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Trends and progress in international development cooperation

Report of the Secretary-General

Summary

In accordance with General Assembly resolutions 61/16, 68/1, 69/313, 70/192, 70/299, 75/290 A and 76/258, the present report is submitted by the Secretary-General for consideration by the Development Cooperation Forum. This report contains an analysis of key trends and challenges in international development cooperation, highlighting the need to strengthen country ownership and leadership, reduce fragmentation, address resource allocation, strengthen alignment with country needs and priorities and enhance effectiveness. It contains a call for trends in official development assistance (ODA) flows to be turned around, in particular on the proportion of ODA that flows to developing countries, for development cooperation on quality, impact and effectiveness to be refocused and for the development cooperation architecture at both the global and country level to be reformed. The report contains recommendations for making international development cooperation fit for purpose in today's context, for consideration at the 2025 Development Cooperation Forum and the Fourth International Conference on Financing for Development.[1]

* E/2025/1.

[1] The present report was prepared in consultation with staff from the Department of Economic and Social Affairs of the United Nations, the Economic Commission for Latin America and the Caribbean (ECLAC), the United Nations Office on Drugs and Crime (UNODC), the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the United Nations Office for Disaster Risk Reduction, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the Food and Agriculture Organization of the United Nations (FAO), United Nations Industrial Development Organization (UNIDO), the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO) and the Office of the Special Adviser on Africa. Their contributions are gratefully acknowledged.

I. Introduction

1. Since the adoption of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, in 2015, demands on international development cooperation to combat poverty and inequality, address social needs and invest in long-term sustainable development have been compounded by the impact of rising systemic risks, especially climate and disaster-related risks. Countries are off track on the 2030 Agenda for Sustainable Development, with current projections estimating that almost 600 million people will continue to live in extreme poverty in 2030, more than half of them women. Estimates of gaps in financing Sustainable Development Goals in developing countries range from $2.5 trillion to $4 trillion annually.[2]

2. At the same time, the allocation of official support, in particular official development assistance (ODA), has shifted from long-term development and country programmes towards climate mitigation, humanitarian assistance and in-donor country spending, such as on refugees, reflecting shifting donor priorities. The international development cooperation landscape has also grown more complex, with a growing number of actors, modalities and instruments. While this proliferation offers new opportunities, it has also increased fragmentation, coordination challenges and transaction costs for developing countries.

3. These shifts underline the need both to increase resources to address growing demands and to enhance the quality, impact and effectiveness of international development cooperation in all its forms, in particular its alignment with developing countries' needs and priorities.

4. More grants and concessional resources are needed, in particular for the least developed countries and other vulnerable countries, such as small island developing States and landlocked developing countries. Additional non-concessional resources from multilateral development banks are also necessary to help meet broader demand, while South-South and triangular cooperation contribute to meeting rising needs across developing countries, as a complement to North-South cooperation.

5. The present report contains an analysis of key trends and challenges in international development cooperation, focused on the evolving needs and priorities of developing countries, shifts in ODA allocations by development partners and the increasing fragmentation and complexity in the development cooperation landscape. It highlights the need for greater mobilization of concessional resources, better use and better evidence on impact and the need to reform the development cooperation architecture.

6. The upcoming Fourth International Conference on Financing for Development, to be held in Seville, Spain, from 30 June to 3 July 2025, offers a critical opportunity to recommit and agree on steps to deliver on ODA commitments in terms of quantity and quality and to set out reforms to make international development cooperation more fit for purpose in an increasingly complex global context. The 2025 Development Cooperation Forum, to be held in New York on 12 and 13 March 2025, provides a unique opportunity to advance these and other issues ahead of the Fourth International Conference on Financing for Development. It can provide the space for all actors, from both developed and developing countries, to jointly consider the purpose(s) of international development cooperation today as a basis for revitalized action on existing commitments and emerging needs. It also provides space to advance discussions on modalities of delivery and alignment of development

[2] United Nations, Inter-agency Task Force on Financing for Development, *Financing for Sustainable Development Report 2024: Financing for Development at a Crossroads* (New York, 2024).

cooperation with country priorities and needs, as well as on partnerships and coordination among the broader range of development cooperation actors.

II. Increasing and diverse developing country needs for international development cooperation

7. Developing countries face diverse and evolving needs, vulnerabilities and priorities that are increasingly affected by global challenges. The impacts of more extreme and more frequent shocks, coupled with persisting and/or rising poverty and inequality, food insecurity and humanitarian emergencies are widening and deepening investment needs across the developing world. Many of these challenges are interlinked, overlapping and compounding in their impact on developing countries.[3]

8. How these challenges affect different categories of developing nations reveals the complexity of addressing their diverse needs and priorities. The least developed countries, in particular, continue to face challenges across social and economic sectors, underpinned by structural vulnerabilities and constrained human and institutional capacities.[4] Landlocked developing countries face significant gaps in infrastructure, economic diversification and capacities, with trade and transport costs up to 1.4 times higher than their coastal counterparts.[5] Small island developing States are confronting existential threats from climate change, while grappling with external debt levels averaging 73 per cent of gross domestic product (GDP). These countries require urgent access to concessional finance that enhances their sustainable development prospects, while supporting climate resilience and preventing socioeconomic setbacks during transitions.[6]

9. The development trajectory of many middle-income countries, which are home to 62 per cent or 434 million, of the world's poor,[7] remains precarious owing to entrenched inequalities, unmet development financing needs and gaps in access to concessional finance. Although middle-income countries received $111.4 billion in ODA in 2021 – nearly half of the global total – this remains low compared with needs.[8] Middle-income countries face a particular challenge when "graduating" from concessional financing while still facing persistent vulnerabilities. They often lose access to support while struggling to enhance domestic resource mobilization and investment. Middle-income countries have advocated for the United Nations development system to advance a system-wide response to better tackle their specific challenges and diverse needs.

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[3] FAO, International Fund for Agricultural Development, United Nations Children's Fund (UNICEF), World Food Programme and World Health Organization, *The State of Food Security and Nutrition in the World 2023* (Rome, 2023).

[4] See Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, "Improving Access to Finance for the Least Developed Countries" (2023).

[5] See Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, *Review of South-South Cooperation in the Implementation of the Vienna Programme of Action for Landlocked Developing Countries in the Decade 2014–2024* (New York, 2024).

[6] See Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, *Financing for Development of Small Island Developing States* (2022). Available at https://digitallibrary.un.org/record/4060309?v=pdf.

[7] See www.worldbank.org/en/country/mic/overview.

[8] See United Nations, Department of Economic and Social Affairs, policy brief No. 155, "Accelerating middle-income countries' progress towards sustainable development" (29 November 2023).

10. Countries in conflict and post-conflict situations face persistent poverty, declining human capital, political instability and weak institutional capacity.[9] Addressing their needs and challenges will require enhanced concessional finance, strengthened coordination and innovative, sustainable development partnerships.

11. As needs in developing countries increase and widen in scope, composite indicators have become increasingly important, to guide access and eligibility to international support, especially concessional financing, as complements to long-standing income-based measures. The multidimensional vulnerability index for Small Island Developing States represents a significant advance, offering assessment of structural vulnerabilities, including exposure to climate risks, while resilience factors are also taken into consideration through country-specific profiles.[10] The High-level Panel on the Development of a Multidimensional Vulnerability Index for Small Island Developing States found that a significant portion of vulnerable countries faced high levels of structural vulnerability.[11] The decision in the Pact for the Future to initiate work on Beyond GDP is also a step in the right direction towards capturing the vulnerabilities and needs of developing countries.

12. The development community has also embraced more dynamic and integrated approaches to better respond to country needs and vulnerabilities. The Global Risk Assessment Framework offers modelling tools that help achieve a better understanding of the funding needs of countries exposed to exogenous shocks, including climate disasters, pandemics and economic volatility.[12] Forecast-based financing can strengthen contingency and predictive financing capabilities.[13,14]In the structural gaps approach, the development process is viewed as an evolutionary continuum whereby some problems may be resolved over time, while others emerge or intensify,[15] emphasizing the importance of adapting cooperation strategies, modalities and instruments. Initiatives such as the Sustainable Graduation Support Facility (iGRAD)[16] exemplify how these more nuanced approaches to understanding vulnerability can be translated into practical support mechanisms.

13. Integrated national financing frameworks), first introduced in the Addis Ababa Action Agenda, have been adopted in several developing countries as a docking station for these and other tools offered by the international community. They are supporting more risk-informed policymaking and can be used to further mainstream multidimensional vulnerabilities in financing policy choices, as well as for the identification of national priorities for international support amid evolving global and national contexts.

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[9] See World Bank, "Empowering fragile States: IDA's strategic role in conflict-affected areas and vulnerable countries" (October 2024). Available at https://thedocs.worldbank.org/en/doc/4d9f3d42dedc0bb5eb452fbf887ec0c5-0410012024/related/Empowering-Fragile-States.pdf.

[10] See www.un.org/en/desa/why-multidimensional-vulnerability-index-mvi-matters.

[11] See Inter-agency Task Force on Financing for Development, *Financing for Sustainable Development Report 2024* (see footnote 2).

[12] See www.preventionweb.net/understanding-disaster-risk/graf.

[13] See United Nations, "Our Common Agenda policy brief 4: valuing what counts – framework to progress beyond gross domestic product", May 2023 (EOSG/2023/4).

[14] See "Beyond GDP: how to count for people and planet", Global Policy Watch. Available at: www.globalpolicywatch.org/futureofglobalgovernance/index/e-beyond-gdp/.

[15] See ECLAC, *Development in Transition: Concept and Measurement Proposal for Renewed Cooperation in Latin America and the Caribbean* (Santiago, 2021). Available at https://www.cepal.org/en/publications/47167-development-transition-concept-and-measurement-proposal-renewed-cooperation-latin.

[16] See www.un.org/ldcportal/content/sustainable-graduation-support-facility.

14. Policy recommendations:

- Safeguard core development cooperation, including ODA, for long-term development needs of countries, based on country needs and priorities as set out in national plans and development cooperation policies and coordination mechanisms.
- Strengthened assessment of evolving needs and systemic risks, incorporating multidimensional vulnerability measures alongside traditional metrics.
- Allocation frameworks that better reflect vulnerability and structural gaps, in particular for the least developed countries, small island developing States and land-locked developing countries.
- Development cooperation modalities and instruments that are adapted to the unique contexts of developing countries and their priorities and needs while fostering the use of country systems and results frameworks.

III. Trends in international development cooperation and diversification of actors and mechanisms

15. The international development cooperation landscape has undergone significant transformation since 2000, marked by increasing demands on international development cooperation, including ODA, along with a dramatic increase in the number and diversity of development cooperation actors, which has increased coordination challenges.

Official development assistance

16. Despite reaching a record high of $223.7 billion in 2023, having more than doubled in real terms as compared with the start of the new millennium, ODA has failed to keep pace with escalating needs. ODA represents only 0.37 per cent of donor-country gross national income, well below the half-century-old United Nations target of 0.7 per cent. Only five members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) – Denmark, Germany, Luxembourg, Norway and Sweden – met or exceeded this target in 2023.[17] ODA to the least developed countries remains below the target of 0.15 per cent–0.20 per cent of gross national income, amounting to only 0.08 per cent of gross national income in 2022, down from an average of 0.09 per cent between 2012 and 2021.[18] ODA to small island developing States also remains low, at 2 per cent of total ODA, having increased by only 0.7 per cent since 2015 despite rising vulnerabilities. There is a need for renewed momentum towards meeting ODA commitments on quantity and quality, including time-bound ODA increases towards 0.7 per cent of the gross national income of developed countries and at least 0.2 per cent of gross national income to the least developed countries.

17. There has also been a significant shift in ODA allocation patterns since the adoption of the Addis Ababa Action Agenda, reflecting changing global priorities and emerging challenges. Resources have been increasingly directed towards climate finance, other global public goods and humanitarian assistance, including in-donor

[17] See "Data update to the 2024 Financing for Sustainable Development Report, following the 11 April release of 2023 ODA data". Available at https://financing.desa.un.org/sites/default/files/2024-04/FSDR 2024 ODA Data Update_April 2024 update.pdf.

[18] Official contribution of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States to the present report, November 2024.

country refugee costs, and away from long-term sustainable development outcomes. Bilateral aid for global public goods has risen from 37 per cent in the period 2007–2011 to 60 per cent in the period 2017–2021.[19] In-donor refugee costs and humanitarian aid as a share of total net ODA increased from approximately 9 per cent in 2000 to 25 per cent in 2022.[20] Country programmable aid – the portion of aid that is predictable and reaches developing countries – has fallen to less than half of total ODA,[21] effectively reducing the amount of aid that goes to developing countries in line with their sustainable development priorities.

18. The composition of ODA has also shifted significantly, with the share of grants in ODA falling to 63 per cent of total ODA in 2022[22] – the lowest proportion in two decades – as donors have tried to leverage their ODA budgets further in the face of economic pressures. However, this trend poses severe challenges for many countries, especially highly indebted countries.

19. Against a backdrop of limited development cooperation budgets in donor countries, these trends have shifted ODA allocations away from country needs and priorities. ODA to the least developed countries, for example, has declined since 2020. The least developed countries have received less aid per person in extreme poverty than upper middle-income countries since 2013, pointing to a reduced focus of ODA on poverty and inequalities. In land-locked developing countries, ODA for the transport and storage sector has steadily declined since 2009, despite acute logistical and infrastructure challenges faced by these countries. Only 0.5 per cent of ODA is currently spent on disaster prevention and preparedness, while close to 11 per cent goes to emergency response and reconstruction – notwithstanding projections of a 40 per cent rise in the number of disasters from 2015 to 2030 and recognition of the importance of investing in prevention.

20. Policy recommendations:

- Timebound increases towards ODA targets, including 0.7 per cent gross national income and 0.15 per cent–0.20 per cent for the least developed countries, building on a renewed global partnership.
- Increased funding through country-programmable aid with clear targets to reverse the trend of declining funds reaching developing countries; increase budget support where appropriate to country circumstances (see sect. V).
- Increased grant financing and capacity support for vulnerable countries, including the least developed countries, land-locked developing countries and small island developing States.
- Concerted and inclusive support to middle-income countries, given their specific challenges and diverse needs.
- Increased focus on capacity development support for domestic resource mobilization to help countries reduce reliance on ODA in the long term.

[19] See Kerry Elgar and others, "Development co-operation and the provision of global public goods", OECD Development Co-operation Working Papers, No. 111, (Paris, OECD Publishing, May 2023). Available at https://doi.org/10.1787/aff8cba9-en.

[20] See report of the Secretary-General on the follow-up to and implementation of the outcomes of the International Conference on Financing for Development (2024) (A/79/285).

[21] See Elgar and others, "The role of development co-operation and the provision of global public goods" (OECD, 2023).

[22] UNCTAD, Global Crisis Response Group on Food, Energy and Finance, based on OECD figures (December 2023).

South-South and triangular cooperation

21. South-South cooperation has emerged as a transformative factor in international development cooperation, as a complement to North-South cooperation, with the aim of fostering solidarity and shared development across the global South. South-South cooperation has strengthened trade and investment of developing countries within the global South and with the global economy. South-South trade now represents more than half of the global South's total trade volume, reflecting its role in diversifying production and addressing value chain challenges.

22. Triangular cooperation has also emerged as an impactful modality, enhancing South-South knowledge-sharing while leveraging North-South partnerships through a combination of funding from development partners, multilateral technical expertise and recipient country implementation. However, the share of triangular cooperation remains modest, representing less than 0.1 per cent of ODA allocated by major OECD Development Assistance Committee donors, with 47 per cent in Latin America and the Caribbean.[23]

Climate finance

23. Despite increasing as a share of ODA, climate finance, including financing for adaptation, remains grossly inadequate to effectively address the scale of climate challenges, especially in the most vulnerable countries. Concerns remain over how to ensure additionality of support for climate change mitigation and other areas that have a global public good character. A new collective quantified goal of $300 billion per year by 2035 was agreed at the twenty-ninth Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Baku from 11 to 22 November 2024. While this is three times higher than the previous target of $100 billion, estimated needs are far greater, at $1.3 trillion per year.[24]

24. The creation of the Fund for Responding to Loss and Damage at the end of 2023 marks a historic milestone, reflecting the growing recognition that developed countries, largely historically responsible for climate change, should provide support to developing countries in dealing with irreversible losses and costly damages owing to climate disasters. At the twenty-eighth Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Dubai in December 2023, Governments pledged approximately $700 million to the Fund. Significantly more financial commitments from developed countries are needed.

Multilateral and other public development banks

25. Over the past two decades, lending by multilateral development banks has grown significantly, with annual disbursements increasing from $30 billion in 2000 to $96 billion in 2022. However, the proportion of concessional funding has declined, from a peak of 35 per cent of total lending by multilateral development banks in 2004 to 13 per cent in 2022. While the twenty-first replenishment of the International Development Association secured the largest funding amount in history, more support is needed given growing needs. High interest rates have negatively affected the Association's ability to leverage resources through capital markets, raising borrowing costs for the poorest countries to $3.22 per donor dollar, from $2.96 at its last replenishment in 2022. In addition, grants are expected to fall in real terms from the

[23] OECD, Creditor Reporting System (database), https://stats.oecd.org/index.aspx?DataSetCode=CRS1.

[24] See "Raising ambition and accelerating delivery of climate finance", third report of the Independent High-Level Expert Group on Climate Finance, 2024. Available at https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2024/11/Raising-ambition-and-accelerating-delivery-of-climate-finance_Third-IHLEG-report.pdf.

twentieth replenishment, and the maximum amount that any country can receive will drop from $1 billion to $650 million.[25]

26. In 2022, the Group of 20, in its *Independent Review of Multilateral Development Banks' Capital Adequacy Frameworks* set out proposals for multilateral development banks to optimize the use of their resources and balance sheets, as called for in the 2015 Addis Ababa Action Agenda. Multilateral development banks are implementing or considering reform measures to further increase lending, which could yield $300 billion–$400 billion of additional capacity over the next decade.[26] While several countries have also expressed interest in rechannelling unused special drawing rights through multilateral development banks, political challenges remain. Given the large financing needs, it is increasingly acknowledged that additional capital increases will be needed to overcome climate and Sustainable Development Goal financing challenges, especially in the most vulnerable countries.

27. National public development banks are increasingly seen as a critical part of the global financial system and an important tool for ensuring financing for countries' sustainable development needs and priorities, including fostering economic growth, reducing poverty and, more recently, addressing climate change. National public development banks usually provide longer-term funding than commercial banks, thus lengthening investor time-horizons and better aligning financial durations with social and environmental sustainability. National public development banks are also increasingly important actors in development cooperation, with some 112 public development banks involved in international development financing.[27] Coordination and networking among national public development banks and other public development banks has grown enormously since 2015, with more than 500 public development banks participating in the Finance in Common Summit, held in Cartagena, Colombia, from 4 to 6 September 2023. Closer cooperation across multilateral development banks and between multilateral development banks and other public development banks can strengthen the entire development bank system and deliver greater impact.

The rise of new non-State actors and partnerships

28. The role of non-State actors in international development cooperation, in particular the philanthropic sector and non-governmental organizations (NGOs), has also expanded significantly since 2015. Private philanthropy, encompassing transactions initiated by the private or non-profit sectors in support of development, mobilized approximately $9.6 billion in grants in 2020, with 56 per cent allocated to global health initiatives and 10 per cent to civil society initiatives.[28]

Increasing fragmentation and complexity

29. While the expansion of actors, delivery channels and implementation entities has sometimes provided developing countries with greater access to diverse sources of support, it has also increased coordination challenges, increased transaction costs and complicated efforts towards country ownership. The total number of organizations, funds and programmes providing official finance increased from an

[25] *The Economist*, "The World Bank is struggling to serve all 78 poor countries", 12 December 2024. Available at www.economist.com/finance-and-economics/2024/12/12/the-world-bank-is-struggling-to-serve-all-78-poor-countries.

[26] See Inter-agency Task Force on Financing for Development, *Financing for Sustainable Development Report 2024* (see footnote 2).

[27] See Jiajun Xu and others, "Art in the doing: public development banks serving public policies", August 2023. Available at https://financeincommon.org/art-in-the-doing-public-development-banks-serving-public-policies.

[28] See www.orfonline.org/expert-speak/philanthropy-as-development-finance-the-new-normal.

average of 62 in the period 2002–2006 to 112 in the period 2017–2021, reflecting the emergence of new actors and the creation of new multilateral institutions. In total, 350 new entities (288 bilateral, 62 multilateral) started to provide development finance over this period.[29] In the climate space alone, as at 2022, there were 82 active funds, consisting of 62 multilateral climate funds, as well as bilateral, regional and national funds.[30]

30. The proliferation of actors has been accompanied by lower financial size of donor commitments and projects. From 2000 to 2021, the size of ODA grants halved in real terms, from an average of $1.7 million to $800,000. The proliferation of channels has made the administration and coordination of development cooperation more complex, creating additional burdens on developing countries, especially those with already weak implementation capacity, such as the least developed countries, taxing their institutional capacity and increasing transaction costs.[31]

31. At the same time, the volume of development cooperation earmarked for specific sectors or themes has grown significantly. The five largest funds – the Global Fund to Fight AIDS, Tuberculosis and Malaria; GAVI, the Vaccine Alliance; the Green Climate Fund; the Global Partnership for Education; and the Global Environment Facility – now surpass the contributions of multilateral development banks by $9.2 billion.[32]

32. International NGOs have emerged as primary beneficiaries of both ODA and philanthropic funding, receiving more than 90 per cent of resources allocated to civil society from OECD Development Assistance Committee donors. The limited share of funding reaching national NGOs has hindered efforts to ensure local leadership in project design and implementation, crucial elements for connecting interventions to local demand and contexts.

33. In response to these challenges, some bilateral agencies are shifting their funding models. Innovative approaches to promoting locally led development cooperation have emerged, such as "reverse call of proposals," pioneered by the Zambian Governance Foundation.[33] This initiative brought together local community actors to articulate priority demands to international NGOs with country offices in Zambia, shifting the traditional proposal dynamic.[34] In pursuing more locally led approaches, development partners face choices between delivering short-term results to respond to urgent needs and focusing on long-term impact, as well as between rigid due diligence processes to minimize risks and using cooperation to innovate and test new approaches.

34. Moving forward, key considerations include: reducing transaction costs by simplifying and streamlining application processes; regular assessment of the landscape of funds and windows to identify opportunities for consolidation, especially of climate funds, while maintaining the benefits of diverse funding sources; and strengthening the voice and participation of developing countries. Countries can

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[29] See World Bank, "Financing the future: IDA's role in the evolving global aid architecture" (April 2024).

[30] See Inter-agency Task Force on Financing for Development, *Financing for Sustainable Development Report 2024* (see footnote 2).

[31] See World Bank, "Financing the future: IDA's role in the evolving global aid architecture" (2024).

[32] See Akihiko Nishio and Francisco G. Carneiro, "Balancing act: maximizing leveraging global aid for greater impact". *World Bank Blogs*, (21 December 2023). Available at https://blogs.worldbank.org/en/voices/balancing-act-maximizing-leveraging-global-aid-greater-impact.

[33] The Zambian Governance Foundation is a platform that facilitates donor grants and provides capacity development support to local Zambian civil society organizations.

[34] See www.zgf.org.zm/reverse-call-for-proposals/.

also aim to better manage disperse development cooperation through country-led coordination platforms.

35. Policy recommendations:

- More coherent and simplified approaches of bilateral and multilateral partners to procedures and requirements.
- Greater complementarity between different financing initiatives and mechanisms, while maintaining their distinct mandates and value.
- Enhanced roles of regional organizations in promoting cooperation and knowledge-sharing among countries facing similar challenges.
- Deeper engagements of multilateral development banks and enhanced cooperation between multilateral development banks with other public development banks, development partners and the United Nations system at the global, regional, national and subnational levels.
- Enhanced South-South cooperation on preferential trade and investment arrangements and on access to science, technology and innovation.

IV. Measurement of volumes and impact

36. Better measurement of the quantity and quality of development cooperation flows can help implementation of commitments and build trust. Inclusive dialogue on better measurement of both development and climate impact can improve the quality of development cooperation, support allocation decisions aligned with country needs and priorities and help assess synergies, overlaps and co-benefits, as well as divergence and additionality, between development finance and climate finance.

Measurement of flows

37. There have been multiple efforts to update and improve the measurement of individual flows of development cooperation (including ODA and South-South Cooperation) and of broader indicators that can help provide a more comprehensive picture of the overall landscape.

38. In 2012, the OECD Development Assistance Committee began a process to modernize ODA measurement to better reflect how it saw the changing development cooperation landscape and to increase incentives for resource mobilization. This included: clarifying eligibility rules for peace and security (in 2016), in-donor refugee costs (in 2017) and migration-related activities (in 2022); introducing the grant equivalent system for measuring ODA (in 2014); reaching a consensus on the treatment of debt relief, which introduced a ceiling equal to the nominal value of the original loan for debt relief of ODA claims (in 2020); and, most recently, agreeing on revised methods for treating private sector instruments in ODA, which became effective in 2024.

39. However, some current OECD Development Assistance Committee donor practices risk undermining the credibility of ODA as a benchmark for accountability and sustainable development impact. For example, in-donor refugee costs rose from 4.6 per cent of ODA in 2021 to more than 14.4 per cent in 2023, despite rules limiting the counting of such costs. Under the 2014 grant equivalent system, high discount rates can inflate total ODA numbers, even for near-market loans. The way in which private sector instruments are included in ODA measurement has raised questions about counting non-concessional private sector investments as ODA.

40. ODA measurement also reveals important gaps. In gender-responsive measurement, the lack of sex-disaggregated ODA significantly constrains policymakers. Only half of ODA-funded data projects allocate more than 0.05 per cent to gender-related initiatives. A review across 74 countries showed that, while approximately two thirds mention gender statistics in their strategies, fewer than one third provide dedicated funding for such data collection, highlighting a major disconnect between stated priorities and resource allocation.

41. On South-South Cooperation, variations in approaches, modalities and instruments across countries have made it challenging to develop a common definition and quantify trends. The development of a United Nations conceptual framework to measure South-South Cooperation marked a breakthrough in the measurement of South-South Cooperation, allowing for the quantification of both financial and non-financial dimensions. The framework, which was developed by a subgroup on South-South Cooperation of the Working Group on Measurement of Development Support of the Inter-agency and Expert Group on Sustainable Development Goal Indicators, informs Goal indicator 17.3.1 on additional financial resources mobilized for developing countries from multiple sources.[35] UNCTAD, in collaboration with United Nations regional commissions and other United Nations agencies, launched a capacity development project in 2023 to test the framework in eight pilot countries in Africa, Asia and Latin America.

42. Sustainable Development Goal indicator 17.3.1 reflects and builds on efforts to improve measurement frameworks for different financial flows for development. It follows the recipient perspective and includes gross receipts of official grants, official concessional and non-concessional loans, foreign direct investment, private finance mobilized on an experimental basis and private grants. The International Forum on Total Official Support for Sustainable Development, whose secretariat is hosted by OECD, and UNCTAD are responsible for global monitoring on this indicator. Data sources include existing databases established at the International Forum, OECD and UNCTAD.

43. Improving the measurement of international public finance requires recognizing that different funding purposes serve distinct goals and should be assessed against their own merits. This approach suggests the consideration of three broad categories, each with specific measurement frameworks. First, the primary focus of ODA on poverty reduction and economic growth demands metrics aligned with long-term development outcomes. Second, humanitarian support and crisis response – including for pandemics, conflict and natural disasters – require separate targets to ensure predictable resources for immediate needs. Third, financing of global public goods – including as related to climate – calls for distinct frameworks that can assess both public financing instruments and their ability to mobilize private finance.

44. The new climate finance goal, to mobilize at least $300 billion per year, includes both public and private funding sources. However, the measurement of climate finance from diverse sources faces challenges that affect tracking and allocation of resources. Key issues include inconsistent definitions and data collection methods, which increases double-counting between development and climate-related finance and undermines the ability to verify whether climate finance is "new and additional" (see General Assembly resolution 79/195, para. 10). Moreover, limited reporting from private sector actors leaves gaps in understanding of their contributions to climate initiatives. These measurement challenges particularly affect vulnerable countries such as the least developed countries, land-locked developing countries and small island developing States. Enhancing consistency and transparency in both ODA and

[35] See Inter-agency Task Force on Financing for Development, *Financing for Sustainable Development Report 2024* (see footnote 2).

climate finance reporting, improving impact measurement and developing complementary targets could better support resource mobilization across both the climate and development agendas.

45. Policy recommendations:

- Developing complementary approaches to measuring different forms of development cooperation in line with their distinct purposes and principles.
- Enhancing data quality and availability and addressing gaps in development cooperation measurement, such as of sex-disaggregated ODA while reducing unnecessary reporting burdens.
- Strengthening data collection for Sustainable Development Goal indicator 17.3.1.

Impact measurement

46. The increasing calls on international development cooperation have intensified concerns as to how the impact of development cooperation is understood and measured – both to ensure value for money and to strengthen accountability and learning. Better measurement could also help facilitate reporting to parliaments and partners on development cooperation activities and results.

47. Measuring impact is particularly important in the context of new modalities, such as private sector instruments or blended finance. Quantity targets on blended finance, in the absence of an impact assessment, would most likely lead to deals with the highest expected leverage ratios – often large deals in middle-income countries that are close to profitable even without an official "sweetener" which do not necessarily have the biggest development impact. Measuring impact is not straightforward, especially given that sustainable development results are long-term in nature and will need to be achieved carefully so as to not add unnecessary reporting burdens on countries. It would also likely require a cultural change in many development partner institutions.

48. Recent initiatives by multilateral development banks illustrate ongoing efforts to shift institutional approaches from a focus on financing volumes towards a focus on the impact that financing creates. Several multilateral development banks now conduct reporting of project-level impacts through both ex-ante and ex-post assessments, often with gender disaggregated data.[36,37] However, most progress to date has been made on defining and measuring climate mitigation and adaptation-related impact, with more work needed to advance the definition and measurement of development impact, anchored in and building on the indicator framework of the Sustainable Development Goals.

49. There is also a need to better understand differences and similarities in measurement across and between multilateral development banks and other development partners, as well as related efforts by the private sector. While different metrics may have to be used for different actors, different purposes and in different country contexts, there is a need to advance a common understanding of what constitutes development impact and to accelerate efforts towards core measures that may be applicable across actors and modalities.

[36] See www.newprivatemarkets.com/in-brief-world-bank-reforms-impact-measurement-framework/.
[37] See www.cgdev.org/media/mdb-reform-tracker.

50. Policy recommendations:

- Developing impact measurement frameworks for both financial and non-financial development cooperation, without adding unnecessary reporting burdens to countries.
- Improving impact measurement frameworks to ensure additionality of climate finance.

V. Delivery modalities

51. As the number of providers of development cooperation has ballooned, there have also been shifts in the way in which development cooperation is delivered, affecting its quality, impact and effectiveness. Most notably, aid disbursement has increasingly bypassed developing country Governments. In 2022, nearly four out of five projects were implemented by non-government entities.[38] Modalities that support the catalytic role of development cooperation (e.g. on catalysing private capital) have gained increasing attention, along with the proliferation of vertical funds and facilities, especially in the climate space. However, more evidence is needed on the conditions and contexts in which different modalities are most effective and contribute towards different goals and priorities.

52. Budget support is widely recognized as a modality that can support core systems and institutions strengthening, resilience building and country ownership in developing countries, compared with project-type interventions and earmarked contributions to funds and facilities. Increasing the share of flows provided to partner countries in the form of unearmarked contributions to the government budget can increase core capacities, systems and institutions, enabling Governments to assume fuller responsibility for prioritization and planning processes. This approach typically results in lower administrative costs compared with project-based financing while strengthening country ownership and institutional capacity.

53. Nonetheless, budget support has remained stagnant since 2015. Recent data indicates that general budget support constituted merely 3.35 per cent of total ODA in 2022. More consistent reporting on budget support could further support impact assessments of unearmarked finance compared with project or sector-based development finance.

54. The persistently low share of budget support in ODA reflects complex challenges on both the provider and the recipient side. Development partners often express concerns about public financial management capacities and effective accountability frameworks in developing countries, with the risk of corruption in public procurement systems potentially eroding public or political support for ODA, thus jeopardizing future funding commitments. Developing countries face conditionalities such as complex governance reforms and rigid performance assessment frameworks. These requirements often create substantial reporting burdens, while the frequent suspension of budget support owing to political considerations introduces additional uncertainty. Harnessing the full potential of budget support requires additional analysis on the contexts where budget support is best suited and careful calibration between accountability measures and the flexibility that makes this modality valuable in the first place.

55. The allocation modality of earmarked funds and facilities has gained prominence over the past decades, in part owing to their results-focused approach,

[38] See World Bank, "Financing the future: IDA's role in the evolving global aid architecture" (April 2024).

helping development partners maintain domestic support for ODA commitments. The increasing role of earmarked funds and facilities, coupled with the circumvention of developing country budgets, has generated concerns regarding country ownership and alignment with country rather than donor priorities. The creation of parallel systems for funding and management, combined with narrow focus areas, can also misalign with existing institutional frameworks. This has prompted calls for increased core contributions to multilateral development finance providers, to improve systems strengthening and service delivery capacity. From 2011 to 2019, every dollar spent by vertical funds generated only 60 cents of direct support, compared with 170 cents on the dollar in direct support generated by the multilateral development banks. This efficiency gap raises important questions about the optimal structure for development finance mechanisms.

56. There has also been increased interest in leveraging private finance and the use of blended finance since 2015. However, while the amounts mobilized from the private sector by blended finance activities from the official sector have grown steadily, they remain far below expectations. To date, blended finance has mobilized only approximately $230 billion.[39] With the focus placed mostly on the volumes of private finance mobilized, rather than impact, blended finance activities have also tended to favour lower-risk profiles in middle-income countries. According to the 2024 Development Cooperation Forum Survey, only 19 per cent of small island developing States, 17 per cent of the least developed countries and 19 per cent of land-locked developing countries report blended finance as a commonly used form of development finance as opposed to 37 per cent of upper middle-income countries.

57. To realize its potential, including in challenging contexts where needs for supporting the mobilization of private capital are greater, a new approach to blended finance is needed – one that shifts away from a search for the most bankable projects towards a search for impact. This will require closer alignment with national sustainable development strategies and nationally determined contributions for climate action, including possibly working with national development finance institutions in countries that have them. It also includes designing modalities that ensure that both risks and returns are shared fairly, as called for in the Addis Ababa Action Agenda, such as mechanisms that allow the public partner to share in the financial upside. Standardizing term sheets and frameworks for assessing both financial returns and development impact can reduce transaction costs and accelerate the deployment of blended finance in high-impact areas.

58. Shifts in development modalities highlight the need to better understand the role and comparative advantage of different types and modalities of development cooperation (to make the most of synergies and avoid duplication) and to focus each on where they can have the greatest sustainable development impact. This requires having a clear picture of the overall landscape of flows as well as conditions in countries, agreeing on what constitutes development impact and using evidence of impact to guide allocation choices across delivery modalities.

59. Policy recommendation:

- Continue to build the evidence base on the effectiveness and development impact of development cooperation modalities under different contexts and circumstances to develop improved frameworks for the effective use of different modalities, such as blended finance.

- Use or adopt development cooperation modalities and instruments that are aligned with the unique contexts of developing countries and their priorities and

[39] See https://www.convergence.finance/blended-finance#definition.

needs and foster the use of country systems and results frameworks to enhance effectiveness and ownership.

- Continued strengthening of public financial management capacities and effective accountability frameworks in developing countries.

VI. Principles for effective, high-quality and high-impact international development cooperation

60. Various principles have been developed over the past decades in different forums to guide the effective use of ODA and other forms of international development cooperation by different actors. These include general principles enshrined in the Addis Ababa Action Agenda, those set out within the OECD Development Assistance Committee definition of ODA and the Global Partnership for Effective Development Cooperation, those guiding South-South Cooperation, climate finance principles and various sets of principles specific to blended finance.

61. Nonetheless, trends in international development cooperation show that adherence to these principles has decreased since 2015. This highlights the need to ensure effective development cooperation as a strategic approach and shared commitment that resonates across the broader range of actors involved in development cooperation interventions today, including traditional donors, Southern partners, multilateral development banks and the broader system of public development banks that operate cross-border, private sector actors and other non-State actors such as philanthropies. Given broad recognition of the continued relevance of existing principles, it also calls for reassessing their interpretation and application in today’s context and for reforming the development cooperation architecture to strengthen monitoring and accountability.

62. Most of the development cooperation principles have common threads, emphasizing the importance of country ownership and development partners’ alignment and coherence. For example, they are reflected in the Global Partnership for Effective Development Cooperation principles, along with a focus on results, transparency and mutual accountability. The evolution of the development cooperation landscape since the Addis Ababa Action Agenda, particularly with the growing prominence of South-South cooperation, has brought forward new dimensions. The 2019 Buenos Aires outcome document of the second High-level United Nations Conference on South-South Cooperation reaffirmed the principles of South-South cooperation of respect for national sovereignty, national ownership and independence and equality, non-conditionality, non-interference in domestic affairs and mutual benefit.

63. Data from the Development Cooperation Forum survey shows that, in 2024, 83 per cent of developing countries identified strong country ownership as a key factor driving positive changes in development cooperation in their countries. However, traditional conceptions of country ownership, while foundational, have proved insufficient in achieving genuinely demand-driven development outcomes. Experience demonstrates that current efforts at ownership do not guarantee alignment with country needs and priorities, as funding allocations often continue to reflect donor preferences rather than developing countries’ strategic development objectives. This misalignment is particularly evident, for instance, in climate finance, where vulnerable countries might prioritize adaptation measures over mitigation efforts yet find themselves constrained by donor-driven funding priorities.

64. Country leadership extends beyond traditional ownership by emphasizing the role of developing countries in directly shaping development initiatives. This

evolution requires a fundamental shift in power dynamics, with developing countries taking the lead in identifying priorities, designing interventions and determining approaches to implementation. Such leadership becomes particularly crucial in addressing complex challenges such as climate change, pandemic preparedness and digital transformation, where local context and priorities are essential for effective responses.[40] Recent experiences with global crises have underscored the importance of country leadership in development cooperation. Countries that demonstrated strong leadership in coordinating international support and aligning it with national priorities achieved better outcomes in crisis response and recovery.[41]

65. Policy coherence emerges as another critical principle reinforcing country leadership. The interconnected nature of global challenges requires development cooperation to move beyond isolated project-based approaches towards more integrated, systemic solutions. Development cooperation partners must ensure that their policies across trade, finance technology and environmental protection actively support – rather than undermine – their development cooperation objectives. This requires proactively identifying and addressing cases where domestic or international policies may harm development outcomes in developing countries.

66. The adoption of the Sustainable Development Goals, as well as changes in the global context, including increasing systemic risks, may call for reformulating principles in a way that recognizes the implications of such changes in development cooperation approaches. For example, rising systemic risks have underlined the need to mainstream resilience and to consider all dimensions of sustainability (economic, environmental, social) in development cooperation interventions – taking into account the potential trade-offs that policy choices in one domain may have in other domains, as well as on the ability of countries' financing systems to withstand future shocks. Integrated national financing frameworks are being used to mainstream such an approach to financing policymaking at the national level, and there is scope to further enhance their use.[42]

67. Policy recommendations:

- Revitalized, streamlined and inclusive principles of effective development cooperation.
- Elevated country leadership to extend beyond traditional ownership, including through potential consolidation or stronger alignment of sustainable development strategies, nationally determined contributions and integrated national financing frameworks, which should be the basis of development cooperation country-level allocation decisions.
- Promotion of policy coherence as a critical principle reinforcing country leadership.

VII. Reforming the architecture of international development cooperation: towards greater coherence and impact for sustainable development

68. The growing complexity of international development cooperation, combined with persistent misalignment between cooperation modalities and developing countries' evolving needs and priorities, calls for fundamental reforms to the

[40] United Nations, Department of Economic and Social Affairs, 2022 Development Cooperation Forum (DCF) Survey Study: Navigating COVID-19 recovery and long-term risks.

[41] Ibid.

[42] See https://inff.org/assets/DESA_deep_dives/inffs-and-dc.pdf.

development cooperation architecture. The ability to mobilize and coordinate different forms of development cooperation – including financial resources, capacity-building, technology development and transfer and multi-stakeholder partnerships – has become increasingly critical as countries pursue sustainable development amid overlapping global challenges.

69. A reformed architecture must enable developing countries to effectively coordinate diverse partners and resources towards their sustainable development priorities. It must also facilitate better alignment between cooperation flows and country needs and priorities, reduce transaction costs, strengthen mutual accountability and promote policy coherence across different forms of development cooperation. This requires coordinated changes at multiple levels – strengthening country-owned and country-led strategies and national coordination mechanisms, enhancing regional cooperation platforms and updating global institutions and forums to better serve current and future needs.

Rationalizing national level architectures

70. Effective country-led coordination remains the foundation for aligning international development cooperation with national priorities and needs. Evidence from the 2024 Development Cooperation Forum Survey underscores both progress and persistent challenges in establishing robust coordination mechanisms.

71. Nationally owned and led plans, bringing together nationally determined contributions, integrated national financing frameworks and other plans, must be the basis for coordination. These plans should set out needs assessments and strategies (i.e. as in an integrated national financing framework), including areas where development partners can best contribute to national sustainable development priorities, i.e. through national development cooperation policies. The 2024 Development Cooperation Forum Survey found that, while 61 per cent of responding developing countries have some form of national development cooperation policy, capacity gaps remain for design and implementation. Where national development cooperation policies exist, they effectively engage partners and promote the use of country systems and results frameworks. Future Development Cooperation Forum surveys should provide an assessment of how well national development cooperation policies integrate into national development and financing strategies, such as nationally determined contributions and integrated national financing frameworks, as well as the extent of integration and coherence of these planning mechanisms.

72. Country-led coordination platforms, such as national development cooperation forums, coordination mechanisms set up in the context of integrated national financing frameworks and, more recently, multilateral development bank-led country platforms, have emerged as important tools for translating policies into practice. Experience shows that there is no one-size-fits-all coordination solution. Countries adapt their approaches based on specific context, needs and priorities. In-depth interviews with developing countries as part of the 2024 Development Cooperation Forum Survey show that some employ systematic approaches with ministerial-level forums supported by technical working groups, while others prefer flexible bilateral arrangements or ad hoc coordination.

73. The effectiveness of different platforms varies considerably. The 2024 Development Cooperation Forum survey shows that, while 62 per cent of the countries surveyed have established some form of national development cooperation forum, only 38 per cent report a high level of effectiveness in coordination. This gap reflects both capacity constraints and the growing complexity of the development cooperation landscape. Traditional coordination models designed for bilateral donors and multilateral agencies must now accommodate a wider range of actors, including

Southern partners, private sector partners, local and regional governments and civil society organizations, effectively bringing together traditional donors and non-traditional development partners in coherent dialogue.

74. Success across these approaches depends on several factors, including: a nationally owned and nationally led plan and financing strategy and strong country leadership, inclusive dialogue mechanisms that engage diverse stakeholders while maintaining strategic direction and robust institutional capacity for coordination and monitoring. Depending on the country's priorities, such platforms may also require shared analytics and diagnostics under the leadership of the country, investment and project preparation plans for investible transactions and project pipelines. With nationally owned plans at their core, such platforms can support knowledge-sharing and mutual learning and enhance more effective divisions of labour among development partners and other relevant actors.

75. Since 2015, the United Nations development system has made important progress in addressing coordination challenges. The quadrennial comprehensive policy review, the General Assembly's main tool for assessing United Nations development cooperation, shows improved alignment between the activities of the United Nations development system, as articulated in the sustainable development cooperation frameworks, and national needs and priorities, with 94 per cent of developing countries reporting close alignment in 2023, up from 81 per cent in 2019. This alignment has translated to more effective United Nations support for Sustainable Development Goals delivery, with 96 per cent of host Governments affirming this effectiveness. The revamped resident coordinator system has enhanced coherence according to both host and contributing countries (84 per cent and 83 per cent, respectively).[43] Challenges remain, however, in streamlining joint activities, ensuring system-wide coherence and increasing coherence with non-United Nations actors.

76. Policy recommendations:

- Support for developing country efforts to strengthen country-owned and nationally led coordination platforms with country-owned and country-led plans at their core, bringing together all partners, including multilateral development banks, other public development banks, bilateral partners, the United Nations system and civil society organizations.
- Enhanced use of country systems and results frameworks.

Regional platforms and approaches

77. Regional development cooperation and coordination plays a role complementary to that of national mechanisms. As international trade patterns evolve, regional approaches have become particularly important for developing countries seeking to access new markets and move into higher-value segments of the global value chain. This is especially important for smaller developing countries that lack sufficient domestic market size to independently attract large-scale investments or justify industrial upgrading.

78. Regional cooperation platforms can help foster regional trade agreements, facilitate cross-border investment, develop shared infrastructure and enable joint negotiations. Regional coordination of industrial policy measures, focused on

[43] See informal summary of key findings of the report of the Secretary-General on the implementation of General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding of the United Nations development system (A/79/72/Add.1-E/2024/12/Add.1). Available at https://ecosoc.un.org/sites/default/files/2024-05/2024-QCPR-SG-report-summary.pdf.

targeted sectors, can also help minimize redundant productive capacity while improving returns on investment.

79. The value of regional approaches extends beyond economic coordination to addressing shared environmental challenges, managing transboundary resources and facilitating knowledge exchange between countries facing similar development challenges. Realizing this potential requires addressing capacity constraints in regional organizations and strengthening coordination between regional, national and global development cooperation mechanisms to strengthen complementarity while avoiding unnecessary duplication of efforts.

80. Policy recommendations:

- Strengthened regional knowledge-sharing and cooperation.
- Stronger coordination of regional development banks with other actors.

Global architecture reform

81. At the global level, an updated international development cooperation architecture must bring greater coherence to the purposes of international development cooperation, and to the roles and potential of different actors and modalities in contributing towards them. Enhanced platforms for policy dialogue and knowledge-sharing must bring together all actors, including traditional and emerging actors, in more productive ways. While respecting the distinct purposes and modalities of different forms of development cooperation, partners should work towards reducing unnecessary fragmentation and transaction costs, ensuring that development efforts are driven by national priorities and strategies.

82. The 2025 Fourth International Conference on Financing for Development is considering ways to strengthen the global development cooperation architecture. This includes strengthening the Development Cooperation Forum, as a global multi-stakeholder forum that brings together all development partners from both developed and developing countries, in delivering its original mandate “to review trends in international development cooperation, including strategies, policies and financing, promote greater coherence among the development activities of different development partners and strengthen the links between the normative and operational work of the United Nations.” The Development Cooperation Forum should serve as an effective space for Member States and stakeholders:

- To align development cooperation with country needs and priorities, including assessing how various forms of support impact development pathways; to foster coordination and complementarity among diverse actors and activities and rebuild trust in international development cooperation.
- To share experiences and lessons across cooperation modalities, focusing on strengthening country leadership. This should include exchanging knowledge on the suitability of delivery modalities (e.g. budget support, blended finance) in different contexts. It should also include sharing approaches to using coordination platforms with national plans at their core for mobilizing and managing development cooperation.
- To review existing sets of principles of effective international development cooperation and provide a platform to work towards updated principles and guidance on their flexible implementation and application, according to country contexts, needs and priorities.
- To enhance monitoring and accountability through multi-stakeholder dialogue on measuring development impact, improving frameworks to capture financial and non-financial cooperation while reinforcing country ownership and leadership.

- To promote policy coherence for sustainable development, including by documenting successful policy coherence reforms and examining how different policies and approaches affect the ability of international development cooperation to support countries' development priorities, with particular attention to the least developed countries and other vulnerable countries; to encourage developed countries to include assessments of how their trade, finance, technology and environmental policies align with and impact their development cooperation objectives and practices in their voluntary national reviews.

VIII. Conclusion

83. International development cooperation faces fundamental challenges in meeting developing countries' needs and priorities. Despite record high ODA, current allocation patterns show misalignment with developing countries' sustainable development objectives and needs, in particular for the most vulnerable. A growing focus on global priorities risks overshadowing country-identified development needs and the Sustainable Development Goals. The shift away from country priorities towards climate and humanitarian responses, combined with declining share of grants, has reduced resources available for long-term development.

84. The landscape has diversified with new actors, partnerships and approaches, offering opportunities for countries to access different forms of support, but also increasing fragmentation. Experience shows that principles of effective development cooperation –not least country leadership and alignment with national needs and priorities – remain highly relevant but could be updated to more explicitly reflect the changing global context, such as the importance of resilience, across the development cooperation modalities.

85. These shifts call for fundamental reforms that go beyond traditional policies and practices to ensure that international development cooperation in all its forms actively supports country leadership and country priorities and development impact. The Development Cooperation Forum and the fourth International Conference on Financing for Development in 2025 provide crucial opportunities to revitalize existing commitments while adapting policies and practices to meet emerging challenges for greater quality, effectiveness and impact of international development cooperation.