From Seville to Belém: launching the Joint FFD4 Declaration on Partnership Opportunities between Institutional Investors and MDBs at COP30

COP30 marks a pivotal milestone, the ten-year anniversary of the Paris Agreement adopted at COP21 in 2015, and the focus has shifted decisively from negotiation to implementation. A central pillar of this new era of action is the delivery of the New Collective Quantified Goal (NCQG) on climate finance. It is universally acknowledged that public funds alone cannot meet the trillions required annually to fund the global climate transition. Unlocking private capital at scale, particularly from institutional investors, is therefore an absolute necessity.

The target of the NCQG to at least provide USD 300 billion annually in public-led finance must partly serve as a catalyst to mobilize a far broader USD 1.3 trillion per year in total climate investment from all sources. This structure makes the role of the private sector explicit and indispensable. The central focus of the "Baku to Belem Roadmap" to achieve the USD 1.3 trillion ambition is impossible without a strong partnership between public and private finance to mobilize institutional capital at scale.

In this context, we are pleased to introduce the Sevilla Platform for Action (SPA), as launched during the UN Fourth International Conference on Financing for Development: "Joint Declaration on Partnership Opportunities between Institutional Investors and Multilateral Development Banks (MDBs)." This declaration outlines a shared ambition to systematically dismantle barriers that have hindered the flow of institutional capital into climate-positive investments in emerging and developing economies.

The collaboration detailed in this statement is highly relevant for the successful delivery of the NCQG and the Baku-to-Belém Roadmap. By creating standardized investment structures, enhancing risk-mitigation tools, and improving data transparency, through initiatives such as the Global Emerging Market (GEMs) risk database, MDBs and institutional investors can together create the conditions to mobilize private finance at scale.

We are already seeing progress. We welcome initiatives by MDBs to distribute risk in assets that they have originated to private sector investors and transform the way they operate to adopt, for relevant parts of their portfolios, an originate-to-share approach. Recent initiatives include the IFC's Emerging Markets Structured Products (EMSP) platform, IDB Invest's Scaling4Impact synthetic risk transfer transaction, Asian Development Bank's agreement with global insurers to mobilise $2.75 billion in private capital and plans by the African Development Bank to build on its Room2Run synthetic securitisation.

This partnership is a key enabler for turning the high-level ambitions of the Paris Agreement and the NCQG into a tangible pipeline of bankable projects. We present this statement as a foundational component of the financial architecture required for success at COP30 and for the crucial decade of climate action that lies before us.

Sevilla Platform for Action Initiative by Denmark, Finland, Iceland, the Netherlands, Norway, Sweden and the United Kingdom.

Joint Declaration on Partnership Opportunities between Institutional Investors and Multilateral Development Banks

Description of the initiative

Achieving the UN Sustainable Development Goals (SDGs) and global climate targets requires significant public and private investment, particularly in Emerging Markets and Developing Economies (EMDEs). The Third International Conference on Financing for Development, held in Addis Ababa in 2015, established the financial and policy framework to support the implementation of the SDGs. Since then, the ambition has been to mobilise private capital at scale, given the substantial financing needs. Nearly a decade later, however, opportunities to fulfil this vision remain unmet. The Fourth Conference in Seville provides the opportunity to revitalise this agenda, with a renewed emphasis on actionable commitments.

We - governments of Denmark, Finland, Iceland, the Netherlands, Norway, Sweden and the United Kingdom - reaffirm our strong commitment to support the pivotal role of the Multilateral Development Banks (MDBs) and other Development Finance Institutions (DFIs) in accelerating the achievement of the SDGs in Emerging Markets and Developing Economies.

Delivering on sustainable growth and supporting the energy and climate transition across EMDEs will require bold action to unlock significant private institutional capital. In this context, MDBs and DFIs play a critical and central role as they are uniquely positioned to create attractive and scalable private sector investment opportunities across EMDEs, aligned with these objectives.

The untapped potential for global institutional investors to contribute to these goals is enormous. Total European pension fund assets alone exceed EUR 15 trillion. Institutional investors, seizing attractive development finance investment opportunities, will significantly contribute to bridging the critical investment gap in sustainable development and climate finance across EMDEs.

We see untapped opportunities in connecting MDBs, DFIs, and institutional investors, and strongly support efforts to facilitate this. We also express our strong endorsement for innovative vehicles such as funds and platforms that provide attractive, standardised, large-scale investment opportunities for pension funds and other institutional investors, thereby significantly enhancing the financial resources directed towards the goals. We recognise the potential for securitised development finance products on public markets (see also: the EMDE Public Markets Coalition SPA initiative) and recognize the potential for co-investment fund initiatives to drive financing at scale in support of this agenda.

The initiative will contribute to the Financing for Development outcomes by increasing sustainable development investment at scale and mobilising additional private finance. It contributes to scaling up the development finance asset class and making this asset class accessible to institutional investors, particularly pension funds. Moreover, the initiative demonstrates that this asset class is scalable without the need for additional official development aid.

Specific actions

We welcome initiatives by MDBs/DFIs, and dedicated asset managers that provide scalable EMDE investment solutions and are engaging leading global institutional investors. We call for scaling up of these initiatives and support engagement between our institutional investors and MDBs/DFIs, and collaborate closely with like-minded countries to achieve this.

We are committed to supporting engagement between key stakeholders in seizing this development finance investment opportunity. Together with MDBs/DFIs, asset managers, and leading pension funds, we support the implementation and scaling up of innovative, efficient, and impactful investment solutions that provide EMDEs with the sustainable and climate finance resources needed.

We commit to strengthening the international development finance architecture. We will promote and foster innovative approaches that bring together the strengths of institutional investors and MDBs/DFIs, in support of our shared global sustainable development and climate goals.

To drive the development of the MDB asset class, we call for further collaboration between MDBs/DFIs, including on standardisation across areas such as legal and origination processes, loan data reporting, impact reporting, and methodologies for measuring private capital mobilisation.

We also welcome existing initiatives by MDBs/DFIs to distribute risk in assets that they have originated to private sector investors and we call for MDBs/DFIs to transform the way they operate to adopt, for relevant parts of their portfolios, an originate-to-share approach.

Moreover, we recognise the value of the GEMs credit risk data. We call for the enhancement of the GEMs data, including refinement in the credit data and the publication of investment return data to improve the overall understanding of the development finance asset class performance. The GEMs data demonstrates that development finance investments provide attractive, risk-adjusted returns on EMDE credit investments, while generating measurable social and environmental impact. This underscores the potential of the development finance asset class, providing the opportunity to efficiently co-invest with institutional capital, whilst minimising scarce concessional resources. We aim to increase awareness of data amongst institutional investors, for example by supporting the Hamburg Data Alliance.

Additionally, innovative and specialised fund initiatives, such as ILX, demonstrate that investments in the development finance asset class are feasible for institutional investors, providing attractive returns, impact, diversification, and scale.

We will work with MDBs/DFIs in scaling up mobilisation of institutional investors in their EMDE operations. For instance, by setting and measuring ambitious mobilisation targets. Similarly, we will support the institutional investors in our countries with the knowledge, data, and regulatory environment to enable their investment in the development finance asset class.

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