Afronomicslaw Sovereign Debt Quarterly Brief No. 9, 2026: Financing for Development (FfD) and Debt Mechanisms: Why Seville Failed the Global South

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Abstract

The United Nations (UN) Fourth International Conference on Financing for Development (FfD4), held in Seville in June–July 2025, failed to provide a meaningful assessment of progress since Monterrey, Doha, and Addis Ababa, or to offer credible solutions to current global crises—most notably the unsustainable sovereign debt burden facing the Global South. Its Outcome Document, the Compromiso de Sevilla, falls short of delivering actionable commitments to close the Sustainable Development Goal (SDG) financing gap, reform the international financial architecture, or address systemic debt

vulnerabilities.

Despite repeated calls from countries in the Global South for a transformational outcome that would redesign global economic governance under UN auspices, the final text reflects low ambition and political compromise. Negotiations were undermined by the United States' withdrawal, resistance from the United Kingdom and the European Union, and opaque, closed-door processes that marginalised civil society participation. While sovereign debt features prominently—particularly in provisions on debt sustainability and international financial architecture—the commitments remain largely voluntary, non-binding, and insufficient to confront entrenched debt challenges. Crucially, the document fails to establish a binding UN-led debt workout mechanism, leaving the creditor-dominated global debt architecture intact.

The report critically reviews the failure of major debt restructuring initiatives between 2015 and 2025 to demonstrate the severity and persistence of the debt crisis and to situate Seville as a missed opportunity for reform. It then analyses what the Outcome Document does and does not achieve on sovereign debt and financial architecture, concluding with recommendations for post-Seville reform. Drawing on dependency theory and a political economy framework, the paper shows how existing power asymmetries, institutional incentives, and global financial structures continue to constrain effective debt solutions for the Global South.

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