INTERNATIONAL DEVELOPMENT COOPERATION IN 2025

Common Ground, Emerging Tensions & Ways Forward



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Abstract

This paper looks at the changing landscape of international development cooperation (IDC) and offers a set of questions to guide future deliberation without prescribing answers. It groups the inquiry into five interrelated areas – purpose, beneficiaries, financing, governance, and effectiveness – and sketches for each a shared starting point where one appears to be emerging, then surfaces the tensions and trade-offs that remain unresolved. The aim is to support an inclusive debate on how IDC should evolve amid deep interdependence, widening inequalities, fiscal constraints, and contested legitimacy, and to offer a structured agenda for collective inquiry across governments, multilaterals, civil society, and other actors.

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Executive Summary

Introduction

The world of 2025 is unstable, fragmented, and in flux. Persistent poverty now coincides with a set of intensifying, interlinked global challenges, including climate breakdown, inequality, technological disruption, and geopolitical tension. Crises once seen as exceptional have become normal. Climate change continues to strike hardest in those regions least responsible for emissions. Inequality is widening both within and between countries, accelerated by unequal access to capital, vaccines, and technology and compounded by the legacies of colonialism and global market asymmetries. Debt distress, demographic pressures, and migration further test political tolerance and fiscal resilience.

Just as the demands on public finance and cooperation reach unprecedented levels, the international system appears fiscally and politically constrained. Official Development Assistance (ODA), long the central instrument of international development cooperation (IDC), is under growing strain—falling in real terms and losing political legitimacy. Meanwhile, attempts to reform the global financial architecture remain partial and slow, even as the need for coordinated responses to transboundary shocks grows.

These are not temporary disruptions but symptoms of a deeper transformation in the political economy of global governance. As debates at the Fourth International Conference on Financing for Development (FfD4) in Sevilla underscored, IDC must now reckon with a new era defined by interdependence, pluralism, and legitimacy crises. To remain relevant, the cooperation system must undertake a sober reassessment of its role and design in the 21st century, addressing both its conceptual ambiguities and its institutional inertia.

The purpose of this paper is not to prescribe a single vision but to contribute to an urgently needed reframing of international development cooperation that is inclusive, analytically coherent, politically viable, and normatively grounded. The paper maps emerging areas of consensus and surfaces the tensions that still divide. By identifying both, it aims to enable a structured and co-owned dialogue across governments, multilaterals, and civil society on what IDC should mean, how it should function, and how it can sustain legitimacy in a multipolar and crisis-prone world.

The paper articulates questions around five main elements of international development cooperation: purpose, beneficiaries, financing, governance, effectiveness.

Question 1 PURPOSE: What is international development cooperation for?

The normative landscape of international development cooperation is increasingly contested. Competing narratives now frame cooperation as charity, mutual interest, reparative justice, and strategic investment. Post-colonial critiques continue to challenge its foundations in unequal power relations, while newer approaches emphasise shared global risks, mission-oriented public investment, and system-level resilience. Some governments are reframing cooperation through the lens of national

interest or migration control, while others call for a renewed ethic of solidarity. The result is a field of overlapping ideas about redistribution, responsibility, and risk management.

Clarifying purpose is central to rebuilding both legitimacy and effectiveness. Nearly all actors agree that eradicating poverty and supporting economic growth continue to be indispensable goals. Yet growth must be inclusive and sustainable, addressing structural disadvantage without compounding environmental and social pressures. While new priorities such as climate and digital transitions dominate global agendas, there is a shared concern that these must not eclipse the needs of those furthest behind.

1. PURPOSE: What is IDC for?

- Should IDC support convergence?
- Should global public goods be financed through IDC?
- How can green transitions be supported without reinforcing inequalities?
- How should humanitarian response fit?
- What about dignity and respect?
- Is IDC temporary or permanent?
- Should IDC focus on self-reliance?

Question 2 BENEFICIARIES: Who should benefit from IDC, and how is need defined?

International development cooperation has often been conceived (not necessarily correctly) as a transfer from rich to poor nations. That binary appears to have broken down. Poverty is now concentrated in middle-income countries, while vulnerability exists even in wealthier ones. South-south, triangular and now circular cooperation are very much part of today's ecosystem. Meanwhile, the scope of IDC has expanded, raising difficult choices about who and what it should prioritise. Balancing fairness with effectiveness requires rethinking allocation models that once relied on outdated income thresholds or static country categories.

There is some consensus that this tension needs to be managed i.e. that cooperation must reflect growing interdependence while continuing to prioritise those furthest behind. The COVID-19 pandemic, climate instability, and geopolitical volatility have made clear that national wellbeing depends on global stability. At the same time, the principle of *leaving no one behind* remains central – low-income and fragile states still need sustained concessional support. A more flexible, context-sensitive approach is needed, one that matches instruments to vulnerability, capacity, and purpose.

2. BENEFICIARIES: Who should benefit from IDC, and how is need defined?

- What is development anyway?
- How can discrimination in favour of the poorest be balanced with mutual interest?
- What should the eligibility criteria be for concessional funds?
- Is the case for reparations part of the IDC debate, or separate?

Question 3 FINANCING: What resources and instruments are required to fund IDC?

While not all international cooperation requires finance, funding remains central to achieving its goals. Yet the current system was fragmented, underfunded, and ill-suited to the scale of today's challenges, even before the recent round of cuts. Debates persist about the boundaries of ODA, the integration of private and philanthropic actors, and the balance between concessional and commercial flows. This is a question not only of resources but of fairness, legitimacy, and power.

Still, some shared principles are clear. Concessional finance (especially grants) remains essential for low-income and fragile states, and for sectors without commercial returns. ODA should not be stretched to cover every global goal; financing for global public goods must be *additional*, not substitutive. Different types of money serve different purposes and must be matched to context. And all sources of finance (public, for profit, philanthropic, and mixed) must be governed in ways that preserve public purpose, transparency, and national ownership.

3. FINANCING: What resources and instruments are required to fund IDC?

- How can scarce public concessional resources best be used as source of funding for IDC?
- How can additional public money be raised for IDC?
- How should debt relief be included?
- What is the role of private for-profit finance?
- What is the role of philanthropy?

Question 4 GOVERNANCE: Who decides, and how is legitimacy built?

The governance of international development cooperation no longer reflects today's world. Institutions largely created in the mid-20th century still centre on a handful of high-income donors, even as the cooperation landscape has diversified to include Southern providers, philanthropies, cities, and civil society networks. Power and innovation are now widely distributed, but decision-making remains concentrated. The result is a legitimacy gap that undermines trust and weakens the system's ability to coordinate action on shared global challenges.

There is strong convergence on the need for more inclusive and representative governance. Countries from the Global South should have a meaningful say in setting priorities, defining standards, and shaping accountability frameworks. South–South and triangular cooperation models demonstrate that horizontal, flexible, and reciprocal governance is possible. Across the system, legitimacy depends on governance that reflects the world's multipolar realities while preserving coherence and shared purpose.

4. GOVERNANCE: Who decides, and how is legitimacy built?

- What kind of global governance structure can coordinate a plural cooperation ecosystem?
- Who should define what counts as development cooperation?
- How can IDC meaningfully include civil society, cities, indigenous peoples, and youth?
- How can public purpose be preserved?

Question 5 EFFECTIVENESS: What works, and for whom?

Despite decades of reform, international development cooperation still struggles with familiar challenges: unequal power relations, fragmentation, and weak coordination. The principles of the 2005 Paris Declaration (especially country ownership, alignment, and mutual accountability) remain widely endorsed but unevenly applied. Many governments still find their priorities overridden by donor interests, parallel systems, and short-term project logic. Meanwhile, a proliferation of actors has added energy but also complexity. Effectiveness is as much about governance and legitimacy as efficiency or results.

A strong consensus endures around several principles. First, *country leadership* is indispensable: development efforts succeed when nationally owned and embedded in domestic institutions. Second, *coordination and coherence* are critical: the system must reduce duplication and align with shared frameworks without reverting to rigid control. Third, the *Sevilla Commitment* elevates *policy coherence* as an integral part of effectiveness, urging that progress in one area (e.g. development cooperation) not be undermined by regressive trade, tax, or climate policies. These shared priorities provide a platform for renewed action.

5. EFFECTIVENESS: What works, and for whom?

- How can country ownership be enhanced?
- At the country level, how can fragmentation be managed?
- At the global level, how can coherence be strengthened?

Conclusion and next steps

In 2025, international development cooperation stands at a crossroads. The institutions, instruments, and narratives that once defined it no longer match the scale or complexity of today's interdependent world, and across governments, civil society, and multilateral institutions, there is clear appetite for renewal. The task now is to make that renewal coherent, inclusive, and grounded in legitimacy, power, and principle. The way forward lies in dialogue (cross-regional, technical, and political) that builds on areas of consensus while seeking to resolve unresolved questions. Redefining cooperation means not just reforming systems, but also reviving the ethic of solidarity and shared progress for a new era.

Introduction

A contested but still vital sector

The world in 2025 is unstable and confused. Persistent poverty has been compounded by a set of major, mutually reinforcing global challenges. Climate breakdown continues to intensify, with disproportionately severe effects in regions least responsible for global emissions – deepening long-standing injustices in global ecological governance. Inequality is widening both between and within countries, accelerated by unequal access to vaccines, technology, and capital, and exacerbated by the structural legacies of colonialism and global market asymmetries. At the same time, demographic pressures and migration are straining national systems and political tolerance. Humanitarian crises – linked to displacement, food insecurity, conflict, and political violence – have become more frequent, complex, and prolonged. Technological change and artificial intelligence offer the promise of great progress but introduce new uncertainties, especially regarding employment and political control.

Yet just as the demands on finance and global cooperation grow more urgent, the international system appears fiscally and politically constrained. Rising debt burdens are squeezing fiscal space in many low- and middle-income countries, especially in Africa and small island developing states, threatening not only developmental progress but basic sovereignty over national policy.

Demand for concessional finance has grown both more urgent and wide-ranging (Songwe et al., 2024). But it is met with rising scepticism in donor countries, where political fatigue, austerity, and nationalism have weakened traditional justifications for aid. Official Development Assistance (ODA) is under mounting strain, caught between escalating global needs and declining political and public support. The OECD recorded a 7% fall in ODA in 2024 and expects further cuts of between 9% and 17% in 2025.[1]

At the very moment the world needs to rise to the occasion, multilateralism appears politically and institutionally stalled. Efforts to reform the global financial architecture remain fragmented and slow, even as transnational shocks – from pandemics to financial volatility – demand coordinated responses. Heightened geopolitical tensions, including deepening North–South divides, increasingly shape negotiations across forums from the UN to the G20, weakening prospects for collective solutions.

These dynamics should <u>not</u> be seen as temporary disruptions and are now dramatically underscored by the arrival of a new U.S. administration that is accelerating institutional

[1] OECD (2025) Cuts in official development assistance: Full Report. Paris: OECD Publishing. Available at: https://www.oecd.org/en/publications/2025/06/cuts-in-official-development-assistance_e161f0c5/full-report.html (Accessed: 18 August 2025).

fragmentation without offering a coherent alternative. They represent a structural breakdown in the political economy of global governance.

What does all this mean for international development cooperation? As demonstrated by the discussions at the Fourth International Conference on Financing for Development (FFD4) in Sevilla, there is at least one point of consensus: to remain relevant, the international development cooperation ecosystem must undertake a sober analysis of this transformed landscape and engage in a fundamental rethinking of its role in the 21st century. It must also confront the power imbalances, theoretical ambiguities, and institutional inertia that have so far prevented it from responding effectively.

Purpose of this paper

The aim of this paper is to contribute to an urgently needed reframing of international development cooperation (IDC) – one that is deliberate, inclusive, conceptually coherent, politically viable, and normatively grounded in a changing global context. Rather than offering a single authoritative definition, the paper seeks to map the evolving contours of the field: to clarify where broad consensus has already emerged across diverse stakeholders, to identify where significant tensions and unresolved questions remain, and to tentatively suggest ways forward.

In doing so, it offers a foundation for renewed dialogue – among states, multilateral institutions, civil society, and emerging actors – on what IDC should mean, how it should be practised, and how it can respond to the demands of a more interdependent and fragmented world. By foregrounding both convergences and tensions, the paper aims to support collective efforts to reverse the decline in international public finance, enhance system-wide coherence, and build renewed public and political support for a more effective, accountable, and future-ready model of international cooperation.

Box: Key terms

As the architecture of international cooperation evolves, so too must its conceptual lexicon. Precision in usage is not semantic nitpicking; it directly shapes policy eligibility, accountability frameworks, and the perceived legitimacy of global governance.

Official Development Assistance (ODA)

ODA refers to cross-border flows from official agencies to countries and territories on the DAC List of ODA Recipients, with economic development and welfare as primary goals, and offered on concessional terms. Codified during the Cold War, it remains the benchmark for aid but is increasingly inadequate for today's demands. Critics highlight contested boundaries, its politicisation, and its failure to engage meaningfully with global public goods or South–South cooperation.

International Public Finance (IPF)

IPF encompasses all cross-border public finance intended to advance national, regional, or global development, regardless of concessionality or institutional origin. It includes

ODA but extends further e.g., climate finance, SDR reallocations, MDB lending, and vertical funds. IPF is a broader lens for understanding total public resources mobilised for global development and for rethinking the architecture needed to finance global public goods.

Global Public Goods (GPGs)
GPGs are goods that are non-rivalrous and non-excludable across borders—such as climate stability, pandemic prevention, biodiversity, or financial system integrity (Kaul et al., 2003). Their provision generates global benefits but requires collective financing and governance, which existing institutions struggle to deliver. The rise of GPGs in development discourse challenges the traditional poverty-focus of ODA and the scope of IDC, raising new questions about equity, sovereignty, and institutional design. Alternatives like International or Regional Public Goods (IPGs, RPGs) or broader framings like "global challenges" are sometimes preferred for their flexibility. Some states resist the GPG framing over fears it may infringe on national sovereignty.

The evolution of IDC: consensus and tensions

International development cooperation has always evolved in response to shifting political, economic, and normative landscapes. Its origins lie in mutual interest and deliberate system-building. After World War II, initiatives such as the Bretton Woods institutions and the Marshall Plan aimed to stabilise economies, prevent future conflict, and build a cooperative international order that would benefit both recipients and providers.

With the wave of decolonisation in the 1950s and 1960s, international cooperation was reframed as a response to global structural imbalances, explicitly focused on correcting inequalities between the industrialised North and the newly independent South. This framing was formalised in the Pearson Commission's 1969 report *Partners in Development*, which called for a shared global responsibility to foster prosperity and stability. The concept of mutual interests was also central to the Brandt Commission's findings in the late 1970s. The idea was clear: narrowing disparities was not just morally right, but essential to sustaining peace, expanding markets, and ensuring universal legitimacy. Even if early institutions fell well short of equality, the normative foundations of IDC were rooted in mutual benefit and global rebalancing.

By the 1980s, however, the shared global endeavour gave way, especially in donor countries, to a narrower understanding of aid as gap-filling charity, or alternatively as "big push" capital support for struggling countries. Institutionalised through the OECD DAC, Official Development Assistance (ODA) became the dominant form of development cooperation, focused on poverty alleviation through concessional finance and technical assistance. This shift reduced development to measurable outputs and

short-term fixes, often ignoring deeper structural causes such as unequal trade, debt, and colonial legacies.

Yet this technocratic framing was never universally accepted. Across the Global South, development continued to be seen as economic transformation, sovereignty, and redress. Southern thinkers and governments regularly challenged the assumptions of the aid model, critiquing its donor-driven logic and externally imposed priorities. While ODA helped fund critical services, it also reinforced hierarchies rooted more in the political economies of the North than in the needs of the South.

Today, development cooperation exists in a transformed global landscape. The assumptions that shaped the post-war order no longer hold. Climate change, pandemics, and financial contagion cross borders, and so do responsibilities. Interdependence has blurred once-clear boundaries; between donors and recipients, development and security, public and private actors. Many countries are now both providers and recipients of support. At the same time, aid is increasingly used to advance donor short-term interests (such as migration control or counterterrorism) raising concerns about the instrumentalization of cooperation.

The ecosystem has also diversified. Philanthropies, private investors, local authorities, and civil society are now central actors. This pluralism offers new energy but also risks fragmentation. Traditional institutions face a legitimacy crisis, challenged by calls for more inclusive, accountable governance. Simultaneously, ODA's mandate has become overstretched – expected to serve poverty reduction, humanitarian relief, economic transformation, global public goods, and national security. The result is a system both vital and politically strained.

Despite this complexity, certain shared understandings are emerging. Across governments, multilaterals, and civil society, there is growing agreement that a donor-led, charity-based model is obsolete. The challenges of the 21st century require a broader, more collaborative approach. There is recognition that ODA, as currently defined, is insufficient and that governance must be more inclusive. These emerging areas of convergence are not a full consensus, but they provide a foundation for reform.

At the same time, fundamental questions remain. These are not merely technical disagreements, but expressions of deeper political and historical tensions, about who cooperation serves, how it is governed, and what ends it should pursue. Rather than avoiding these debates, as is sometimes the temptation given political and technical complexities, the next phase of IDC must engage them directly. Mapping these open questions, building on shared ground, will be essential for creating a development cooperation system that is legitimate, future-fit, and able to respond to today's global challenges.

Scope of the paper

“International development cooperation” is an evolving concept and clarifying what exactly we mean by it is something this and other papers and initiatives will be seeking to do in the coming months and years. So it is a hard issue to deal with in the introduction! However, we do need to scope down the paper in a preliminary way.

To do so we will draw, for now, on a 2015 scoping study I wrote with José Antonio Alonso, commissioned in response to the growing inadequacy of existing definitions, which proposed a functional framework for understanding international development cooperation. Rather than tying IDC to specific institutions, actors, or income thresholds, our approach focused on identifying core characteristics and modalities that could guide policy and practice in a more universal and inclusive era.

Our approach centred on three modalities, four core characteristics and three purposes.

Modalities

1. Financial (and in-kind) transfers
2. Capacity support
3. Policy change

Characteristics

1. Explicitly intended to support national or international development priorities
2. Not driven by profit
3. Discriminates in favour of developing countries
4. Based on cooperative relationships that seek to enhance developing country ownership

Purposes

1. Guaranteeing universal basic standards of social protection
2. Promoting convergence among countries’ standards of living
3. Supporting efforts of developing countries to actively participate in the provision of international public goods

Our broadened lens was a deliberate departure from the narrower ODA paradigm, which had come to reflect the priorities of traditional donors more than the lived realities of international cooperation in a changing world. It was also an attempt to account for the expanding diversity of actors – including South–South cooperation providers, multilateral and regional institutions, cities, and civil society – who were increasingly shaping development outcomes but were excluded from official accounting systems. It aligned with the broader ethos of the 2030 Agenda, which emphasised universality, partnership, and multidimensional development.

We will discuss characteristics and purposes of IDC later in this paper. For now, it is important just to scope IDC's modalities i.e. what activities or interventions or payments count as IDC. While these definitional questions might seem somewhat prosaic compared to the very material issues regarding how money is spent, they are still important for a potential committee on the future of IDC as it discusses what is in scope and what is not.

The most visible and commonly measured form of international development cooperation is **financial (and in-kind) transfers**. These include grants, concessional loans, and other forms of development finance, as well as in-kind contributions such as equipment, vaccines, or technology. Such transfers are particularly vital in contexts of fiscal constraint, humanitarian crisis, or where private capital is unlikely to flow.

Capacity support encompasses a wide range of interventions aimed at building knowledge, skills, and institutions. It includes technical assistance, training, peer learning, and support for systems reform. These efforts are often more difficult to quantify than financial flows, but they are indispensable for achieving sustained, endogenous development, especially in sectors where governance, planning, or regulatory oversight is weak.

Policy change refers to efforts to influence the rules, norms, and incentives (both domestic and international) that shape development outcomes. This includes support for policy reform in partner countries, but also efforts to address systemic constraints at the global level: from trade rules and debt frameworks to intellectual property regimes and tax governance. Often referred to as "policy coherence," this area of cooperation recognises that the most transformative impacts may lie not in delivering more aid, but in reshaping the structural conditions that determine what development is possible.

In hindsight, we could have been more explicit about the need for institutional reform at the regional and global level, which we included under policy change but possibly merits its own category. While closely related to policy change, institutional reform refers not to the content of decisions or regulations, but to the processes and structures through which decisions are made internationally – who sets the agenda, who holds power, and how legitimacy and accountability are exercised. This distinction matters. For many countries historically excluded from decision-making, reforming the governance of international cooperation is not a peripheral issue but a central objective. Elevating institutional reform as a core dimension of development cooperation could help shift focus from technical assistance and sectoral outcomes toward the architecture of cooperation itself.

These three (or possibly four) modalities seem to do a good job at encompassing the field known as international development cooperation, and could provide the basis of ongoing enquiries into its evolution.

Structure of the paper

Given the purpose of the paper articulated above, it is structured as a series of key questions such a group might consider. Each section begins with an overview of areas where a shared starting point or emerging consensus appears to exist, before moving into the more contested or unresolved issues that will require deeper deliberation.

Despite efforts to separate questions into distinct themes, some inevitable overlap remains. Issues such as purpose, financing, effectiveness, and governance are deeply interconnected, and many challenges cut across traditional sectoral or institutional boundaries.

Each question raised in this paper could easily warrant a dedicated doctoral thesis. Here, however, we aim for concise synthesis: each topic is addressed in just a few paragraphs, drawing on existing scholarship and practical experience to highlight the core tensions and competing perspectives.

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Key questions about the future of IDC

This section presents a series of key questions that will shape future debates on international development cooperation. While they are grouped for analytical clarity, around purpose, beneficiaries, financing, governance, and effectiveness, In practice, each question overlaps with and depends upon the others, reflecting the complex and interdependent nature of global cooperation today.

Simply asking these questions raises another question, of course: who gets to decide, and on what basis? Power, legitimacy, and representation are inseparable from substance. In truth, both the questions and their answers must emerge through shared deliberation, not prescription. The future of IDC will be determined as much by who decides as by what is decided.

The questions are therefore intended not as a checklist to be answered sequentially, but as an invitation to reflection and dialogue among diverse actors, recognising that the authority to define and decide in international cooperation is itself part of what must be re-imagined.

Question 1. PURPOSE: What is IDC for?

The normative landscape of international development cooperation has become increasingly contested, shaped by a proliferation of overlapping and, at times, competing narratives. Longstanding critiques rooted in postcolonial and decolonial thought continue to challenge the foundational assumptions of the aid system – particularly its historical entanglement with global power asymmetries, extractive economic structures, and racialised hierarchies of knowledge and authority. At the same time, the idea of IDC as a form of mutual interest – rather than charity or unilateral benefit – has gained traction among a broad coalition of actors, reflecting the growing visibility of shared global risks and interdependence. Mission-oriented economic thinking and efforts to reframe international finance as a strategic, long-term tool for system-level resilience have also grown in salience. Meanwhile, in many high-income countries, a more defensive and instrumentalist discourse has reasserted itself, framing aid and cooperation increasingly in terms of national interest, migration deterrence, or geopolitical competition (OECD, 2023; CGD, 2025).

One articulation, put forward by Alonso and Glennie, proposes three core purposes: (i) to support and complement developing countries' efforts to guarantee universal social basic standards as a foundation for human rights; (ii) to promote convergence between countries, helping especially the poorest to reach higher levels of income and wellbeing, thereby correcting extreme international inequalities; and (iii) to support developing countries in participating actively in the provision of global public goods.

Others set things out slightly differently. A common division is into a different set of three main purposes: poverty reduction and economic growth, humanitarian support and crisis response, and global public goods. Some add a fourth to these three, namely a focus on refugees and migration.

Tensions persist. Some actors emphasise IDC's role in addressing urgent national needs, while others see it increasingly as a tool for managing shared global risks. Some frame it as reparative justice for historical exploitation; others as a pragmatic investment in mutual resilience. Meanwhile, distinctions between short-term humanitarian aid and long-term development continue to blur. A further question is whether IDC is ultimately transitional – aimed at enabling countries to exit from dependence – or whether, in an interdependent world, some form of sustained international development cooperation will always be required.

These diverse perspectives do not map neatly onto traditional ideological lines, nor do they reflect a simple division between North and South. Rather, they reveal the extent to which development cooperation has become a site of political struggle over values, legitimacy, and global order. Navigating these tensions – between solidarity and strategy, redistribution and risk management, sovereignty and global governance – requires both conceptual clarity and institutional openness to plural perspectives.

SHARED STARTING POINT: A focus on poverty and growth

While the development agenda has expanded and complexified, there is broad agreement that the eradication of poverty remains a central and indispensable goal of international development cooperation. The persistence of extreme poverty – particularly in fragile and conflict-affected states, least developed countries (LDCs), and rural and marginalised regions – underscores the continued relevance of targeted, redistributive international support. Structural disadvantage, compounded by historical injustices and ongoing systemic exclusions from global trade, technology, and finance systems, remains a defining reality for millions.

The emphasis on climate and digital transitions, while urgent, risks bypassing populations and countries without basic infrastructure or institutional capacity. While development cooperation is increasingly framed in terms of shared risk and mutual interest, many actors caution against a dilution of focus on those furthest behind. This is not only a question of income. Multidimensional poverty – encompassing education, health, housing, and access to rights – requires sustained international attention and financing.

Economic growth also remains a core (though more nuanced) objective. Despite growing recognition of the limitations of GDP as a sole measure of progress, the pursuit of economic growth remains a widely shared objective within international development cooperation. For many countries, especially those facing structural constraints or historical marginalisation, sustained economic expansion is not merely desirable but essential for generating employment, expanding fiscal space, reducing poverty, and financing public goods. The ability to grow economically remains tightly linked to the capacity of states to provide for their populations and to achieve self-reliance in a global system still marked by deep inequalities.

At the same time, the meaning and implications of growth have become more contested. There is increasing awareness of the ecological, social, and political trade-offs associated with conventional growth models, particularly when growth is narrowly measured or pursued without regard to distribution, environmental impact, or institutional capacity. It is therefore widely agreed that international cooperation must support growth that is inclusive, sustainable, and embedded in broader development strategies. Even within the academic "degrowth" movement (often critical of the growth imperative in high-income contexts) there is broad consensus that low- and middle-income countries must continue to grow economically to meet the basic needs of their populations.

Q1.1 Should IDC support convergence?

The question of whether IDC should aim to reduce disparities between countries (what Alonso and Glennie referred to as "convergence") remains unresolved. That would go beyond a focus on poverty reduction to engage directly with the politics of inequality at the global level. Convergence implies a commitment not only to help countries meet

basic needs, but to close gaps in income, opportunity, and capability between richer and poorer nations.

The normative foundations of this goal are not universally agreed. Within countries, relative poverty and inequality are increasingly central to development policy. But across countries, the dominant metric remains absolute poverty – such as the $2.15/day (now $3.00/day) threshold – reflecting a different set of assumptions about what matters and what is politically feasible. This disparity raises difficult questions.

What would it mean in practice to pursue convergence in a multipolar, crisis-prone world? Some forms of convergence may require global redistribution, preferential rules, or structural reforms that go beyond traditional notions of "development assistance." Should IDC support such outcomes? If so, how?

Q1.2 Should global public goods be financed through IDC?

The rising prominence of global public goods (GPGs) – from climate stability and pandemic preparedness to biodiversity and data governance – has unsettled longstanding assumptions about the boundaries of international development cooperation. These are collective challenges that transcend national borders, requiring coordinated global responses. But should their financing be integrated into development cooperation frameworks or treated as a distinct domain?

On the one hand, the poorest countries are often the most affected by global public "bads" (such as climate shocks, zoonotic diseases, or financial instability) and have the least capacity to respond. In that sense, supporting GPGs may directly advance developmental goals, particularly where such goods are unequally distributed or where failure to act globally undermines local resilience. But does this justify using ODA to finance them? Should justice-based frameworks like "polluter pays" apply instead, outside the logic of aid?

One could argue that GPG provision is a form of international cooperation, not international *development* cooperation. If richer countries benefit equally (or more) why should financing fall under the same instruments used to redress historical inequality and structural disadvantage? Does the inclusion of GPGs risk distorting the redistributive function of IDC and diluting national ownership?

There is no easy answer. The boundaries between global governance and development cooperation are increasingly blurred. Perhaps the question is not whether GPGs fall within IDC, but how to finance them in ways that protect core development goals, respect differentiated responsibilities, and reflect the interests of those most vulnerable to inaction. Whether this requires a reformed ODA system, separate fiscal compacts, or hybrid mechanisms remains open. What is clear is that this debate sits at the heart of the evolving development cooperation agenda, and will shape how legitimacy, equity, and purpose are understood in the years ahead.

Q1.3 How can urgent (green) transitions be supported without reinforcing inequalities?

A growing number of transitions (climate adaptation, energy access, digital infrastructure, and public health resilience) are now seen as urgent imperatives for development. These transitions offer the potential for structural transformation, new jobs, and long-term resilience. But the way they are financed, governed, and implemented raises difficult questions. If led by external actors, shaped by commercial incentives, or tied to conditionalities, such transitions risk deepening existing inequalities or sidelining domestic priorities. A new term has entered the lexicon: green colonialism.

Some see transition as the new organising logic for international development cooperation, foundational to both national progress and global stability. Others caution that a transition-focused agenda may divert attention from basic services and urgent poverty needs, especially in countries still lacking foundational infrastructure. At the same time, some call for a deeper focus on structural transformation, building productive capacity, enhancing trade integration, and strengthening long-term national development strategies. From this perspective, transitions should be designed not just to respond to global risks but to empower local economies and enable sovereign development pathways.

Who decides the goals, pace, and tools of transition? Should development cooperation be guided by a just transition framework? Can financing models be structured to reduce, rather than reproduce, global asymmetries? How can we ensure that transition agendas support long-term transformation rather than impose short-term fixes? And what does that mean for financing to middle income countries, not just the poorest countries.

Q1.4 How should humanitarian emergencies fit within IDC?

The relationship between humanitarian assistance and international development cooperation is a decades-old discussion and remains unsettled. Humanitarian action is guided by distinct principles – neutrality, impartiality, immediacy – and is typically focused on saving lives and alleviating suffering in the short term. By contrast, IDC is usually defined by its long-term intent to support structural transformation, institutional development, and sustained progress. Does this distinction mean that humanitarian aid should be considered separate from IDC?

At present, the IDC system does implicitly include crisis response as a core function, but this is arguably unsatisfactory and risks diluting its developmental focus. If humanitarian responses, while essential, are not inherently developmental and therefore fall outside the scope of IDC, should they be financed through a dedicated stream with distinct governance, accountability, and reporting mechanisms? Or given that humanitarian and development goals are interconnected, particularly in protracted crises and fragile contexts, should emergency response and long-term recovery go hand

in hand? Can financing frameworks ensure that emergency needs are met without crowding out investment in long-term resilience and poverty reduction?

Q1.5 What about intangible outcomes like dignity and respect?

International development cooperation has traditionally focused on measurable outcomes e.g. reducing poverty, improving education and health, or expanding infrastructure. Yet many of the most meaningful dimensions of development are less tangible: dignity, respect, recognition, and agency. These are harder to quantify but central to how people experience progress and injustice. Should IDC aim to promote such outcomes? And if so, how should they be acknowledged, supported, or evaluated?

While focusing on dignity seems somewhat vague, diverting attention from material inequalities, it is increasingly seen as essential, particularly in post-colonial contexts where development cooperation has often undermined, rather than affirmed, local knowledge, voice, or sovereignty. Can cooperation be reimagined to prioritise relationships, mutual respect, and recognition, alongside results? And how might intangible outcomes be incorporated into norms, standards, or accountability frameworks? These questions invite a deeper examination of what development really means, and for whom.

Q1.6 Does international development cooperation have an end-date, or will it always be needed?

One of the enduring assumptions about international development cooperation is that it is meant to be temporary. A common refrain is the requirement of those in the sector to "do ourselves out of a job." So is the goal of IDC to create conditions in which it becomes obsolete, where countries have the capacity, resilience, and resources to meet their own needs? Or, given the certainty of continuing inequality and serious global problems, should IDC, in some form, be a permanent feature of an interdependent world, continuously evolving to meet shared challenges and shifting vulnerabilities?

Historically, IDC has been framed as a transitional mechanism: a bridge from underdevelopment to self-sufficiency. Yet the expansion of development goals has blurred the boundaries between short-term support and long-term partnership. As global risks grow more complex and systemic, cooperation may be less about "graduating" from aid and more about managing interdependence over time.

So, should IDC aim to end dependency, or adapt to new forms of mutual support? What are the risks of institutionalising IDC under the banner of permanent cooperation? Or, on the other hand, what would a future look like in which IDC is no longer needed (if that is even possible)?

Q1.7 Should IDC just focus on supporting self-reliance?

One theme emerging from recent expert discussions is the growing inadequacy of framing international development cooperation solely around competing goals. While all

goals are surely vital, these framings can entrench silos and encourage unhelpful trade-offs. A more generative approach may focus instead on the foundational capacities that enable countries to pursue all of these objectives on their own terms. This includes institutional resilience, domestic resource mobilisation, and the ability to resist illicit financial flows – together, the building blocks of national self-reliance.

Framing IDC around self-reliance shifts the emphasis from delivering outcomes to enabling long-term transformation. It reinforces local agency, accommodates diverse development pathways, and sidesteps binary debates between moral obligation and mutual interest. Perhaps most importantly, it offers common ground between different normative camps – those focused on justice, sovereignty, sustainability, and systemic resilience.

Given its relevance, self-reliance may warrant explicit treatment as a guiding principle within the evolving conceptual architecture of IDC. Clarifying how public capacity and accountability underpins all other goals could help align disparate priorities and renew support for cooperation across the world.

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Question 2. BENEFICIARIES: Who should benefit from IDC, and how is need defined?

IDC was originally conceived as a redistributive mechanism in a world of wealthy and poor nations – "developed" and "developing" in the 20th century framing. Yet as global dynamics shift, this model is under strain. Middle-income countries now host most of the world's poor, while some high-income countries face significant vulnerabilities, including climate exposure and fiscal fragility. Rigid income-based classifications fail to capture these complexities and can lead to abrupt eligibility cutoffs that undermine progress and create new risks.

At the same time, the scope of IDC has expanded without a clear framework for how different goals should shape allocation. This raises tensions between two core principles: prioritising those furthest behind and advancing shared global interests. The growing diversity of actors and purposes in development cooperation has blurred traditional categories of donor and recipient, and made allocation choices more contested. As IDC evolves to meet today's interdependent challenges, its distributional logic must also adapt, without losing sight of its foundational commitment to fairness and solidarity.

SHARED STARTING POINT: Interdependence and leaving no-one behind

There is a growing convergence around the idea that international development cooperation must evolve in a way that recognises the world's increasing interdependence. The COVID-19 pandemic, accelerating climate change, cross-border financial risks, and geopolitical instability have all underscored the extent to which national well-being is tied to global stability. Cooperation has always been a strategic necessity as well as a moral imperative and IDC must reflect a world in which all countries are affected by global risks and have a stake in shaping solutions. New models such as Global Public Investment and Circular Cooperation emphasise mutual interest, shared responsibility, and reciprocal benefit. These frameworks challenge the notion of a one-way transfer and instead promote a system where all countries contribute, all benefit, and all have a significant voice in decision-making.

At the same time there is also wide agreement that cooperation must prioritise those with the greatest needs and least access to alternative sources of capital. The principle of "leaving no one behind," central to the Sustainable Development Goals, continues to command broad support. Even as middle- and high-income countries face new vulnerabilities, low-income and fragile states remain structurally disadvantaged and require sustained concessional support. Most actors agree that these countries should not be sidelined by shifting priorities or expanding mandates.

So allocation decisions should be based not only on income, but on a broader understanding of vulnerability, capacity, and context. This includes recognising multidimensional poverty, climate exposure, fiscal constraints, and governance challenges. There is growing interest in more flexible and differentiated approaches to

eligibility that can match instruments to context and ensure that the right type of support goes to the right place, for the right purpose.

Q2.1 What is development anyway?

The meaning of "development" has always been contested. Originally framed in post-war Western thought as a linear journey from "underdevelopment" to modernity, the concept was long associated with economic growth and poverty reduction. But critics (especially from the Global South) have challenged this framing for reinforcing global hierarchies and obscuring structural inequalities rooted in colonialism and exploitation.

In today's world, the old divide between "developed" and "developing" is increasingly blurred. No country is immune to systemic vulnerabilities, whether ecological, financial, social, or technological. From climate instability to public health crises, the most pressing development challenges are now global in scope. As a result, "sustainable development", which integrates social, environmental, and economic goals, has become the dominant, although also contested, paradigm.

What counts as development, and who defines it? It is unlikely that any work looking at IDC will be able to avoid this foundational question for very long.

Q2.2 How can discrimination in favour of the poorest be balanced with mutual interest?

Even as interdependence provides a shared starting point, it raises a fundamental conceptual tension at the heart of IDC: should it continue to discriminate in favour of poorer countries, or should it be guided by the principle of mutual interest? And does all IDC have to follow the same principle of favourable discrimination, or could there be rationales for different buckets?

The idea that development cooperation should prioritise those with the greatest needs is long-standing. It is rooted in principles of postcolonial justice, global solidarity, and moral responsibility. The DAC definition of ODA is particular in its focus on developing countries. Alonso and Glennie's definition of IDC also includes "discrimination in favour of developing countries" as a core criterion.

At the same time, the logic of mutual interest is gaining ground. Global risks are increasingly shared and so, too, are the rationales for cooperation. In this view, IDC should not be seen only as a moral obligation of the strong towards the weak, but as a pragmatic co-investment in stability, resilience, and sustainability. Mutuality, in this sense, is not about denying inequality, but about recognising shared fate. If we all live in a world of common threats and collective opportunities, advancing global well-being may be inseparable from protecting national interests.

Yet the principle of structural favouritism – the idea that development cooperation must discriminate in favour of those countries facing deeper structural constraints – remains paramount. Extreme disparities in income, institutional capacity, and fiscal space mean

that some states are far less able to deliver basic services, build resilience, or invest in long-term transformation. If IDC does not prioritise these contexts, then what distinguishes it from general international cooperation? Cooperation among peers with broadly similar capabilities is clearly still valuable (think the European Union or ASEAN), but it arguably falls into a different category.

The fact that the very categories of "developed" and "developing" have grown increasingly blurred – in some respects, all countries are still developing, albeit along different trajectories and with vastly unequal resources – complicates the operationalisation of "discrimination". Should it refer to income levels, structural vulnerability, institutional fragility, or colonial legacies? Does South-South cooperation between middle-income countries qualify as development cooperation? And if so, is the criterion of favouring "developing countries" still meaningful?

Perhaps this signals a need to reimagine the very framing of development cooperation. Rather than being defined by a directional flow from rich to poor, IDC could be recast as a shared enterprise to build resilient institutions, redistribute opportunities, and manage global complexity under conditions of deep interdependence. This does not erase asymmetries, but it contextualises them within a broader framework of solidarity and mutual investment. The challenge may then be to preserve the moral clarity of prioritising those furthest behind, while recognising that global cooperation increasingly demands inclusive, multidirectional, and purpose-driven action across all levels of development.

There is no simple answer. Asking the question openly – how to align mutual interest with structural favouritism – will be essential to renewing the legitimacy, purpose, and architecture of IDC in a multipolar and contested world.

Q2.3 What should the eligibility criteria be for concessional funds?

Given the still evolving theory of IDC implied in the above section, there is persistent uncertainty about how eligibility and allocation should be determined in practice. Who should receive which kinds of support and under what criteria remains a technically complex and politically sensitive question.

The traditional reliance on country income classifications (low-, middle-, and high-income) has come under increasing scrutiny. While administratively convenient, income per capita fails to reflect deeper vulnerabilities, structural inequalities, or exposure to cross-border risks. Moreover, abrupt graduation from ODA eligibility can leave countries without adequate support during critical transitions and outside a cooperative system they had got used to navigating.

A growing area of technical debate centres on the appropriate thresholds for different types of financing: grants, highly concessional loans, less concessional instruments, and market-based finance. These decisions are not only about the recipient's income

level or debt sustainability, but also about the purpose of the expenditure. Concessionality may be justified not just by ability to repay, but by whether the funding serves public goods, promotes structural transformation, or targets areas with limited commercial viability. Generally, loans are considered more appropriate for sectors that can generate growth and returns while grants may be required for basic services or global externalities where returns are diffuse or non-financial. But is that distinction appropriate and plausible given the modern needs of nations? Within the European Union, grants have been made to support growth and structural transformation for decades.

Given the different purposes of cooperation, different allocation criteria are probably in order e.g. one criterion for allocating resources for humanitarian action, another for public goods, another for the convergence agenda, and so on. This would lead to an understanding of cooperation as an envelope of connected, albeit differentiated, policies.[2]

This growing complexity suggests that eligibility and allocation frameworks need to be rethought. Should access to finance be conditional, or guided by country-led priorities? There is no settled formula. But as demands on IDC expand and resources remain finite, more transparent, differentiated, and purpose-sensitive approaches will be required to guide allocation decisions.

Q2.4 Is the case for reparations part of the IDC debate, or separate?

The growing calls for reparations – whether for slavery, colonialism, environmental destruction, or other historical harms – raise profound questions about the purpose and foundations of international development cooperation. In contrast to solidarity, needs-based or mutual interest framings, reparations, are rooted in justice, accountability, and the recognition of historical wrongs. Should these two agendas be kept distinct, or are they more deeply intertwined than some want to acknowledge?

While donor narratives have tended to emphasise altruism or strategic interest, for many in the Global South, IDC – particularly Official Development Assistance (ODA) – has always been understood, at least in part, as a form of compensation, however incomplete or implicit for a legacy of colonialism and exploitation. Similarly, climate finance is explicitly framed through the principle of "polluter pays," recognising that those most responsible for global emissions owe a financial duty to those most affected.

This raises difficult but important questions. Should reparative justice be made an explicit rationale for some forms of IDC? Could doing so help rebalance power relations and legitimise cooperation, or would it risk politicising an already fragile system? Are separate legal or diplomatic frameworks more appropriate for reparations, or is IDC the most practical existing vehicle?

[2] Personal note from Jose Antonio Alonso.

As global debates on justice, inequality, and decolonisation intensify, the relationship between IDC and reparations is likely to become more contested. Clarifying where and how they intersect is essential to shaping a cooperation agenda that is both principled and fit for purpose.

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Question 3. FINANCING: What resources and instruments are required to fund IDC?

While not all international development cooperation requires financial resources, funding remains central to the delivery of most goals. Whether the focus is on basic services in low-income countries, large-scale infrastructure, or transboundary challenges like climate and pandemics, the availability of public and concessional finance determines what is possible. Yet the current funding landscape is marked by fragmentation, stagnation, and growing mismatch between ambition and actual resources.

At the heart of the debate lies a series of unresolved tensions. How can finite public concessional resources address an ever-broadening set of needs? How should new actors (private investors, philanthropies, multilateral banks) be integrated into a cooperation system that was originally designed around public, North–South transfers? How do different instruments affect debt sustainability and fiscal space in recipient countries? These are not just technical questions but deeply political ones, touching on fairness, power, and the credibility of the cooperation system itself.

SHARED STARTING POINT: Concessionality is crucial

Despite divergent views on how to finance IDC, there is broad consensus on several foundational principles. First, concessional finance – particularly in the form of grants – remains essential, especially for the poorest and most vulnerable countries, and for sectors where commercial returns are unlikely.

Second, there is widespread agreement that ODA should not be stretched to cover every global objective. While it can play a catalytic role, core development support should not be displaced by climate or refugee spending that responds to donor interests or global threats. Financing for global challenges, where benefits are universally shared, should therefore be additional to ODA and raised through distinct mechanisms.

Third, different types of funding serve different purposes. This implies a need for more differentiated approaches, aligned with country context and the nature of the expenditure, as explained in the previous section.

Finally, there is agreement that new sources of funding – whether from private investors, philanthropies, or international financial institutions – must be governed in ways that uphold public purpose, transparency, and country ownership. The challenge is not just to find more money, but to ensure that it supports the goals of a just and sustainable global development system.

Q3.1 How can scarce public concessional resources best be used as source of funding for IDC?

There is widespread agreement that ODA (or something like it) should continue to play a critical role in international development cooperation, especially for low-income, fragile, and structurally disadvantaged countries. As one of the few predictable and concessional

sources of international public finance, ODA enables investments in areas where private capital is scarce or unsuitable: primary healthcare, basic education, social protection, and public infrastructure. It also plays a vital countercyclical role, supporting countries through shocks, whether from natural disasters, pandemics, or debt distress.

Yet even as its importance is reaffirmed, ODA is under mounting pressure. Its boundaries have steadily expanded, as donors seek to stretch it across a growing range of objectives, including underwriting private investment and covering in-donor refugee costs. These shifts have raised concerns that the original redistributive and developmental function of ODA is being diluted, making it harder to assess impact, build trust, and maintain a sense of fairness in how resources are allocated.

The future of ODA is therefore contested. Should it be protected, redefined, or absorbed into a broader international public finance architecture? Some argue for a narrower, clearer mandate focused on reducing structural inequality. Others propose a more integrative model, where ODA helps catalyse other flows and supports the co-financing of global goals. Still others call for the gradual introduction of a new framework altogether (such as Global Public Investment) that reflects shared responsibilities in a multipolar world.

So what should be the distinctive role of public concessional finance (ODA) in an evolving cooperation landscape? Can it be both targeted and flexible? And how can it remain legitimate in the eyes of both those who provide it and those for whom it is intended?

Q3.2 How can additional public money be raised for IDC?

As international development cooperation adapts to a more complex and interdependent world, there remains a vast gap between what is needed and what is currently financed. ODA, while vital, is increasingly stretched. Amid mounting climate costs, post-pandemic recovery needs, debt distress, and growing inequalities, there is an urgent need to raise new, additional public resources for IDC. But where should this money come from, and how can it be mobilised in ways that are fair, effective, and politically viable?

One possibility lies in expanding the use of innovative financing mechanisms. These include instruments like global solidarity levies (e.g. taxes on airline tickets or fossil fuels), financial transaction taxes, or voluntary contributions linked to global goods provision. Proposals for a Global Fund for Social Protection, funded in part through such mechanisms, reflect this growing interest in novel sources. Despite their promise, most of these tools remain underdeveloped or underused, often because of limited political will or institutional coordination.

Another potential source is Special Drawing Rights (SDRs) – the IMF's reserve asset – which could be repurposed or rechannelled to support development goals. The 2021 SDR issuance of $650 billion sparked debate about how a larger share could be directed to low- and middle-income countries. But questions remain about how to ensure access for the

most vulnerable, and whether SDRs should be governed in a way that reflects broader development mandates rather than narrow macroeconomic criteria.

All these options are actively being explored. But without a shared framework to determine what counts as fair, additional, and impactful, raising more public money for IDC risks deepening existing tensions rather than resolving them. The challenge is not only to find new resources, but to do so in ways that strengthen the legitimacy, alignment, and strategic coherence of the cooperation system as a whole.

Q3.3 How should debt relief be included in IDC?

The growing debt burdens faced by many low- and middle-income countries have re-emerged as a central challenge to sustainable development. External repayments are increasingly crowding out fiscal space for essential services and long-term investment. At the same time, multiple crises (including Covid, climate shocks and new trade barriers) have exposed the fragility of current debt management systems. While various relief initiatives have been introduced in the past, they have often been slow to act, fragmented in scope, and designed more around creditor consensus than debtor need.

Should debt relief be considered a core part of international development cooperation? If so, how should it be structured and governed? Some argue that it is fundamentally redistributive and development-oriented, making it a natural fit. Others see it as a macroeconomic instrument outside the boundaries of IDC, especially when driven by financial institutions rather than cooperative frameworks.

Should a permanent global debt resolution mechanism be established, and if so, who would design and oversee it? How can debt relief initiatives be better aligned with national development strategies, rather than imposed through conditionality? What principles should guide burden-sharing with private creditors, and how can future access to credit be protected in the process? While the Sevilla Commitment (the FFD4 outcome document) includes a commitment to initiate an intergovernmental process at the UN on debt, some Global North countries explicitly rejected or disassociated from this paragraph post-adoption.

Further questions concern the integration of debt and climate finance. Should new instruments be developed to encourage debt-for-climate or debt-for-development swaps that align creditor interests with long-term global goals? As the debt landscape evolves, so too must the frameworks that govern its role in global cooperation.

Q3.4 What is the role of private for-profit finance?

Private finance is increasingly seen as a necessary part of the international development finance mix, particularly in sectors requiring large-scale investment such as infrastructure, energy, and technology. Official development cooperation has devoted considerable effort in recent years to mobilising private capital through blended finance,

guarantees, and de-risking instruments. The rationale is that public funds should be used strategically to crowd in much larger pools of private money.

But does private for-profit finance mobilised via public finance count as international development cooperation (IDC)? Most would argue it does not, at least not on its own. According to one of the core criteria proposed by Alonso and Glennie, IDC should be non-profit in nature: that is, it must involve a deliberate departure from purely commercial logic, focusing on correcting market failures or enabling outcomes that markets alone would not deliver. It is about additionality, not replacing what private actors would do anyway, but going beyond it. As Mariana Mazzucato has argued, this includes not just fixing market failures but actively shaping and creating markets for public purpose.

Profit-seeking capital, even when mobilised by public instruments, does not meet this criterion unless it involves a meaningful trade-off of returns for developmental impact. When private investors explicitly reduce expected profits to achieve social or environmental goals (through mechanisms like impact investing) this contribution could be considered part of IDC. It aligns with the principle that cooperation involves a degree of sacrifice, solidarity, or shared purpose beyond market norms. But what level of concessionality, risk-sharing, or impact orientation is needed to count as cooperation rather than investment? And how can incentives be structured to ensure private involvement strengthens rather than distorts development priorities?

The answers are still emerging. It is worth noting the many papers, particularly by civil society, that criticise the ODA modernisation process for blurring the lines between developmental and commercial interests. The main issue is whether public finance that mobilises private investment should be counted as ODA when it is not necessarily concessional in nature and may just be subsidising private profit, and whether additionality should be replacing concessionality as a major criterion of ODA. As the private sector becomes more embedded in the architecture of international development, clarifying the boundaries between cooperation, investment, and profit is essential to preserve coherence and ensure that development cooperation remains a distinct tool for equity, transformation, and public value creation.

Q3.5 What is the role of philanthropy in IDC?

Philanthropy is playing an increasingly visible role in international development cooperation, often stepping into areas where public finance is limited or inflexible. Its capacity to fund innovation, support advocacy, and address politically sensitive or underfunded issues (especially in health, education, and human rights) has made it a valuable complement to more traditional sources of development finance. Foundations and philanthropic funds can move quickly, take risks, and operate across borders in ways that governments often cannot.

But as philanthropic actors become more prominent, critical questions are surfacing. Should philanthropic finance be seen as a core part of international development cooperation, or as something adjacent to it? Can funding decisions made by private actors with no formal accountability mechanisms be counted as cooperation? And if philanthropy increasingly fills roles once held by public finance ("fill-anthropy"), what are the implications for legitimacy, sovereignty, and strategic direction?

How can we ensure that philanthropic efforts align with country priorities and reinforce public institutions rather than bypassing or weakening them? And should there be common principles or guidelines to help distinguish supportive philanthropy from distorting influence?

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Question 4. GOVERNANCE: Who decides, and how is legitimacy built?

IDC governance structures no longer reflect the realities of the world they are meant to serve. The global development landscape has evolved significantly since the post-war period, when much of the institutional architecture was established. At that time, a small group of high-income countries, largely within the OECD, dominated the funding, design, and delivery of cooperation. Today, however, the ecosystem is vastly more diverse, encompassing a wide array of actors including rising powers, regional development banks, philanthropic foundations, civil society networks, and Southern-led cooperation platforms.

Despite these shifts, the governance of key institutions has changed only incrementally. Formal decision-making within many multilateral development banks and the OECD Development Assistance Committee (DAC) remains dominated by the traditional donor group. Many countries in the Global South – now active providers as well as recipients of cooperation – continue to have limited influence over agenda-setting, priority definition, or standard-setting. This governance gap undermines the legitimacy and effectiveness of the system, and risks reducing its relevance, especially as power, capacity, and innovation are increasingly dispersed across regions.

SHARED STARTING POINT: IDC institutions need to be more inclusive

There is broad consensus that international development cooperation must be governed in ways that are more inclusive, representative, and equitable. This means recognising not just the growing contributions of non-traditional actors, but also ensuring meaningful voice and influence for low- and middle-income countries in shaping the rules and institutions of cooperation, encompassing shared ownership of decision-making processes, financing strategies, and accountability mechanisms.

The rise of South–South and triangular cooperation has highlighted alternative modes of governance that are more horizontal, flexible, and politically acceptable to many countries in the Global South. At the same time, multilateral platforms – such as the UN Development Cooperation Forum (DCF) – are providing more open and inclusive spaces for dialogue, even if their institutional authority remains limited. These developments reflect a widespread desire for governance that is less dominated by donor interests and more responsive to shared priorities.

Importantly, these demands are about effectiveness as well as fairness. Governance structures that better reflect today's geopolitical realities are more likely to generate shared norms, foster cooperation across regions and income levels, and deliver credible solutions to common challenges.

While views differ on the specifics of reform, there is a strong convergence on the core principle that IDC governance must evolve to match the interdependent, multipolar, and networked world in which it now operates. Without more representative governance,

international development cooperation risks fragmentation, mistrust, and declining relevance at precisely the moment when it is most needed.

Q4.1 What kind of global governance structure can coordinate a plural cooperation ecosystem?

So how can coherence, transparency, and shared accountability be maintained in a system where authority is widely dispersed and legitimacy is increasingly contested? Some advocate for reforming existing institutions to make them more inclusive and representative – for instance, expanding DAC membership, enhancing the role of the UN's DCF, or elevating Southern-led initiatives that challenge existing hierarchies. Others argue that global coordination no longer needs to be centralised, and that the future lies in a polycentric model of governance i.e. overlapping, flexible arrangements tailored to specific purposes and actors. A third view calls for entirely new platforms, particularly to manage forms of cooperation that lie outside traditional multilateral frameworks (such as climate finance, philanthropy, or South–South collaboration) and as spaces to discuss the evolution of IDC as a whole.

Might a more adaptive architecture be possible? Could lighter, purpose-built mechanisms (such as voluntary reporting standards, peer learning hubs, or regional compacts) offer the coordination needed without reviving the rigidities of past models? Can governance be made both legitimate and agile, sensitive to diversity while promoting some degree of alignment and collective purpose, without losing operational efficiency?

As development cooperation continues to evolve, the governance challenge is not only institutional, but conceptual. What kind of cooperation system is fit for today's interconnected world? And what kind of global governance can support it—without returning to an outdated centre-periphery model, or losing the coherence needed to act effectively in a time of shared risk and opportunity?

Q4.2 Who should define what counts as development cooperation?

One of the most contested issues in international development cooperation today is the question of who defines it, and to what end. Currently, the definition of Official Development Assistance is set by the OECD's DAC, a group of high-income donors. This definition shapes what is counted, monitored, and legitimised as development cooperation. Yet as cooperation becomes more diverse, the DAC framework is poorly suited to reflect the full spectrum of practice.

While consistent definitions are necessary for transparency and comparability, imposing DAC standards on non-DAC actors risks marginalising alternative values, such as solidarity, mutual benefit, and political autonomy. These concerns are especially acute in the Global South, where many cooperation models are rooted in different historical and normative traditions.

So should the world develop a new, universally agreed standard developed under UN auspices? Or could we envision a plural framework that distinguishes between different types of cooperation without privileging one? As with so many of the aspects discussed in this paper, definitional control seems technical but is deeply political, influencing which actors, purposes, and principles are seen as legitimate in the evolving cooperation system.

Q4.3 How can IDC meaningfully include civil society, cities, indigenous peoples, and youth?

International development cooperation has long been structured around intergovernmental relationships, with governance concentrated in the hands of national governments, multilateral institutions, and donor agencies. Yet a growing array of actors – civil society organisations, youth movements, indigenous peoples, and cities, for example – are rightly demanding a say in how cooperation is designed, prioritised, and delivered. These groups are often at the forefront of innovation, service delivery, rights protection, and accountability, but remain marginal in formal governance arrangements. The challenge – seemingly perennial but now with momentum for change – lies in shifting from symbolic consultation to meaningful co-governance.

Some governments and institutions have moved toward more participatory models, including advisory councils, stakeholder dialogues, and civil society platforms. But these mechanisms often remain *ad hoc*, underfunded, or consultative rather than decision-making. From the perspective of non-state actors, current practices do little to redistribute voice or influence. Indigenous peoples and youth groups, in particular, have called for institutional reforms that embed their leadership and knowledge systems – not just their perspectives – into governance structures. Cities and local authorities likewise argue that subnational actors must be formally recognised, especially given their growing roles in implementing climate, health, and social equity agendas.

For inclusive governance to be credible, new frameworks must go beyond rhetoric. This includes designing equitable and representative decision-making bodies, funding participatory processes, and adapting existing institutions to reflect plural forms of authority and expertise. The legitimacy and relevance of the cooperation system may depend on its capacity to reflect the full diversity of the global public it claims to serve.

Q4.4 How can public purpose be preserved?

The increasing reliance on private, blended, and philanthropic finance in international development cooperation reflects a strategic shift toward leveraging additional capital. Faced with major financing gaps in infrastructure, climate mitigation, and health systems, public institutions and donors have turned to the private sector as a source of funding, innovation, and scale. Blended finance, in particular – where public money is used to de-risk private investment – has become a core part of the new development finance landscape. But this evolution raises difficult questions about accountability, public interest, and the potential distortion of development goals. When public funds

subsidise private profit, what safeguards exist to ensure that the result serves the common good?

Supporters of blended finance argue that without mobilising private capital, the Sustainable Development Goals (SDGs) will remain unreachable. They see the approach as a necessary, pragmatic response to fiscal constraints, capable of drawing investment into riskier, underfinanced sectors and countries. Yet critics are sceptical. They question whether public funds truly catalyse new private flows or simply subsidise investments that would have happened anyway. Evidence of “additionality” remains thin. Investments are often concentrated in middle-income countries and commercially viable sectors, not where needs are greatest.

Critics also highlight a broader risk: that development priorities become shaped by market logic, favouring bankable projects over equitable, rights-based, or climate-urgent ones. For many civil society groups and Southern governments, the answer is not to romanticise private finance but to regulate it more clearly, anchoring investment in national development plans, not donor-driven pipelines or investor preferences.

Might a clearer governance framework ensure that private and philanthropic engagement enhances rather than distorts the public purpose of international development cooperation? It could include rigorous standards for transparency, participation, and developmental impact, across donors, multilateral banks, and private actors. Impact assessments could be tied to publicly defined outcomes, and investments could include safeguards that protect equity, sustainability, and local agency. Common standards could help clarify when and how public money can be justifiably used to support private ventures.

In an era of eroding public trust and growing geopolitical contestation, the legitimacy of IDC will increasingly depend on ensuring that partnerships with private finance serve collective goals rather than just commercial or short-term political interests.

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Question 5. EFFECTIVENESS: What works, and for whom?

Despite decades of reform efforts, international development cooperation continues to grapple with longstanding challenges to effectiveness—particularly around power imbalances, fragmentation, and coordination. While the 2005 Paris Declaration on Aid Effectiveness placed country ownership and alignment at the heart of the aid effectiveness agenda, progress since then has been uneven and, in some cases, reversed. Many recipient countries still struggle to assert control over development priorities, face parallel systems that bypass national institutions, and contend with externally imposed conditions that dilute long-term planning capacity. Meanwhile, the growing complexity of the cooperation landscape has brought new energy, but also new risks of duplication, incoherence, and weakened accountability.

SHARED STARTING POINT: Country leadership and coherence

Amid growing complexity and debate, there is nonetheless broad consensus on two foundational elements that underpin effective international development cooperation.

First, country ownership is essential. There is wide agreement, supported by strong research evidence, that development efforts are more successful, sustainable, and legitimate when driven by nationally defined priorities, strategies, and systems. This principle, affirmed in multiple global agreements since the early 2000s, remains a cornerstone of cooperation, even if its implementation has been uneven. Most actors now recognise that bypassing national plans or institutions risks undermining the very capacity development is meant to support.

Second, coordination matters. While a plurality of actors is here to stay (and indeed brings valuable innovation and perspective) there is shared recognition that excessive fragmentation undermines effectiveness. All stakeholders broadly agree that cooperation efforts should align with national development frameworks, reduce duplication, and be grounded in shared goals. The challenge lies in finding forms of coordination that are inclusive, transparent, and responsive, without reverting to top-down control. The Sevilla Commitment recognises coordination as a core piece of the effectiveness debate.

Third, the Sevilla Commitment elevates policy coherence as a core piece of the effectiveness debate. This means not undermining efforts in the aid space with conflicting policies in other areas, such as tax rules, trade, climate and so on. This emphasis has been around for decades, but is growing in importance given the crises in aid quantity.

These areas of agreement provide a platform for dialogue, even as views diverge on how best to realise them. They reflect a shared understanding that effectiveness is not just about efficiency, but about legitimacy grounded in equity, ownership, and collective responsibility.

Q5.1 How can country ownership be enhanced?

This remains one of the most persistent challenges in international development cooperation: how to meaningfully enhance country ownership not just in rhetoric, but in real decision-making power. Since the Paris Declaration, which placed country ownership at the centre of development cooperation norms, there was initial progress. Many donors committed to align with national strategies, use country systems, and reduce parallel structures. But this momentum stalled and in some areas reversed during the 2010s, amid growing geopolitical tensions, shrinking aid budgets, and the rise of results-based financing tied to externally defined priorities.

Several approaches have been attempted to revive or deepen ownership, including national development compacts, joint results frameworks, and increased civil society participation. Still, critiques persist that donor conditionality, projectisation, and earmarked funding continue to erode sovereignty and fragment national plans. In fragile contexts, ownership is even more contested, with donors often prioritising fiduciary risk over long-term institution-building.

So, how can IDC support country leadership and not undermine it? If we all agree with the fundamental importance of country leadership, what are the incentives required at the country level to really enable country leadership? Do the behaviour changes required of powerful countries and international institutions link to policy coherence issues? The Paris effectiveness agenda emphasised the importance of e.g. use of country systems, budget support and institutional strengthening, but perhaps the indicators we have to measure progress on these complex political issues remain weak.

Rather than looking for silver bullets, the challenge may lie in rebalancing power relations, resourcing public planning capacity, and ensuring that external actors follow rather than lead. The search for real country ownership continues.

Q5.2 At the country level, how can fragmentation be reversed or managed?

One of the most pressing governance challenges in international development cooperation today is how to manage or reverse fragmentation – one of the key issues addressed in the Sevilla Commitment. The ecosystem has grown vastly more complex, with an array of actors – from bilateral and multilateral donors to private investors, philanthropies, civil society, and local authorities – all engaging in overlapping, and sometimes competing, efforts. While this diversity can drive innovation and resilience, it also creates risks of duplication, inefficiency, and incoherence. Many stakeholders now agree that alignment is crucial for effectiveness and long-term impact. But what kind of alignment, and under whose leadership?

How should the proliferation of private for-profit actors be governed in a way that supports rather than fragments public strategies? Can common principles be established that ensure these actors contribute to national priorities, rather than pursue narrow commercial interests under the banner of development?

What is the proper role of philanthropic actors, who often bring flexible capital and long-term vision, but also operate with limited transparency and outside public accountability frameworks? Should they be formally integrated into national development platforms or remain independent complements?

And how can civil society's vital role be preserved and strengthened in an increasingly crowded landscape? Civil society organisations are often closest to communities and can offer critical scrutiny of both public and private interventions. But are they being marginalised by the growing dominance of technocratic and financial actors? What mechanisms can ensure their participation helps align efforts rather than splinter them further?

If fragmentation is the risk, then coordination cannot mean centralisation but rather some shared framework for coherence, accountability, and public purpose. What should that framework look like? And who gets to shape it?

Could "country platforms" be the answer? The idea, endorsed in recent G20 and UN discussions, is to establish inclusive, nationally-led coordination mechanisms that bring together public, private, and external actors around a shared investment agenda. In theory, these platforms could harmonise efforts, reduce duplication, and anchor international support in national priorities. But questions remain. Who sets the agenda? How inclusive are they in practice? What accountability do donors and investors have to the platform's goals? Will further coordination reinforce donor-recipient power imbalances by bringing all development partners together in one platform in negotiations with governments?

Q5.3 At the global level, how can coherence be enabled or strengthened?

While many reforms have focused on country-level coordination, IDC also suffers from a lack of coherence at the global level. A proliferation of forums - such as the OECD DAC, the UN DCF, the Global Partnership for Effective Development Cooperation (GPEDC), the International Forum on TOSSD, the International Aid Transparency Initiative (IATI) – has emerged to address various aspects of the system. Each platform brings distinct strengths: the DAC offers technical rigour and peer review; the DCF provides legitimacy through universal membership; the GPEDC promotes dialogue on effectiveness; TOSSD introduces new metrics for tracking financing, IATI focuses particularly on accountability. Yet none is today the accepted centre of gravity for global coordination.

This fragmented landscape has resulted in overlapping mandates, uneven participation, and a lack of common standards. Some institutions (particularly those anchored in OECD structures) are seen as insufficiently inclusive, while others lack the resources or mandate to shape global norms. As José Antonio Alonso argues, coherence may be hard to impose through a new global structure but could be advanced through pragmatic convergence: joint initiatives between existing platforms focused on metrics,

standards, eligibility, and graduation criteria. Over time, such collaboration could support a more balanced and legitimate governance architecture.

But what kind of global governance architecture is actually needed for a more coherent development cooperation system? Should the DCF be given a stronger mandate and resources to serve as a legitimate hub for coordination? Can convergence among existing platforms be realistically achieved, and if so, on what terms? What role should regional bodies play in shaping global standards? And how can global governance arrangements better reflect multipolar realities while safeguarding the principle of public purpose?

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Conclusion and possible next steps

In 2025, international development cooperation stands at a crossroads. The institutions, instruments, and narratives that shaped the post-war and post-Cold War eras are under growing strain. They no longer match the scale, complexity, or urgency of the challenges we face. At the same time, there is a clear appetite for renewal across governments, civil society, and multilateral institutions. Few question whether cooperation is still needed in an interdependent world; the real question is how it must evolve to remain legitimate, effective, and politically sustainable.

Development cooperation, as traditionally defined and practised, is increasingly misaligned with the realities of today's global context. Built around concessional transfers from high-income to low-income countries, the prevailing model has not kept pace with the emergence of new actors, transboundary risks, or deepening structural inequalities. Challenges such as food insecurity, climate shocks, and debt crises transcend borders and cannot be addressed through siloed tools or 20th-century assumptions.

Without deeper reform, development cooperation risks becoming both institutionally marginal and politically obsolete. Some change is already underway: there is growing attention to global public goods, experimentation with new financing instruments, and more assertive leadership from the Global South. But these shifts remain fragmented and often reactive. The task ahead is to ensure that evolution is coherent, credible, and grounded in a more accurate understanding of how development happens in a shared world.

Across diverse constituencies, there is broad consensus that development cooperation must move beyond outdated binaries and institutional habits if it is to play a relevant role in the future architecture of global governance and public finance.

Rather than converging around a single organising logic, a layered and plural approach may be more appropriate, one that allows development cooperation to serve multiple functions while maintaining clarity about which actors are pursuing which goals, and why. A shared framework, anchored in the SDGs but responsive to shifting realities, could provide a structured space for such dialogue. At minimum, clarity of purpose will be essential if the debate over tools, financing, and measurement is to move forward with legitimacy and coherence.

The Fourth International Conference on Financing for Development (FfD4) was a generational opportunity to re-anchor development cooperation in a reframed sense of purpose and to revisit the assumptions, ambitions, and architecture of the system. In some senses, it laid the foundation for a new approach to cooperation that is no longer defined by donor-recipient hierarchies or narrow financial flows, but by a shared commitment to tackling poverty, inequality, and global threats together.

As we seek to implement some of the ideas that emerged in Sevilla, the heart of this renewal must be a co-owned and inclusive process that goes beyond technical adjustments to confront the deeper questions of legitimacy, power, and principle. Development cooperation can be redefined through dialogue grounded in dignity and sustainability, animated by solidarity, and made relevant through mutual interest.

It is time for an action-oriented deliberation process that builds on the areas of consensus and surfaces the unresolved questions, some of which have been identified in this paper. In recent months a number of processes have been suggested to discuss and develop the future of IDC, some as parts of the FFD4's Sevilla Platform for Action. Such processes should include:

- **Cross-regional dialogues** to build trust, surface priorities, and avoid a North–South split in vision.

- **Technical working groups** with diverse representation to explore options for institutional reform, new financing mechanisms, co-governance arrangements, and reimagined systems of measurement and accountability.

- **Political champions** – from governments, international organisations, and civil society – to keep the agenda visible and catalyse momentum.

- **A wide scope of questions to review,** reflecting the plural nature of today's cooperation landscape, the complexity of its goals.

Ultimately, redefining international development cooperation is not just about updating classifications or expanding eligibility criteria. It is about renewing a global ethic of cooperation that can support transformation, not just survival, in an age of overlapping crises.

The task is difficult, but not impossible. It is urgent, but requires patience and wisdom. The principles of justice, solidarity, and shared progress that inspired past generations of cooperation remain relevant. What is needed now is the political imagination to adapt them to the realities of 2025.

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