve results. To make matters worse, tax systems in developed economies are around six times more redistributive than in developing countries. In other words, the tax system does little to transfer wealth or income from the rich to the poor, particularly in those countries where a large part of the population lives in poverty.

Access to capital markets remains difficult for many developing countries' governments and for the private enterprises operating there. Borrowing costs are high, at least for the countries that are poor or small. While average interest rates fell in 2025 in richer countries due to rate cuts by their central banks, the coupon rates in LDCs and LICs surged to 8.4% in 2025, up from 6.1% a year earlier. Thus, private capital remains unaffordable for many countries as the [price of money](#) is too high, and even foreign direct investment is on a downward trend.

Compromiso de Sevilla: From pledge to implementation?

Last year's Sevilla conference led to a large number of political commitments that intend to boost the revenue from the different sources of development finance. According to a mapping exercise carried out by the Interagency Task Force (IATF) on Financing for Development for the 2026 [Financing for Sustainable Development Report](#), the [Compromiso de Sevilla](#) contains 280 actions. The IATF finds that 119 of those should be implemented domestically, by UN Member States at a national level. An even larger number, 174 commitments, aim to strengthen international coordination, including pursuing overdue reforms of the interna-

tional financial architecture. Another 114 actions address cross-border financial and technical support, which are matters for bilateral cooperation.

The FfD4 conference also set up the [Sevilla Platform for Action](#) (SPA). This is simply an aggregation of different initiatives taken forward by a coalition of actors. Some of those aim to support the implementation of commitments made in the *Compromiso*; others address issues on which consensus could not be reached among all the parties convened in Sevilla. As a result, they were not included in the agreement adopted by the inter-

national community as a whole but are instead supported by a coalition of the willing. Ostensibly, this seems to work. The IATF states that 105 of the initiatives provided updates by April 2026 (which means they are at least communicating, i.e. became

operational); and 92 reported specific progress (which would be an impressive result given the state of multilateralism, but would require independent verification beyond self-reporting).

The road from Sevilla to New York

One of the criticisms of the financing for development process ahead of FfD4 was that there was not enough work done between the annual FfD forums. The *Compromiso de Sevilla* addressed this by mandating additional policy dialogues. Two major events took place ahead of the meeting, under the auspices of the UN's Economic and Social Council (ECOSOC):

- » On 4 February 2026: **ECOSOC Special Meeting on Financial Integrity**
- » On 30 March 2026: **ECOSOC Special Meeting on Credit Rating Agencies**

While the meeting on financial integrity received relatively little attention, the dialogue with and on credit rating agencies (CRAs) was generally perceived as a much-needed innovation to the UN's mandate, as the cost of capital – and how to reduce

it – has become a hot topic in development finance discourses and policy-making circles.

Preparatory work has also been carried out to set up the Working Group on Responsible Lending and Borrowing, mandated by the *Compromiso de Sevilla*. The slow progress in setting this up is an example of the dilemma that arises from implementing multilateral agreements in times of ODA cuts on top of the severe **UN funding crisis**. This has been caused primarily by the refusal of the United States to pay its obligatory membership fees (the so-called 'assessed contributions') to the UN's general budget, but also by late payment from other Member States. While the *Compromiso* created a number of new mandates to deliver on, including for the UN itself, it did not provide the relevant UN entities with extra resources to deliver on them.

The 2026 Financing for Development Forum

The role of the UN Financing for Development Forum

The Financing for Development Forum is one of three major policy forums under the UN Economic Social Council (ECOSOC), alongside the High-Level Political Forum (HLPF) on Sustainable Development and the Development Cooperation Forum (DCF). It was created after the Third International Conference on FfD in Addis Ababa in 2015 and has convened annual meetings in New York ever since.

It is also the main **follow-up mechanism for the FfD4 conference**, for all different types of commitments. This is certainly the case for those commitments related to international coordination, as it is the place where vague political agreements can be taken forward, operationalised or, when needed, complemented, in particular through the *negotiated outcome document*.

It is also the place where **coalitions of the willing** can further develop their initiatives, which is relevant for the SPA initiatives as well as for bilateral *Compromiso* pledges. A key format for this is the *side-events* that the forum offers.

A third function is to give **UN Member States** a chance to report on good implementation practice done at home, or to learn from others. Country delegates can use the *statements* they deliver in the general debate and the thematic session for that purpose.

Last but not least, the Forum is also supposed to promote **policy coherence** among different international organisations. Hence, the two *Dialogue Sessions*, one with the Bretton Woods Institutions, one with the WTO and another with UNCTAD.

The stakes for the 2026 FfD Forum were high: It was the first one after the adoption of the *Compromiso de Sevilla*. For many, it represented an early test of whether political momentum could be sustained in a challenging context for both multilateralism and development finance. As Amina Mohammed, the UN's Deputy Secretary-General put it at the opening session: "Sevilla ignited a flame that we must keep alive".

Many Member States had emphasised that this forum must become an implementation forum, turning political commitment into practical action. This was a sentiment that was clearly felt at the Friends of Monterrey retreat that was held in Mexico City a month before the meeting. Their views were reflected in the [opening statement](#) of Annalena Baerbock, the President of the UN General Assembly. She stressed that "what it needs now is action. Full stop (...) This also goes to the credibility of this institution in shaky times."

However, the mood at the opening session of the forum was subdued, and energy levels seemed low when compared to the FfD4 Conference in Sevilla and the previous preparatory sessions. The statements delivered by the UN's senior management generated no applause. One reason was certainly that delegates were paralysed by the backlashes that the FfD agenda had faced over the past year, in particular the escalation of conflicts and the collapse of ODA. The frustration was visible, and audible in the [statement of the outgoing UN Secretary-General António Guterres](#), who had put international financial architecture reform high on his personal leadership agenda, especially during his second term where he oversaw the UN's Summit of the Future and FfD4. He confronted the Member States with the finding that "aid is declining while military spending skyrockets" and that "governments are spending more on the instruments of death than the foundations of development and peace".

Representatives of the World Bank and the International Monetary Fund (IMF) also addressed the impact of the escalating crisis in the Middle East. The [IMF's Nigel Clarke](#) highlighted that Asia and Europe are dependent on oil from the Persian Gulf region, Africa on fertilisers, and that millions of families have lost essential income as the remittances from the Gulf states have dropped. The World Bank's Paschal Donohoe presented forecasts that 60 million additional people could face food insecurity due to the war, as prices for energy and

fertilisers have risen to levels that many cannot afford.

Discussion around the global framework, usually one of the most political and politicised sessions of the forum, ended early as only a few delegations requested to speak. This is never a good sign for a UN process. One reason was probably the absence of a significant number of ministers in the so-called ministerial segment that opens the forum. Only about 20 of the 193 UN Member States were represented by ministers, and this figure already includes vice or deputy ministers.

In 2026, the FfD forum had a new format, following agreements that were made in Sevilla. The most important change was that the different action areas of the FfD process get reviewed in two separate tranches, in a biennial review cycle. This change responded to critique that the FfD forum agenda was too overloaded when the whole FfD agenda was included, leaving little time for in-depth discussions. Action areas chosen for 2026 were trade, private finance, and data and follow-up. But these choices were bad because the opening session already made it clear that the hot topics were those that were not formally on the agenda of this year's forum – namely: international public finance (due to the ODA collapse), the debt situation in developing countries (due to the rise in interest rates and the consequences of the Iran war) and tax (due to ongoing negotiations on a UN tax convention, and the need to find adequate substitutes for shrinking ODA revenue).

A second innovation was the Special High-Level Meeting with the WTO and UNCTAD. This complemented the Special High-Level Meeting with the Bretton Woods Institutions, which was already part of the FfD forums before the Sevilla Conference. The purpose of these dialogues is to promote coherence and cooperation of the relevant international organisations that are based in New York, Geneva and Washington, D.C., which are tasked with global economic governance. However, the new session generated little interest by Member States and it also ended early. That multilateral trade policy-making is paralysed had already been confirmed by the WTO Ministerial Conference in Yaoundé a few weeks earlier, so it was probably not a good moment to take the discussion to New York.

The forum also created space for Member States to report on their country strategies and regional

perspectives on FfD4 implementation, since it was the first forum after FfD4 and strived to sustain the momentum that had been created by the Sevilla Conference.

The three thematic debates (in-depth reviews) were not very interactive in character, many panel presentations triggered only limited engagement from the audience. The one on “**domestic and international private business and finance**” was probably the liveliest one, as it was also the space where the cost of capital debate could be continued. Members highlighted a large number of policy actions that could be pursued, from reforming the system of credit rating agencies, to more local currency lending, to sustainability regulation as an essential part of prudent risk management.

Remarkably, the final session on “**data, monitoring and follow-up**” focused almost exclusively on

data, while one of the failures of the FfD4 conference in Sevilla was that it could not agree on a monitoring framework. The elephant in the room was the limited implementation of FfD commitments overall. This could and should have been addressed in this session but was a missed opportunity.

While energy levels remained low throughout the thematic debates, energy clearly picked up on two occasions: during the general debate on Thursday afternoon, and during the closing session whose task was the “adoption of the intergovernmentally agreed conclusions and recommendations”. This shows that Member States’ desire to address broader political questions exceeded their desire to discuss the technical details of the FfD agenda at a time when the whole multilateralism system and the internationally agreed development agenda is in jeopardy.

Emerging development finance priorities at the FfD forum

Alongside the political dialogue in the plenary track, the FfD forum also has the character of a fair where the global FfD community convenes. The impressive number of **52 official side-events** complemented the 2026 Forum’s main track. There might have been even more side-events if the UN

had not massively increased the room rental rates, which is a challenge particularly for civil society organisations and smaller or poorer Member States, which lack the required resources. Nevertheless, the side-events always help to indicate what’s trending at the forum.

Strengthening borrower coordination: The new Borrowers Platform

The new Borrowers Platform featured prominently at the forum. This was despite the fact that the actual launch of the new institution took place at the margins of the IMF and World Bank Annual Meeting in Washington, D.C., a week before the FfD Forum. Agreed under the *Compromiso de Sevilla*, the Platform aims to improve cooperation and peer learning among debtor countries, which are defined as net borrower countries. It fills an important gap in the debt architecture where net creditor countries were already well coordinated through the Paris Club and its Paris Forum, or the IMF-hosted Global Sovereign Debt Roundtable, while net borrowers were dispersed and unable to exercise influence on shaping the global debt poli-

cies. A small secretariat to support the platform was just opened at UNCTAD in Geneva.

A number of side-events to promote the platform took place as part of the forum. While official communications present the platform primarily as a space for peer learning among debtor countries, its most politically relevant dimension will likely be its future engagement with its creditor peers, especially the Paris Club. It was also suggested that the platform could help to promote the adoption of the voluntary responsible lending and borrowing principles that the new working group mandated by the *Compromiso de Sevilla* is going to develop.

Revitalising development effectiveness

Ironically, despite the fact that “international public finance” was not one of the FfD action areas

under review, it featured quite a lot during the forum. This was, of course, because the 23% drop

in ODA helped to focus minds, but also because the review of the OECD's Development Assistance Committee (DAC) is ongoing. DAC chair Carsten Staur made a brief appearance during the plenary session to report on progress. He explained that the review was launched because the DAC had realised that "winter is coming".

Several side-events dealt with the quality or effectiveness of ODA. Navid Hanif, UN Assistant Secretary-General in charge of the matter, warned: "If cooperation cannot deliver now – under pressure, under constraint – then its relevance will be questioned." However, most of the discussions focused on data and transparency issues, while more sensitive topics – such as the renewed trend towards

aid tying and donors' inability to coordinate and harmonise – remained at the margins.

Donor harmonisation, in particular, received little attention, despite concerns raised by Nigeria about the burdens created by donors using their own systems. As Hanif noted, "The system was built for a simpler world. Fewer actors. Clearer roles. More predictable flows. That is no longer the reality. Today, the system looks more like a crowded intersection with no traffic lights."

As Carsten Staur explained, effectiveness is not part of the DAC review – although arguably it should be.

Establishing national focal points

A key innovation agreed at FfD4 was the commitment to appoint national focal points and establish cross-departmental platforms for FfD policy coordination (paragraph 65d). The focal points are expected to promote in-country implementation while also ensuring policy coherence. This is because the experience in many countries shows that interministerial coordination often leaves room for improvement, while the breadth of the FfD agenda essentially requires a whole-government approach.

One year after Sevilla, more than 70 countries have already appointed their focal points, albeit on very different levels of administrative or political hierarchy. Many of them came to the FfD forum, where the international network of national focal points was launched, and a number of technical meetings took place. This was highlighted by many as one of the forum's few achievements for 2026.

The agreed outcome – analysis and verdict

The FfD forum usually results in an intergovernmentally agreed **outcome document** (declaration). However, it was unusual in this round that it could not be agreed before the forum started. According to some delegates interviewed for this report, this was one of the reasons why many Member States were reluctant to make interventions in earlier sessions of the forum.

The **zero draft** and **first draft** did not meet the parties' expectations. For some parties this was because the new shocks (the ODA collapse and the escalation of hostilities in the Middle East) were not adequately reflected in the text. Others felt that the drafts failed to meet the expectations of operationalising the Sevilla Compromiso or making significant steps forward.

On 19 April, an ostensibly final draft was circulated for agreement by the Member States but the so-called silence procedure (where a text is considered adopted unless someone objects) was broken

by a large number of countries. At some point, it seemed as if the forum would not be able to adopt a document by consensus at all. The negotiations continued behind the scenes until the final hours.

Very unusually for an FfD forum, three amendments were tabled and put to a vote during the closing session:

- » **Russia** requested the deletion of the whole paragraph 4, on the matter of 'conflict', arguing that this was for the Security Council to discuss, not for the FfD forum.
- » **Bahrain and supporters**, primarily from members of the **Gulf Cooperation Council**, wanted to alter paragraph 4 to better reflect the fallout from conflict on third countries.
- » **The Africa Group**, whose initiative got co-sponsorship by the European Union in a rare moment of unity in this policy area, requested

changes to paragraph 15, which dealt with tax cooperation. This was primarily due to concerns about how the work of the UN and of the OECD, respectively, is reflected in the document.

When the voting started, the Russian move received little support (with only six votes in favour), while the Bahrain amendment was adopted with a large majority of 108 votes in favour and only 30 against; the joint Africa-EU amendment was adopted by consensus without a vote. This removed the last hurdle on the way to the adoption of the outcome document by consensus.

The President of ECOSOC opened the final session by noting that its adoption had no budget implications. This neatly captures both the content and the character of the agreement: there is little that is substantively new. However, a comparison of the final text with the zero draft prepared by the co-facilitators from Iceland and the Maldives reveals important trends, as it reflects the evolving priorities of Member States.

Key changes entered throughout the negotiations were as follows:

- » **Conflicts:** An entirely new paragraph on conflict (paragraph 4), following the escalation of hostilities in the Middle East.
- » **ODA:** A reflection of the massive ODA cuts (5) and a commitment to “reverse declining trends” (60).
- » **Follow-up:** The explicit commitment to “re-affirm the ... Sevilla Commitment” (10), and to “take note with appreciation of the Sevilla Plat-

form for Action” (13). It also acknowledges the backlog of implementing previous UN conferences commitments – for example, those agreed at recent Small Island Developing States (SIDS) and LDC conferences (37, 47).

- » **Trade:** Following the WTO Ministerial Conference in Yaoundé, a reference to the “importance of engaging constructively at the World Trade Organization” was added (39), as well as concerns about tariffs and non-tariff trade barriers (41). Most remarkably, the term “universal” was deleted from the paragraph describing the features of the multilateral trading system, and the term “clean energy” was removed from the paragraph on critical minerals (43).
- » **Private finance:** Changes to the paragraph on blended finance (32) indicate that the topic attracted substantial attention by Member States. While the deletions of language related to regulatory capacity and managing foreign exchange risks indicate that there is substantial disagreement among them on the extent of state intervention in this area.
- » **Governance:** Following the IMF and World Bank Annual Meetings, the outcome includes a new paragraph (51) on governance reform, which mentioned the conclusion of the World Bank Shareholding Review and the Diriyah Principles. However, because neither of those signifies progress on reform of quotas and voting rights, the document retains the vague commitment “to make global economic governance more inclusive” (50) while lowering expectations for any significant innovation when it states, “we will build on the work of existing initiatives” (49).

Conclusion: Faster progress is urgently needed

To close the forum, the ECOSOC Chair said that, “Implementation is already underway, but much more needs to be done in order to close the financing gap and to restore confidence in the multilateral system.” This is true as the 2026 FfD Forum has certainly not made a measurable contribution to the former, and has made only a negligible contribution to the latter. One delegate from the EU concluded that everyone is “equally unhappy” about the intergovernmentally agreed outcome, which reflects the lowest common denominator at a time when ambition and progress is urgently needed.

Norway (a co-facilitator of the negotiations that led to the *Compromiso de Sevilla*) stated – after the adoption – that the forum’s agreement should have been for the implementation, not for the reframing of Sevilla commitments. Norway’s critique was shared by many – for example, by Uruguay in the name of the G77, by Canada speaking for the CANZ group, and very vocally by Mexico, which hosted the Friends of Monterrey retreat a month before the forum to make sure that it led to the best possible outcome: Mexico’s verdict on the outcome document could equally be applied to the whole 2026 FfD Forum: “The final document is not up

to the urgency or the ambition that is required for the Financing for Development agenda.”

The severe protests by the large majority of the UN membership on the whole style and nature of the outcome document should be considered as terms of reference for the 2027 FfD Forum and should give clear guidance to next year’s co-facilitators.

Next year’s forum will shift its focus to three core areas: domestic public resources (taxation), international development cooperation, and debt and debt sustainability. Discussions in the final session of this year’s forum already suggest that these topics are set to become highly debated.

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