



Navigating COVID-19 recovery and long-term risks: Insights from the 2022 Development Cooperation Forum (DCF) Survey Study¹

Introduction

International development cooperation played a vital role in the response to the COVID-19 pandemic, supporting developing countries to take urgent actions to respond to the immediate health, social and economic impacts of this unprecedented pandemic. Developing countries have used development cooperation to scale up their responses to COVID-19, and endeavoured to build resilience and preparedness for future anticipated and unanticipated risks. This policy brief draws on the results of the Seventh DCF Survey on international development cooperation. Since 2009, these voluntary biennial surveys have helped governments assess how effectively their development cooperation is working. Developing countries participating in the survey examine the state of play of key enablers of effective development cooperation, namely, i) national development cooperation policies (NDCP); ii) country-driven results frameworks (CRF); iii)

development cooperation information systems (DCIS); iv) national development cooperation forums (NDCF); and v) capacity support. The key enablers of effective development cooperation are a toolbox of policies, structures, systems and processes that are non-prescriptive and give developing countries the flexibility to adapt their form and application to suit the country context.

Impact of COVID-19 on development cooperation

All countries that participated in the survey experienced the impact of COVID-19 on their development cooperation – with nearly two-thirds of participating countries reporting a major impact, and these resources were vital during the crisis. The data tells a story of the resilience and creativity of developing countries in navigating pandemic recovery; the value of agile and trust-based development cooperation partnerships; the impact of the enablers of effective development cooper-

¹ This policy brief is based on the [2022 Development Cooperation Forum \(DCF\) Survey Study](#).



United Nations

Department of Economic and Social Affairs



Development Cooperation forum

Figure 1: Enablers of effective development cooperation

National development cooperation policy	Country results framework	Development cooperation information system	National development cooperation forum
<ul style="list-style-type: none"> • Vision • Priorities • Targets 	<ul style="list-style-type: none"> • Monitoring targets • Long-term impact 	<ul style="list-style-type: none"> • Accurate comprehensive, quality and timely data 	<ul style="list-style-type: none"> • Multi-stakeholder dialogue • Review progress against targets
Capacity support			

ation in supporting countries to weather emergencies; and emerging risks to sustainable development on the horizon. An upper middle-income country in the African region described the disruption caused by the pandemic and how development cooperation was required to adapt:

“When COVID hit, it displaced all focus at once. Government and development partners had to redirect funds. We just had put together a new national development plan in February 2019. Our development cooperation was shaken. After being caught off-guard, we responded together with development partners. We were all forced to review our plans and approaches. We had to respond to this new context and how we could repurpose spending towards health.”

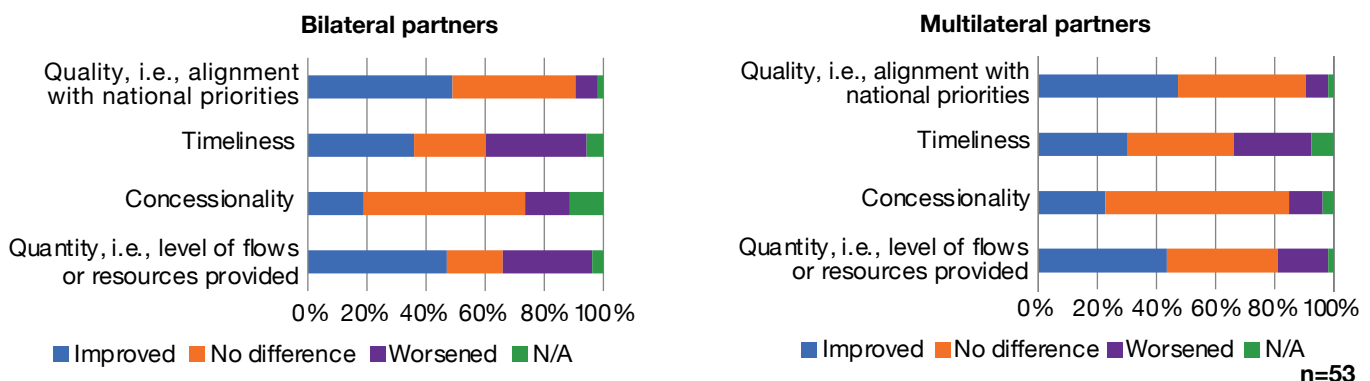
The investment case for risk-informed development cooperation has been strengthened as a result of COVID-19, but uncertainty about development cooperation flows remain. The quantity of development cooperation resources improved for close to half of the surveyed countries when they were experiencing the worst of the pandemic.² Participant countries also reported improvement in the alignment of development cooperation with national priorities, as development cooperation partners agreed to the reprioritisation and redirection of development cooperation to respond to

pandemic.

These improvements took place in the short-term crisis context, and participant countries expressed uncertainty as to whether the improvements would be sustained in the medium-to-longer term recovery. The experience of participant countries is that it is easier to mobilise resources for immediate responses to a crisis than it is to mobilise resources for medium-term prevention. Many respondents also reported that no improvements in concessionality had been made during the pandemic. They expressed concern that a reduction in the availability of concessional finance could undermine recovery from the COVID-19 pandemic, posing a risk for both middle-income countries that need concessional resources to fill resource gaps, and countries that face debt distress that need concessional terms to avoid default. *For long-term resilience building, developing countries require a major scaling-up of development cooperation resources, with an emphasis on grants over loans, and improvement in the quality of development cooperation.*

The pandemic underscored the human and financial costs of under-investment in risk mitigation and resilience-building and the need for a long-term outlook for risk-informed development cooperation. Overwhelmingly, participant countries had to redirect resources from critical Sustainable Development Goal (SDG) sectors, including infrastructure, education and within the health sector, focus-

Figure 2: Impact of COVID-19 on development cooperation



² OECD-DAC data indicate ODA increased by 4.4 percent (in real terms) in 2021, compared to 2020, with official ODA amounting to USD 178.9 billion. See <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/ODA-2021-summary.pdf>

ing on short-term needs over long-term risks. They raised concerns about important projects and programmes that had been deferred, uncertain whether funding would be available for their completion. These concerns are not unfounded, as current volumes of ODA are insufficient to address the impacts of COVID-19.³ Uncertainty about future development cooperation flows poses a challenge to long-term planning of developing countries that is critical to address the systemic challenges that hinder sustainable development. *Developing countries should be supported to access affordable finance to address the social and economic infrastructure backlogs that have been worsened by the redirection of resources to fight the COVID-19 pandemic.*

Climate adaptation remains a significant risk for participant countries. They noted that although climate change was firmly on their agenda, it was challenging to give the requisite attention to climate change adaptation while responding to the urgency of the pandemic. Developing countries need to implement climate change adaptation actions that are ambitious in scale and pay more attention to medium and longer-term issues. *Medium-to- long-term predictability of climate finance from development partners would assist developing countries during times of crises to ensure that climate priorities can remain on the table while addressing short-term emergencies.*

How enablers supported effective development cooperation during the pandemic

Most participant countries had at least three of the four key enablers in place, and more than one-third of participant countries had all four enablers in place. **These enablers of**

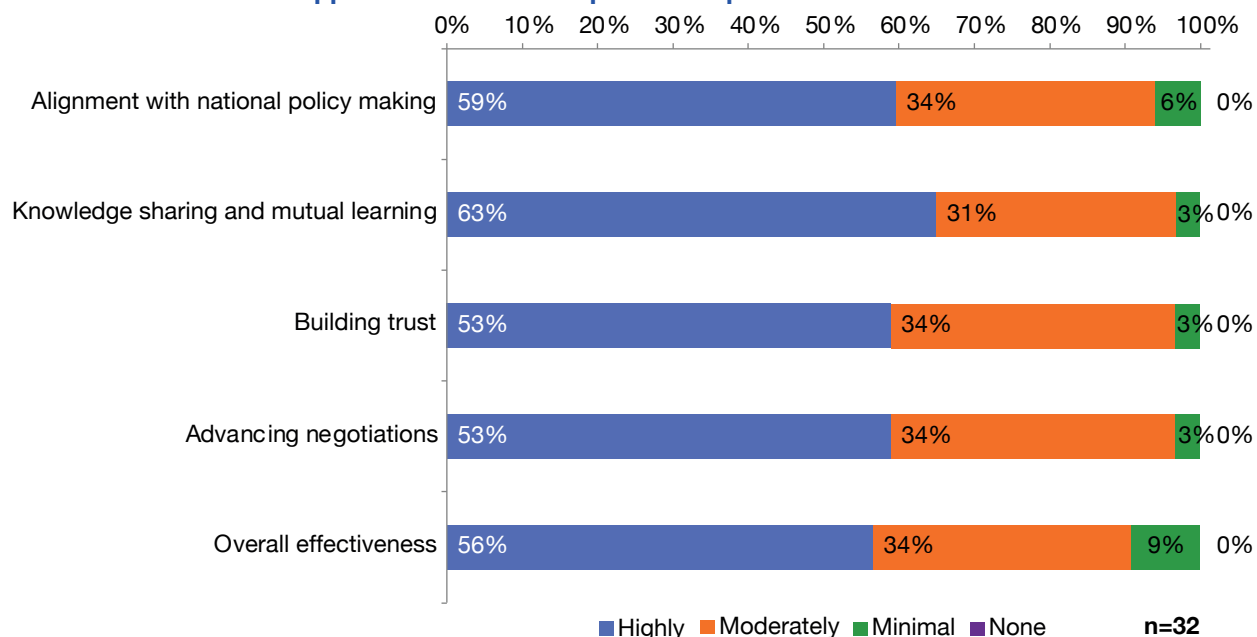
effective development cooperation proved crucial to the response. Countries with NDCPs that made provision for responses to disasters were able to rapidly mobilise resources and action for the response to the pandemic. Those countries that had already embedded risks in their NDCPs were best able to coordinate development partners around the COVID-19 response.

The DCIS provided information that was crucial for countries’ decisions on reprioritisation and redirection of development cooperation, as well as used for tracking development cooperation mobilised for the response. Participant countries emphasized the importance of timely, comprehensive development cooperation information from development partners, to enable informed decisions. As SIDS/LDC country in the Asia-Pacific region observed about its DCIS:

“The system has not necessarily changed behaviours at scale, but it is used as a source of information for two important stages of project preparation: as a source for background information in negotiations and as a source to ensure that there is no overt duplication in the design of projects.”

Trust-based relationships that existed between developing countries and their development partners prior to the pandemic were crucial to decisions and actions in responding to COVID-19. These relationships were forged and further reinforced in the NDCFs that served as valuable vehicles for developing countries to bring all stakeholders together during challenging times. Participant countries were mostly positive about the overall effectiveness of their NDCFs as important

Figure 3: Extent to NDCFs support effective development cooperation



³ 2022 Financing for Sustainable Development Report

platforms for engaging development partners and other development actors on a range of development cooperation matters. The NDCFs also served as vehicles for knowledge sharing and mutual learning.

Enhancing the effectiveness of development cooperation and the enablers

The COVID-19 pandemic also exposed aspects of the enablers that need to be strengthened.

Countries underscored the need for a new generation of NDCPs that are risk-informed and agile enough to respond to uncertainties. Coverage of the Sendai Framework on Disaster Risk Reduction in NDCPs is an area that needs improvement, given the on-going challenges of climate change and more recently, the global upheaval caused by the COVID-19 pandemic. Fewer than half the countries indicated that their NDCPs mostly or entirely covered the Sendai Framework. *Although participant countries take systemic risks into account in their NDCPs to some extent, they need to be more deliberate in adopting a risk-informed approach to their NDCPs. It is also necessary to regularly review risks and the effectiveness of the risk mitigation measures taken, and to identify new and emerging risks.*

Survey respondents underscored that the effectiveness of their DCIS was being hampered by a lack of complete and timely data from development partners. They identified the lack of off-budget information, development cooperation provided to non-state organisations, and the reluctance of development partners to use national systems for reporting as some of the challenges in obtaining complete information on development cooperation for the DCIS. *Survey respondents offered suggestions for improving the timeliness of information including harmonization of reporting timelines of governments and their development partners; and improving the technical capacity and connectivity of the DCIS for easy and timely data entry.*

There is scope to improve the overall impact and effectiveness of NDCFs by addressing existing barriers to effective use of NDCFs. Existing barriers are diverse and include: the lack of buy-in from sector ministers to participation in the NDCF; policies and legislative frameworks that do not clearly delineate roles in development cooperation; unwieldy procedures and full agendas of NDCFs limiting time for thorough discussion; and lack of follow-up on decisions taken.

Participant countries identified need for further support to strengthen capacities to better equip them in responding effectively to large-scale, complex challenges. They identified support for *strengthening capacities in data systems, monitoring and evaluation, coordination of development cooperation, and finance and negotiation as priorities. Participants emphasized the need to build on existing capacities through*

targeted, high-quality training programmes as well as access to the most current knowledge, data and tools.

The enablers of effective development cooperation can further support the achievement of national climate priorities. This includes *mainstreaming climate change adaptation and disaster risk reduction into NDCPs and strengthening country results frameworks and DCIS for monitoring climate finance flows, to ensure that climate finance is fully aligned to national priorities for climate change adaptation.*

Developing countries require risk-informed development cooperation to enable them to address risks and challenges that have been exacerbated by the pandemic. These risks include the increasing food insecurity in developing countries, the fragility of social protection systems, and the widening digital divide. *Countries require medium-to long-term planning and predictable development cooperation that includes more and better development cooperation, financial and non-financial to address these risks.*

Participation by the diversity of development cooperation actors remains critical to inclusive, and sustainable recovery. *Development partners can better support civil society organisations by scaling up financial support for strengthening their functioning as independent organisations, and not solely implementers of programmes. Youth also need to be engaged as a constituency in their own right. Developing countries should integrate youth and their expertise into enablers of effective development cooperation.*

Conclusion

Development cooperation made a positive difference in the responses of developing countries to the COVID-19 pandemic. While the increased scale and scope of development cooperation and the flexibility of development partners enabled countries to mitigate the impacts of the pandemic to varying degrees, concerns remain as to whether this will be sufficient to address the numerous challenges and risks developing countries face in recovering from the pandemic. The enablers have demonstrated their relevance for effective development cooperation but need to be strengthened. The continued presence of COVID-19 and emerging risks and uncertainties present a major challenge to countries in moving from the crisis mode that characterised responses to the pandemic, to a mode that is risk-informed and mindful of long-term sustainable development. All development cooperation actors need to adopt risk-informed development cooperation in all its forms – financing, capacity support, policy change and multi-stakeholder partnerships – to support developing countries to manage and reduce risk in the immediate term and build resilience for the future. Development cooperation policies and practices must be truly risk-informed and agile to respond to the changes that are unfolding.