DEVELOPMENT CO-OPERATION
CHANGING COURSE THROUGH NEW WORDS AND ACTIONS

ABSTRACT

This chapter illustrates the potential of a new narrative for development co-operation which can inspire renewed public support for international development at a time when, arguably, support is needed more than ever. It reviews the state of progress towards sustainable development and concludes with a call for a change of course with new words and actions to bring the full capacities and resources of the development system to bear on the immense challenges of our time.
IT’S TIME FOR A NEW DEVELOPMENT CO-OPERATION NARRATIVE

The 2030 Agenda for Sustainable Development and the Paris Agreement on climate change are grounded in the understanding that tackling major systemic problems and the political, economic, social and environmental crises confronting the world requires co-operation.

But the Sustainable Development Goals are proving hard to reach. Progress is not fast enough, we are leaving people behind and failing to reach the furthest behind.

The North-South divide has given way to a more diverse and heterogeneous world where international inequalities remain, but along a more graduated spectrum of development levels.

Evolving, persistent and new challenges – especially on the social and environmental fronts – continuously test the development co-operation system and the actors within it.

A new, increasingly complex, development co-operation system is taking shape.

Development co-operation is needed more than ever

At its core, support for international development is founded on an understanding that problems are rarely contained within national borders. Neither are the solutions to these problems.

The essence of development co-operation is to support developing countries in their efforts to improve the lives of their citizens, leaving no one behind.

We need more, not less, co-operation and collective action.

Nations and societies hold the keys to their own progress. Development co-operation can only help, but it must do it well.

Call for change of course through new words and action

We must not oversell the role of development co-operation but should not shy away from championing its importance.

We must play to our strengths and ensure that development co-operation continues to increase our chances of a better tomorrow for one and all.

To get there, development co-operation providers need to:

✦ modernise narratives to inspire public support and trust at home, especially with younger generations and voters;
✦ retool to best support the diverse national pathways towards sustainable development; and
✦ team up smartly for effective development co-operation, playing to their unique strengths as values-based, transparent and results-focused development partners.
A CALL FOR A CHANGE OF COURSE IN DEVELOPMENT CO-OPERATION

OECD DAC governments and their development agencies need to show through words, actions and investments that development co-operation is fit to take on 21st century challenges and open to working with diverse actors for long-term development results.

THE REPORT CALLS FOR A CHANGE OF COURSE AND ACTION ON THREE FRONTS.

1. NARRATIVE, MODERNISE IT TO:
   - Harness human solidarity and interests, focusing on tangible local actions and solutions to big issues that people care about.
   - Respect the right and responsibility of each nation to chart its own course towards sustainable development, with due respect for the universal rights of all peoples and generations.
   - Update words and language to shift perceptions to empowering all people and show how we all gain from progress in human well-being in other parts of the world.

2. RETOOL, BE FIT FOR PURPOSE TO:
   - Champion and safeguard the essence and value of concessional public finance for development in leaving no one behind.
   - Step-up action for gender equality, which is fundamental for all societies – not only because it is right, but also because it provides keys to unlock the doors to progress.
   - Invest in green and clean development co-operation, breaking silos between climate and development to promote people-centred, climate-resilient development pathways.
   - Uphold, update and promote high standards, expertise and good practices on what works for sustainable development and well-being.

3. TEAM UP, SMARTLY, TO:
   - Reignite the spirit of effective development co-operation, especially in the face of short-term political and economic interests and pressures that are inconsistent with sustainable development.
   - Catalyse knowledge, innovation, financing and capacity by teaming up smartly with public, private and civil society actors, being informed by their unique value, and equipped with the right incentives and safeguards.
   - Co-ordinate across different policy communities to promote coherence in all areas of public policy and citizenship, with the aim to maximise global public goods while minimising any negative effects on sustainable development in other parts of the world.
Youth unite for action, spurring the need for a new narrative

In August 2018, a 15-year-old girl armed with a handwritten sign began a solitary school strike outside the Swedish parliament to protest against what she viewed as her government’s lack of action on the climate crisis. One year later, Greta Thunberg is a household name. She has built a global movement that is inspiring countless like-minded activists. Those joining her movement include people living in small island developing states who face the most immediate threats from global warming (OECD, 2018[1]), in authoritarian societies where expressing dissent carries great personal risk and in poor countries that will “suffer the most” from climate change despite contributing very little to the problem.¹

Environmental destruction and global warming have the greatest impact on the world’s poorest people and groups whose livelihoods are most dependent on natural resources (OECD, 2019[2]). Developing countries will bear roughly three-quarters of the total costs of the global climate crisis.

Thunberg readily acknowledges that she is “one of the lucky ones”.³ Sweden has the resources to adapt to changing climate, unlike many other countries and communities. Seven thousand kilometres away, in the rural town of Mansa-Konko in Gambia, the capacity to adapt is far different. That is where another activist, Ansumana Darbo, has started a mangrove conservation project that is supported by the United States embassy.⁴ Darbo and Thunberg are connected by their active participation in the Fridays For Future movement and through their shared anger and anxiety for the future of the planet and humanity.

The climate action movement is just the latest illustration of the power of passionate, engaged young people to change local and global conversations on issues of social justice and change, pressuring governments to deliver on their promises. The world has witnessed youth power in action in Malala Yousafzai’s brave fight for the right of all children to receive an education, in Somali-Irish activist Ifrah Ahmed’s campaign to eliminate female genital mutilation and champion gender equality, in the efforts by Dutch entrepreneur Boyan Slat to clean up the oceans starting with a floating barrier he developed as a teenager, and in the youth-led Adolescents 360 movement that puts family planning decisions directly in the hands of young people in Ethiopia, Nigeria and the United Republic of Tanzania (“Tanzania”).

Today, Yousefzai runs a fund aimed at breaking down the barriers that prevent more than 130 million girls in some of the world’s most marginalised communities from going to school.⁵ Ahmed is now advising Somalia’s prime minister on gender issues – she convinced him to join with more than 1 million people and sign a petition calling on Somalia to make female genital mutilation illegal.⁶ Slat’s group, The Ocean Cleanup, is collecting plastic debris as small as 1 millimetre after seven years of scientific research and dedication.⁷ Adolescents 360, meanwhile, served more than 138,000 girls with counselling sessions across 11 regions in Tanzania by 2016, leading to nearly 9 out of 10 girls voluntarily taking up a long-acting contraceptive method.⁸ Their goals are largely the same as the goals articulated by the international community in a series of groundbreaking
agreements over the past few years and, more generally, in the core mission of development co-operation (Box 1.2). And behind the scenes, many of these youth and citizen movements are being supported by international development agencies committed to empowering and giving voice to youth as agents of change.9

The vision set out in the UN 2030 Agenda for Sustainable Development10 and the Paris Agreement on climate change11 (UNFCCC, 2015[3]), both agreed upon in 2015, are countries’ promises to their citizens and to each other to secure a shared tomorrow. They were made with the understanding that tackling major systemic problems and the political, economic, social and environmental crises confronting the world requires co-operation. But these lofty goals are proving hard to reach: progress is uneven and new challenges are constantly emerging that often overshadow the positive outcomes already achieved.

At a time of deepening scepticism about many international institutions and norms, development actors need to step up and champion the work they are doing. To counter a media-driven narrative that reinforces public perceptions of its shortcomings,

Globalisation has left many people behind, and the backlash is reverberating within countries and the international system. As OECD Secretary-General Angel Gurría put it succinctly in 2018, trust in governments and institutions is plummeting and populism, protectionism and exclusive nationalism are on the rise (OECD, 2018[4]). OECD countries, most of which have been providing humanitarian and development assistance for more than 60 years, increasingly face sustainable development challenges at home. Since the financial crisis in 2008 many of the world’s richest countries are faced with rising wealth inequality, fraying social cohesion, and austerity policies (Ramos, 2018[5]).

The impact of these trends on attitudes towards development co-operation is already being felt in some countries in the form of declining or stagnating budgetary allocations and political narratives and policy priorities that emphasise national, bilateral interests over support for multilateral engagement for sustainable development. The development co-operation system itself, sensitive to legitimate concerns that the global community is failing to follow through on its commitments is “in transition and perhaps even turmoil” (Ingram and Lord, 2019[6]).

Yet the growing interconnectedness of economies and societies makes multilateralism and global governance more important than ever to reduce inequalities and to share benefits more fairly between and within nations.

For a new narrative to be credible, resonate with people, reflect the complex and context-specific nature of international development today, and the universal vision of the 2030 Agenda for Sustainable Development, however, it requires more than just a change in language. It requires a clean break from outdated North-South development co-operation models, with words like ‘aid donor’ and ‘aid recipient’ that no longer ring true (Glennie, 2019[7]; Rioux, 2019[8]; USAID, 2019[9]). Recent reports published by the OECD and other organisations lay the groundwork for updating narratives to match today’s realities about development co-operation policies, partnerships, financing and results while staying focused on the prize of inclusive and sustainable development - for example (OECD, 2018[10]; OECD, 2018[11]; OECD, 2018[12]).

Choosing the right narrative depends on the audience and what kind of messages resonate with them. Just like marketing or political campaigns, development narratives will have a greater impact if they are based on a deeper understanding of public attitudes and target a more refined set of audience segments. This means that development professionals need to strengthen their listening skills, in part by gathering insights through opinion polls, policy consultations, focus groups and social media analytics.

Note: The final paragraph was contributed by DevCom based on a video entitled “Good Listeners Make Great Development Communicators” OECD DevCom proposes five ways to better understand audiences: See https://www.youtube.com/watch?v=Qso_LcHPhyY.
development co-operation needs a fresh narrative that explains to a wider public what it actually is, how it operates and why it is needed. This report, by illustrating the potential of a new narrative, aims to inspire renewed public support for international development at a time when, arguably, support is needed more than ever (Box 1.1). The report reviews the state of progress towards sustainable development and concludes with recommendations to bring the full capacities and resources of the development system to bear on the immense challenges of our time.

**International co-operation contributes to development gains**

Feeling overwhelmed, sceptical and indeed cynical about the current state of global affairs is understandable. Across the world, people face an unrelenting barrage of negative headlines from both home and abroad. Even in wealthy nations, a host of pressing domestic issues can make political leaders and members of the public more concerned with what is happening in their own backyards than on the other side of the world and more worried about addressing the here and now than preparing for future calamity. Development professionals understand that it’s hard to get people to worry about end of the world-type issues when they’re concerned about the end of the month.

**Gains unnoticed**

And yet, there is remarkable global progress to be celebrated and better communicated. To name but a few achievements of recent decades, the number of people living in extreme poverty is at a record low, child mortality rates have plummeted, literacy is on the rise and nine out of ten girls worldwide - 75% in developing countries - now complete their primary education.

The nagging feeling that so much of what the world has to celebrate is going unnoticed was captured in the late Hans Rosling’s bestselling book ‘Factfulness’, which argues that most people are not only unaware of the amazing progress being made, but assume that the world is bad and getting worse (Rosling, 2018). A more useful, and accurate way of looking at the world, Rosling argued, is to recognise that things are simultaneously “both bad and better” while a fact-based worldview can energise people to identify and tackle real threats.

**Inspiring hope: Contributing to better lives**

Nations and societies are largely responsible for their own progress. International development co-operation cannot claim sole credit for development progress, but it can claim a supporting role in helping it happen. It adds value, catalyses additional investments, it ultimately proves significantly less expensive than inaction, and it benefits everyone by helping to head off future problems.

The UN 2030 Agenda laid out 17 Sustainable Development Goals (SDGs) to continue to build on progress. It emphasises the need for comprehensive strategies and investments because of the connections between goals - no goal can be achieved in
isolation and as long as people are being left behind sustainable development is not possible. This pledge to leave no one behind dovetails with development co-operation. In essence it is a commitment to close the gaps that persist between nations, peoples within society and to ensure that those who have been excluded from the progress and opportunities enjoyed by others are prioritised.

While it may be tempting, and all too easy, to succumb to the doom and gloom about the world's problems, individuals' resilience and determination to remake their own and their community's future are reasons for optimism. These can be seen in the
inspirational story of Faustin Kalivanda, an Ebola survivor in the Democratic Republic of the Congo who works as a nurse in the same World Health Organization programme that saved his life. Or Héctor Alvarado Cantillo, a pig breeder in Costa Rica who built a modern biogas plant to convert polluting farm waste into regenerative electric power for local communities, with the help of the German development agency, GIZ. Or May Kimleang, a Cambodian student who learned about waste management and climate-resilient agriculture at one of the ten eco-schools supported by the EU-funded Cambodia Climate Change Alliance. Their stories, and countless others like them, serve as reminders that international development co-operation lays the foundation for long-term results.

Highlighting these types of development success stories can help bring attention to the progress we have achieved and the opportunities we have to create a better world, both now and for future generations. Equally important is addressing head-on some of the myths and misunderstandings about international development and the role different types of co-operation play, while remembering that no country is too poor to share expertise and no country is too rich to learn from others.

Prevention costs less than cure

International development co-operation is widely perceived as more costly than it really is. Not only do taxpayers consistently overestimate the amount of money their governments commit to development projects but, as shown time and again, it is proof of the old adage that prevention is better than cure. The Institute for Economics and Peace, for instance, finds that every dollar invested in peacebuilding efforts now saves USD 16 through avoiding costly conflict in the future. Similarly, the United Nations and World Bank conclude that investing in conflict prevention has the potential to save the world USD 33 billion annually under neutral scenarios and USD 5 billion under even the most pessimistic scenarios (UN/World Bank, 2018). Education, too, brings about future savings. There is evidence that every additional dollar invested in quality early childhood programmes yields a return of USD 6-17 (World Bank Group/UNICEF, 2018). The preventive benefits of spending on education are particularly pronounced for girls, who continue to lag behind boys’ education levels in many countries. When girls are taken out of school, they are likely to earn significantly less than their male counterparts and they have less agency over their lives. For example, they are more likely to be married or have children early, which puts both their own health and the health of their children in jeopardy and increases overall fertility rates. But the effects go far beyond ensuring women’s rights to decide for themselves. Research for the World Bank, summarised in a 2018 study, found that limited educational opportunities for girls cost countries between USD 15-30 trillion in lost lifetime productivity and earnings, and concluded that achieving universal secondary education would virtually eliminate child marriage and reduce total fertility by one-third in the 18 countries studied.

Boosting exports and creating jobs at home

The benefits of development co-operation manifest beyond partner countries. Studies
The following insights are drawn from recent polls by Eurobarometer, Development Engagement Lab and national polls.

Opinion polls find generally positive public attitudes about development co-operation. Development assistance is widely seen by respondents as beneficial to all. People are also interested in hearing more about it: for example, 55% of New Zealanders say they hear “far too little” or “too little” (New Zealand Ministry of Foreign Affairs and Trade, 2019[20]) and 77% of French people feel poorly informed about foreign aid (AFD, 2017[21]).

**Support is high and growing in some countries.** Nearly nine out of ten European Union (EU) citizens responding to a June 2019 Eurobarometer survey said that development co-operation is important to support people in developing countries. This was in line with findings over recent years that development co-operation is one of the most positively perceived EU policies. Other surveys by Aid Attitudes Tracker (2013-18), finds support in France for increasing aid spending grew from 18% to 33% and support for cutting aid spending fell from 43% to 27%. The German public start from a higher level of support than in the other countries, but increase in support has been more modest.

**Development assistance helps abroad and at home.** On balance, the public thinks governments can make a difference in reducing poverty. France stands out, showing the greatest positive shift in views that governments can effectively address poverty in poor countries.

Roughly one-third of respondents in France, Germany and the United Kingdom agree that development assistance helps poor countries become self-sufficient. Respondents were more likely to agree than disagree that it helps poor countries grow their economies. They also saw benefits at home, with more than one-third agreeing that development assistance increases their country’s influence in the world, and four in ten agree it is an important way to make friends and allies. Respondents are also more likely to agree than disagree that development assistance helps their country sell more goods and services around the world.

**What do people prioritise?** Education, health (fighting infectious diseases such as HIV/AIDS and malaria and providing vaccinations), and infrastructure (roads, access to clean water, sanitation and telecommunications) rank the highest among 11 areas identified by Development Engagement Lab. Debt relief, promoting good governance and women’s empowerment have been lesser priorities.

Evidence from the United Kingdom shows increasing importance of climate change, with a majority of respondents (51%) citing it as one of their top issues. More than 20% cited education, health care, clean water and hunger in developing countries as issues they care about (Development Engagement Lab, September 2019).

**What about corruption and waste?** In the United States, more than 50% of respondents think that most aid doesn’t get to its intended recipients, a figure that rises to more than 60% in France, Germany and the United Kingdom, (2018 data, Development Engagement Lab). Respondents also expressed strong views that corrupt politicians are to blame for development co-operation not getting to the people who need it. A long-standing paradox in public opinion research is that this perception does not undermine overall support for development co-operation.


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in a number of OECD countries find that their development co-operation boosts exports and job creation at home. One review found that every euro spent on German aid between 1978 and 2011 generated an average increase of EUR 0.83 of German goods exports, and that those export gains helped to create approximately 216 000 new jobs.24 Another study found that in the United Kingdom, every USD 1 of direct bilateral development
finance creates a USD 0.22-increase in exports, and that in 2014 alone, the USD 5.9 billion it provided in direct bilateral assistance increased United Kingdom exports by USD 1.3 billion and created 12,000 jobs. A paper by the Australian National University found even greater donor benefits, showing that USD 1 of Australian aid increases Australian exports to the recipient country by USD 7.10.

Building local institutions and capacity for greater autonomy

A catalytic way of supporting developing countries is through the generation of domestic revenue that allows those countries to finance their own sustainable development. The landmark development financing agreement known as the Addis Ababa Action Agenda (UN, 2015) put domestic resource mobilisation front and centre with revenue-boosting measures that include improving tax collection and cracking down on tax evasion. This particular brand of international development co-operation supports greater self-reliance while ensuring a fair deal for all.

By the OECD’s own, conservative estimate, as much as USD 240 billion is lost every year to tax avoidance or the exploitation of uneven tax rules. These losses are particularly significant in developing countries that are highly dependent on corporate income tax. The Tax Inspectors Without Borders initiative supports countries in building their own tax audit capacity. As of October 2018, the initiative had helped ten countries collect over USD 414 million in revenues that otherwise may have been lost. A knock-on effect of stronger tax capacity is that local taxpayer scepticism seems to decline, which in turn increases citizens’ voluntary compliance with local tax laws, domestic tax revenue and funding for development (OECD, 2019).

The levelling of the field in international trade also spurs economic growth. Joint work by the OECD and the World Trade Organization through the Aid for Trade initiative looks at how developing countries can improve their competitiveness; expand and diversify their trade; attract foreign direct investment; create employment; and ensure women, youth and micro-, small and medium-size enterprises have opportunities to engage in trade. There is evidence that USD 1 in aid for trade creates USD 8 in extra trade for all developing countries and USD 20 for least developed countries (OECD/WTO, 2019).

While these unique features of international development co-operation provide developing countries with a needed hand up, the critical ingredients for long-lasting results are developing countries’ domestic policies: a lesson that Korea shares as a DAC member (Box 1.4). Demand-driven international development co-operation does more than provide money in the form of grants and loans to help to achieve ambitious domestic agendas. Importantly, it also includes political support, technical capacity and knowledge sharing.

Development should be led by developing countries themselves, taking a practical approach tailored to their own specific situations and needs

— Byung-se Yun, Former Korean Foreign Minister

A good example of this can be found in Ethiopia, where the government-run Productive Safety Net Program (PSNP) has lifted millions of people out of poverty by providing cash and food transfers to citizens who are able to contribute to projects that prioritise climate resilience. Launched in 2005, the PSNP is now the largest climate change adaptation programme in Africa. Thanks to
the project’s success in helping to cut poverty rates in half, it has been hailed as a model for other African countries.31 Currently in its fourth phase, the costs of the PSNP are shared by the Ethiopian government, the World Bank and at least nine countries that provide development co-operation.32

Tunisia offers another example of development co-operation supporting local action. Since 2011, Tunisians have participated in several free presidential and parliamentary elections, adopted a new constitution and voted in a parliament with better gender balance than exists in most OECD countries.33 Tunisia’s ongoing transition to democracy is being driven from within but is also being buoyed by international support including the Deauville Partnership, an initiative backed by the Group of Seven that champions continued dialogue on economic and governance challenges in the Middle East and North Africa.34 Pooled funds supported by a mix of nations and organisations also offer financial support to enhance economic stability in Tunisia and promote good governance, job creation, economic diversification and social cohesion.35

Viet Nam, too, has benefitted significantly from development co-operation in its social and economic transition. Since the first market reforms (Đổi Mới) in the late 1980s, when it was one of the world’s poorest countries, Viet Nam has undergone a fundamental shift to become a lower middle-income country today. Gross domestic product has roughly doubled every decade and absolute poverty (less than USD 1.9 per day) has fallen from 50% to less than 4% of the population today, driven by economic growth along with investments in social protection.36 During this time, support and development co-operation from a range of multilateral organisations and countries improved economic infrastructure and services and social sectors. Today, as Viet Nam transitions to middle-income status official development assistance continues to play a role but is declining as an overall share of total finance for development.37

**New solutions**

Today’s development projects take new and innovative approaches to delivering solutions. The Building Blocks initiative of the World Food Programme, for instance, uses blockchain technology to deliver food assistance more effectively to more than 100 000 Syrian refugees in Jordan.38
example is Phones Against Corruption, an SMS-based reporting system developed by the United Nations Development Programme and the Australian telecommunications company, Mobimedia. It offers a simple and anonymous way to report corruption in Papua New Guinea, which ranks near the bottom of Transparency International's Corruption Perceptions Index (Transparency International, 2018[31]). By 2015, Phones Against Corruption had received over 20,000 messages that resulted in over 250 investigations into corruption and the arrest of two public officials for mismanaging more than USD 2 million.

A further example of innovation is the use of digital technologies in crisis response. Through the digital mapping platform Ushahidi, people in different countries can make themselves visible on the map during crises by using GPS technology that gives them access to a direct channel of communication with government agencies or organisations that can best meet their urgent needs. Such a project would not be possible without the partnerships across foundations, civil society, private sector actors and development bodies.[40]

New solutions don’t just harness technology, they extend to innovative financing projects. Among the new approaches to attracting capital to rural areas in developing countries, for instance, is the Agri-Business Capital Fund. Initiated by the International Fund for Agricultural Development, the fund provides loans and equity investments adapted to the needs of small and medium-sized enterprises, farmers’ organisations, and rural financial institutions (International Fund for Agricultural Development, 2019[32]).

**Development co-operation is held to high national and international standards**

While a widely held public perception is that too much public finance for development is lost to corruption and wastefulness, development spending is actually subject to rigorous scrutiny and accountability. When corruption does occur, there is zero tolerance and solid procedures for reporting, dealing with and sanctioning it. Most development agencies encourage and support whistleblowers.[41] Development spending also undergoes regular national and international performance and spending reviews, audits and evaluations. These independent reviews largely conclude that aid spending is effective. The UK Independent Commission for Aid Impact for example, reviewed findings of 28 performance reviews of the country’s aid between 2015 and 2019 and found that two-thirds of the reviews had strong or satisfactory achievements (ICAI, 2019[33]).

Scepticism about the effectiveness of development co-operation is not new (Box 1.5) and preoccupies most actors involved. Indeed, the international community has invested significantly since 2003 to increase effectiveness. While there is always room to improve, it is notable that the 2019 monitoring report by the Global Partnership for Effective Development Co-operation finds countries have made significant progress in strengthening the quality of national development planning over time and country-level mutual accountability mechanisms are evolving and becoming more inclusive.[42]

Members of the OECD Development Assistance Committee – an international forum of many of the largest providers of development co-operation - undergo peer reviews to assess how well they are meeting commitments to international development and to evaluate the capacity of their systems to ensure that their partnerships and projects work.[43] Based on these reviews, OECD members then make formal recommendations to the countries, which are taken up roughly 80% of the time. Since 2015, the Multilateral Organisation Performance Assessment Network (MOPAN) has assessed the performance of
Development co-operation is needed more than ever

Despite all these positive stories, there is a growing sense that we have reached a pivotal moment for sustainable development: progress is not fast enough, we are leaving people behind and failing to reach the furthest behind. In so many ways, the world is better equipped than ever before to address development challenges. Rapid technological changes are creating vast opportunities to share knowledge, deliver co-operation more effectively, and design creative solutions to development challenges. But the context-specific nature of development is that it is ongoing and the reality of development co-operation is that it must adjust to evolving, persistent and newly emerging challenge that continuously test the development system and the actors within it.

At a turning point for sustainable development

The transformative and ambitious idea that underpins the 2030 Agenda and its
17 interdependent Sustainable Development Goals (SDGs) is the universality of sustainable development. Everyone stands to gain or lose. The latest evidence shows that action to achieve these global goals is falling short.

In its 2019 report on the status of SDG achievement, the UN finds that “extreme poverty remains stubbornly high in low-income countries and countries affected by conflict and political upheaval, particularly in sub-Saharan Africa”, and projects that 6% of the world’s population will still be living in extreme poverty in 2030. Moreover, the number of malnourished people around the world has increased for three straight years. The number of violent conflicts is at a 30-year high, and fragility impacts 28% of the world’s population. Only 18% of contexts affected by fragility are on track to meet selected SDG targets. More people are displaced than at any time since the end of the Second World War. The past four years have been the warmest on record and the trend is almost certain to continue.

At the same time, rising geo-political and trading tensions between the world’s biggest economies appear to be dampening the potential for growth. The rapid digitalisation of the global economy and everyday social interactions is transforming the future of work worldwide, but this presents both opportunities and risks for countries that are less integrated in the global economy. More frequent climate-related shocks are also rattling growth and development prospects, jeopardising hard-won gains by increasing food insecurity, health risks and peoples’ vulnerability to extreme weather events.

The global community is undermining its own capacity to tackle these interlocking challenges by failing to follow through on its financial commitments. Only five DAC countries, some donor countries in the Gulf region and Turkey are meeting the international target of spending 0.7% of gross national income on ODA. The failure of so many donor countries to honour this target is compounded by the problems caused when many partner country governments are slow to reform, and raise and invest domestic resources in the best interests of their citizens.

**Ending poverty and fighting gender and all forms of inequality**

Women and girls are disproportionately affected by poverty. Sustainable development is simply impossible if half of humanity continues to be denied rights and opportunities. Many women are denied access to the political space, which prevents them from voicing their concerns, shaping policies or accessing services due to gender inequalities. Women tend to have the jobs that are the least secure, unpaid and lowest-paid. Violence against women is pervasive across the world. Exposure to conflict or to fragile situations only deepens structural inequalities. In conflict situations, for instance, young girls are 2.5 times more at risk of not attending school than boys; nine out of the ten countries with the highest child marriage rates are considered fragile or extremely fragile.

SDG 5 to achieve gender equality and empower all women and girls is a central goal for the 2030 Agenda. Although trends show that a growing number of countries are prioritising this goal by releasing feminist foreign and international policies, and increasing their budgets for gender issues, it remains the most under-funded goal across the agenda – in 2016-17 funding for development programmes that target gender equality and women’s empowerment as the main objective was as low as 4% of ODA.

Of the world’s 20 youngest countries, 19 are in Africa. Africa’s youth population is projected to double to 830 million by 2050. With 30 million young Africans entering the labour market every year until 2030, job creation is falling far short of what they will need and demand. The consequences of youth unemployment are universal and serious. It can potentially create grounds for conflict, encourage irregular migration, and
lock generations into poverty and inequality. Botswana President Mokgweetsi Masisi describes African youth unemployment as a “ticking time bomb”.

At least 730 million people are currently living in extreme poverty and as many as 2.3 billion people are living in fragility-affected contexts. To help end these conditions between now and 2030, smarter, more context-specific and more gender-focused humanitarian, development and peace interventions are needed. The enormity, and urgency, of the task has sunk in for the international community. OECD data show that public development finance in fragile contexts was more than USD 74 billion of net ODA in 2017.

But can we leave no one behind in a world that is so unequal? Sustainable, inclusive development is impossible without addressing one of the greatest global challenges of all –widening, corrosive economic inequality that is leading to fragmented societies. Accompanying the growth in income inequality is rising wealth inequality that has reached a bewildering scale, with 1% of the world’s population now owning 50% of the world’s wealth.

The bleak outlook for achieving the sustainable development goals over the next decade underscores how crucial it is that international development co-operation focus on gender equality and empowering women and girls, eradicating extreme poverty and reversing the trend of rising inequalities with a focus on creating jobs. In particular, it should explicitly recognise the overlapping inequalities experienced by women, and people who are members of marginalised or vulnerable groups.

**Tackling root causes of fragility**

Fragility manifests itself in conflict, terrorism, homicides, poverty, forced displacement, disasters and famine. Fragile countries and contexts are not necessarily in such full-blown crisis that they grab the world’s attention or flicker even briefly across television screens and rolling news feeds. Fragility stalks those places where equitable and sustainable development is lagging and where unacceptable levels of human suffering are commonplace. It has taken hold in the forgotten crises and neglected emergencies that receive only intermittent media coverage, such as the 1.5 million children in the Central African Republic who require humanitarian assistance and the civil war in Yemen that, five years on, remains the world’s “worst humanitarian disaster” in the view of the UN.

As noted in States of Fragility 2018 (OECD, 2018[11]), fragility will spread unless its drivers are addressed and dedicated support is mobilised. Without significant action 34% of the global population, or 3.3 billion people, will be living in fragile contexts by 2050. The long-term development co-operation that is needed to address the underlying drivers requires a new approach that addresses fragility in all its dimensions, including through dialogue at the highest levels to address political fragility; reform of the security sector to address the security dimension; and economic, social and environmental programming to address the other drivers of fragility. Critically, all of these interventions are intensive processes that require time and patience to show real results, and thus risk being put aside as luxuries in the face of emergency needs.

Public finance for development, especially concessional grants and loans that make up ODA, is a powerful tool to address fragility and one of the few financial flows that fragile contexts can depend on. However, an outbreak of immediate crises has resulted in development co-operation budgets being diverted to much-needed humanitarian aid and, in the recent past to in-donor refugee costs, rather than going to long-term development that would address the drivers of fragility. OECD work calls for understanding that not all of the needs of those affected by fragility are humanitarian in nature and thus a humanitarian response is not by default the best instrument to meet people’s needs.
It requires the use of a larger toolbox, including political dialogue, peace instruments and development co-operation funds.

Understanding and better managing forced displacement and migration

At the end of 2018, nearly 71 million people were forced from their homes as a result of violence, persecution, conflict and natural disasters. Of these, 41.3 million are internally displaced, 25.9 million are refugees and 3.5 million are asylum seekers (UNHCR, 2019[38]). As alarming as these numbers are, many more people also are unable to escape the dire conditions under which they live.

This widespread global displacement has reverberated throughout host countries, eliciting mixed political and social responses ranging from warm welcomes at train stations to rising xenophobia and racism. Although the influx of migrants starting in 2015 caused a political backlash in some OECD countries, the recent refugee crises in fact disproportionally affect poor and middle-income countries, not wealthy nations. Nearly 80% of all refugees are living in countries that border their home countries (Box 1.7). When allowed to improve their livelihoods through employment, refugees also contribute to the local economy, yielding development benefits (OECD, 2018[11]).

Our house is on fire: Getting serious about climate change and its impact on development

No challenge highlights better our connected future than the crisis of climate change and environmental destruction that threatens to wipe out hard-earned development gains and overshadow and worsen all other challenges. The growing protests across the world, spearheaded by young people who see their own futures at stake, expose the lack of effective action by governments, the private sector and the international community more broadly. The vast majority of countries have set climate action targets that are woefully inadequate and that, collectively, have no chance of meeting the Paris Agreement goal of limiting temperature increases to 1.5°C to combat climate change and adapt to its effects.71

Globally, climate progress has stalled. In 2018, emissions grew at the fastest rate since 2011 as fossil fuel consumption rose and renewable energy installations stagnated72. These backward steps come at a time when the consequences of climate disruption and the world’s unsustainable rates of consumption are on full display. Oceans are acidifying, causing dramatic changes in marine ecosystems. The Amazon rainforest burned at an unprecedented rate in August 2019, threatening one of the planet’s most effective
means of keeping greenhouse gases out of the atmosphere. Major cities like Cape Town in South Africa and Chennai in India have come dangerously close to running out of clean water. As humankind consumes more and more land and resources, nearly 1 million species are threatened with extinction (UN, 2019[40]).

Nonetheless, plenty of evidence indicates that progress is possible. At the UN Climate Summit in September 2019, 65 countries committed to reaching net zero emissions no later than 2050 and China and India announced new domestic initiatives to cut emissions. Morocco has built the world’s largest concentrated solar farm74 and Nordic nations are in a race to see who will be the first to reach carbon neutrality, although they are unlikely to catch up to Costa Rica, which is on track to become carbon neutral by 2021 (Irfan, 2018[41]).

Development co-operation has a critical role to play in supporting developing countries as they shift to low-emissions, climate-resilient development pathways that provide opportunities for inclusive growth to protect the poor and ensure higher wealth and well-being globally (OECD, 2019[2]). The stakes are very high. Development co-operation providers that fail to support ambitious climate action risk instead supporting unsustainable development.

There are signs that things may finally be moving in the right direction. The Islamic Development Bank, for example, recently decided that all of its investments must be climate-compatible and lead to sustainable development.75 But on the whole, development co-operation has yet to align development and climate action by including climate and environment considerations more deliberately across portfolios. In key sectors such as energy, agriculture, forestry and fishing, water and sanitation, the share of climate-related development finance has either slowed or stalled in recent years (OECD, 2019[3]).

**Challenging times for multilateral co-operation**

In the face of these shared challenges, we need more, not less, co-operation

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**Trust in governments and institutions is plummeting and populism, protectionism and exclusive nationalism are on the rise**

— OECD Secretary-General, Angel Gurría
and collective action. Just four years after adopting the 2030 Agenda and other international agreements adopted in 2015, there is concern that 2015 may end up representing “the zenith of global multilateralism”. In 2019, global multilateralism and the ambitious goals set by the world community are under threat.

The global co-operative spirit, bolstered by an agreed-set of international laws and norms, is how we tackle threats to global peace, security and prosperity and set a trajectory for future generations. This spirit is responsible for milestones like the Chemical Weapons Convention, the first multilateral disarmament agreement to provide for the elimination of an entire category of weapons of mass destruction. It’s responsible for the EU Solidarity Fund, created in 2002 to help EU member countries recover from disasters. It’s the reason 152 countries endorsed the first Global Compact on Migration, which strengthens states’ sovereignty to manage migration while empowering migrants and host communities.

The dynamism of new powers from the developing world are demanding a more equitable distribution of voices and responsibilities, which is enhancing and challenging global governance. The emergence of South-South co-operation is part of a rebalancing of political and economic power worldwide. Along with these geopolitical changes, international capital markets have grown larger. This has increased the risks of financial instability, tax avoidance, tax evasion and illicit flows, but also diversified the sources of development financing, resulting in easier access to private finance for many developing countries. As a consequence, the relative weight of ODA among international resources for development, especially in many middle-income developing countries, has shrunk significantly.

The BRICS states of Brazil, Russia, India, China and South Africa are also creating new multilateral institutions, for instance through the establishment of the New Development Bank, which aims to “mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries”. Many of these nations are simultaneously benefiting from and contributing to development co-operation. Their growing roles illustrate that countries can no longer be divided neatly into developed and developing. Emerging economies may still contend with high levels of extreme poverty domestically even as they are global players within international development, whether through their seats in the Group of Twenty or through South-South co-operation.

Each individual nation, from the wealthiest to the most challenged, sits firmly in the driver’s seat on its own development journey. But their development pathways are shaped by a multilateral system that is built on political legitimacy, neutrality and wide membership. As the largest financing partners to the multilateral system, countries providing development co-operation play a major role in keeping the system running to reach the end destination of a peaceful world with protected global public goods.

We all stand to gain

At its core, support for international development is founded on an understanding that problems are rarely contained within national borders. Neither are the solutions to these problems. This understanding predates the OECD itself. At the closing address of the Bretton Woods Conference in 1944, United States Treasury Secretary Henry Morgenthau, Jr. called on the 44 assembled nations to put forth a “united effort for the attainment of common goals” to support the basic notion that “the peoples of the earth are inseparably linked to one another by a deep, underlying community of purpose”.

Today, thanks in large part to rapid advancements in technology, the people of the world are connected in ways that
would have astounded Morgenthau and his contemporaries. But the underlying, simple reality has not changed – a world that’s fairer, greener, safer and more prosperous is a world that benefits everyone. While local populations are worst affected, the consequences of conflict, health pandemics, extreme poverty and climate change are not confined by borders so no nation has the luxury of turning its back on what is happening elsewhere.

While a mix of co-existing interests shape development co-operation, there is a shared common interest in long-term developmental goals. Thus, international development co-operation is not driven solely by altruism or a selfless global focus. As far back as 1996, the DAC recognised member states’ “strong moral imperative to respond to the extreme poverty and human suffering” alongside their “strong self-interest in fostering increased prosperity in the developing countries”.

Mutual benefits are not confined to foreign policy and economic considerations but extend as well to other risks to human security like health. Take the example of the vaccination campaign launched jointly by Brazil and Paraguay in September 2019. Recognising that diseases know no borders, the campaign aims to intensify vaccination coverage against measles, yellow fever and other diseases in the border cities of Argentina, Brazil, Paraguay and Uruguay.

Putting sustainable development at the heart of national interests

This acknowledgement of interests and mutual benefits is neither new nor particularly controversial. There is plenty of evidence to show that development co-operation serves a range of national interests by establishing diplomatic relations, gaining soft power influence, spurring economic growth and trade opportunities, while promoting peace, prosperity and stability in order to reduce conflict, instability and the associated large movements of people.

But also, development co-operation policy does not operate in a vacuum. All nations have widespread political, economic and commercial interests that are not always consistent with shared agendas for sustainable development. The DAC has long argued that while national interests are legitimate in international development policy, they will ultimately prove self-defeating if they don’t contribute to sustainable development. Managing competing national interests is challenging politically and requires strong, evidence-based and effective policy-making processes that manage trade-offs. Development actors need to be vigilant in making a convincing case and showing how policies that are coherent with sustainable development contribute to national interest.

**Being catalytic in a complex and evolving international landscape**

A new development architecture is still taking shape after more than a decade of fundamental shifts and disruption in the global development landscape. The emergence of providers in the Gulf region, private actors and philanthropies is one major change. The increasing importance of South-South co-operation and triangular co-operation is another. The number and types of financial actors is growing, among them global and regional multilateral development banks and national development finance institutions, accompanied by new funding instruments such as impact bonds, Islamic finance tools and mezzanine finance. Box 1.9 presents some of the challenges arising from this array of options in the international development financing landscape.

**More diverse actors and instruments**

International development co-operation actors and civil society organisations admit they are still coming to terms with this new world, “grappling with complexity”, fearful of a plateau in public budgets for development.
and political challenges to the “rules-based, rights-based” approach to development. The dramatic process of change underway within the development co-operation system means that the “North-South divide has given way to a more diverse and heterogeneous world where international inequalities remain, but along a more graduated spectrum of development levels”. While the shared crises we face have disturbed national and international equilibria, they offer a chance to build a new, cohesive world built on relationships that go beyond donors and recipients (Rioux, 2019). These relationships are blossoming through triangular co-operation. For example, activities such as the project between Cambodia, Colombia and Japan to build up the Cambodian Mine Action Centre’s capacity to share its demining expertise with Colombia. Development leaders are somewhat apprehensive about this evolving international landscape. But they are also hopeful that an influx of funding and ideas from emerging economies, the private sector, philanthropists and civil society organisations will provide new opportunities to deliver on plans and promises for more sustainable development.

As noted, new players are shaking up the traditional architecture of international development co-operation. China, for example, is projected to invest as much as USD 1.3 trillion in its ambitious Belt and Road Initiative, which includes projects in 65 countries. According to some estimates, China will spend more in Africa than the United States within the next decade. India, too, has provided massive development assistance to neighbouring countries and particularly Afghanistan, where its more than USD 3 billion in development spending makes it the largest donor. The increased importance of private actors – both for-profit and not-for-profit - in international development is exemplified by...
The 2015 Addis Ababa Action Agenda provides the framework to finance the SDGs. Underpinning this financing agenda is the recognition that more domestic and external resources need to be mobilised in order to fill the estimated funding gap of USD 2.5 trillion per year in developing countries.

This investment gap, when combined with today’s constrained public budgets, challenges development actors to make the best use of limited public resources to partner with the private sector more effectively, mobilise private funds and direct those funds to best serve the SDGs.

OECD work on development finance has highlighted the increasing range and complexity of the financing system that offers countries a choice of at least 1 000 different financing instruments. The rise of blended finance – the use of official development finance to mobilise private finance towards sustainable development – illustrates this increased complexity. At least 17 OECD DAC members currently undertake blended finance operations. The consolidated portfolio of the 15 members of the European Development Finance Institutions was EUR 41.2 billion in 2018, up from EUR 11 billion in 2005.

In addition to concessional public finance such as ODA, public and private investors in development projects are increasingly using new mechanisms such as mezzanine finance (a hybrid instrument situated between debt and equity that is used mostly by private sector actors and institutional investors) and guarantees (instruments that provide protection against political and/or commercial risks).

The challenges of the new financing landscape and public and private sectors partnering more include issues related to transparency, common rules, accountability balanced with lenders’ concerns about financial returns. The following reforms are needed to improve clarity and focus on targeting development finance to where needs are greatest.

- **Transparency and measurement.** Better indicators and tools should be developed to track, monitor and assess the volume of financial flows and their alignment with the SDGs.

- **Better regulation and incentives.** An efficient market for financing for sustainable development is needed to unlock more financing, focus on impact, improve monitoring and evaluation, and be consistent with goals. The market also needs to eliminate the mismatch between mobilising new sources of financing and an international accountability framework that is geared solely toward ODA.

- **More co-ordination.** Ad hoc projects will not be sufficient to reap the untapped universal benefits of blended finance and to deliver the trillions necessary to achieve the SDGs. Governments and the private sector need broad, ambitious and co-ordinated strategies to mobilise additional resources.

- **Effectiveness:** The five Kampala Principles (Global Partnership for Effective Development Co-operation, 2019) on effective private sector engagement in development co-operation raise the stakes for partnerships. Going beyond minimum environmental, social and governance standards for the private sector, the voluntary principles aim to enhance the positive contribution of core business operations to sustainable development.

“I foresee poor countries, who are currently weaker partners in development co-operation, becoming knowledgeable of their rights and being empowered towards self-reliance and true co-operation. But I also foresee resistance from the rich countries towards this goal. Consequently, there will be a temporary mess in development co-operation, but it will finally lead to true development co-operation.”

– Member of Southern Voice network
the Bill and Melinda Gates Foundation, which accounted for nearly half of all philanthropic funding between 2013 and 2015,\textsuperscript{95} and is disbursing more money for development than many mid-sized countries that are members of the DAC. Other high net worth individuals also are stepping up their philanthropy. Sudanese-British businessman Mohammed Ibrahim, for instance, established the Mo Ibrahim Foundation in 2006 to focus on the quality of governance in Africa. The Foundation has partnered with a number of other actors to expand its impact on the continent. Philanthropy is also expanding greatly in India, where philanthropic organisations and individuals are pumping an estimated USD 10 billion into development initiatives.\textsuperscript{96} Indian information technology investor Azim Hashim Premji is now believed to be the world’s fifth-largest philanthropic giver.

But investing in development and well-being is not just for the rich. New models of financing development are springing up that harness blockchain technology to enable people-to-people funding. One example is Kiva, a non-profit organisation that bills itself as providing “loans that change lives”. It connects individual borrowers in more than 80 countries with approximately 1.8 million lenders who support small businesses and entrepreneurs – most of them women – with loans as small as USD 25; its repayment rate is more than 90%.

**Age of choice for developing countries**

For developing countries, the growing diversity of development actors creates “an age of choice”.\textsuperscript{97} With so many options available, they are in a stronger position to demand new solutions and more equal economic and development partnerships, on their terms.

There are numerous examples of low- and middle-income countries that are taking resourcing matters into their own hands. Ghana Beyond Aid, for instance, seeks to mobilise domestic resources to create jobs, increase exports, improve agriculture practices and reduce poverty. Rwanda’s Home Grown Solutions strategy is designed to support its goal of transitioning to an upper middle-income country by 2035 and a high-income country by 2050. Another Rwandan project, the Cooperation Initiative, aims to foster co-operation and ensure that development finance is consistent with domestic priorities (Klingebiel, 2019\textsuperscript{[49]}). Low- and middle-income countries also are joining forces for sustainable development, for example in the ambitious, co-ordinated Great Green Wall project to combat desertification and land degradation and improve the lives of millions of people in Africa (Great Green Wall, n.d.\textsuperscript{[50]}).

The fragmentation of the global development system is raising concerns in developing countries, too. In an OECD survey of members of the Southern Voice network, representatives of think tanks in Africa, Latin America and Asia cited the growing presence of emerging economies such as China and India within development as one of the development system’s biggest changes at a time when development co-operation spending is plateauing in OECD countries.\textsuperscript{99}

**Adjusting to countries changing needs**

As countries transition to higher incomes and their markets mature, development co-operation tends to move towards mutually beneficial economic and trading partnerships, although this is not necessarily the case everywhere, for example in small island developing states (OECD, 2018\textsuperscript{[1]}). At the same time, development co-operation policy and finance take on more catalytic roles, especially in facilitating knowledge transfer, through aid for trade and other co-operation that is more economically focused. OECD work on transition finance shows that as countries’ income per capita increases, the portfolio of financing for sustainable development tends to shift from public to private and from external to domestic (through tax).
The main challenge for countries is ensuring the right financing balance between public and private, especially in relation to debt levels. When Zambia, for example, graduated from the low-income developing country category, it continued to rely on external public finance for its development, including ODA (Kim et al., 2018[51]). However, as it gained easier access to international debt markets, it saw its debt service grow to account for 42% of domestic revenue in 2019, which led to cuts in health and education services with consequences for peoples' well-being. In situations like these, ODA plays an important role in supporting governance reforms and public financial management to help countries anticipate and manage the risks of transition.

When done smartly, development co-operation can help most developing countries navigate and harness the complex and increasingly broad range of options of financial instruments (OECD, 2018[12]). But public and private flows must also be made to work for the most vulnerable countries, underserved markets and smaller investment projects.100 For example, many small to mid-size enterprises are too big to access microfinance, yet too small or perceived as too risky to access commercial loans from mainstream financial institutions. These companies, which are often the greatest job creators (OECD, 2018[10]), could benefit from more development finance. For public actors that are partnering with private lenders, a major challenge is often how to shift focus from quantity to quality, moving beyond merely counting the money invested to instead being accountable for development results and reaching those being left behind.101

**Shared incentives and focus on greatest needs and results**

The development landscape today – more complex, more diverse, more uncertain and more open to innovation – is certainly disorienting. To navigate it, an engaged public sector and an enlightened business community need to come together and find shared value in development investments. The financing needed to achieve the SDGs, and keep pace with evolving risks and opportunities, is in the international finance system.102 The bigger challenge is how to marshal the array of resources and actors to maximum effect for sustainable development.

It is crucial to ensure, for instance, that financing reaches those places where it is most needed. Between 2012 and 2017, just 6% (USD 9.7 billion) of the private finance mobilised by ODA went to the least developed countries, while over 70% went to middle-income countries. But improving the financing system requires better measures of support and more transparency (Box 1.9). At present, there is no way to effectively measure all official support, either financial or in-kind, received by developing countries. Crafting a new international development finance standard that increases transparency of all official support for sustainable development is the aim of the TOSSD International Task Force, which seeks to complement ODA.103

Development co-operation policies and financing tools such as ODA may be relatively small players in the overall scheme of things, but used well, they can function as a tugboat that helps pull and push much larger resources in the right direction, thus aligning the various diverse actors and available instruments with the policies and strategies that can ultimately make our lofty development goals reality.

**What now?**

There is cause for alarm about the future of international development co-operation and the global community's willingness and ability to co-operate effectively and deliver on its promises. When well-defined and agreed goals for people's well-being and sustainable living are off track, it should be a wake-up call that forces international development co-operation actors to ask tough questions about whether they are "walking the talk".
Take on the critical challenges

But things don’t have to be this way. The world is complex, progress is uneven with some signs that hunger and conflict are relapsing. But when seen through the wide lens of history we are living in an extraordinarily peaceful and prosperous time. The international rules-based system combined with national leadership, good policies and reforms, investments and innovation have been driving factors behind phenomenal and rapid progress over the last century. But the nature of development is that it is never complete and peoples’ sense of reality is often that things are “both bad and better”. Throwing up our collective hands in the face of shared problems is not an option. Walking away from the multilateral systems and processes that have guided progress in the post-Second World War era and adopting an “every nation for itself” mindset in its place, would virtually guarantee that these problems, not least the climate crisis, will become much worse. For everyone, everywhere.

These challenges create a conundrum for those working in international development co-operation. The sector needs to demonstrate how development co-operation will change to realise the shared agenda for sustainable development. The development community needs to have frank discussions that are often avoided, including to address the inherent tensions between the need for global, collective and rules-based action, on one hand, and the right and responsibility of every sovereign nation to look after its own citizens, on the other.

Remake the case

By embracing the “no one will be left behind” pledge at the heart of the 2030 Agenda, UN member states committed to universal, equitable and sustainable development for all, including those in the poorest, most vulnerable and hardest to reach areas. The moral imperative to respond to the most challenging contexts – whether violent conflict, natural disasters, health pandemics or hunger – is a major driving factor behind international development co-operation. It is why the global community has committed to tackling the inequalities and vulnerabilities that force our fellow humans to live in conditions we would not accept in our own communities.

There are many ways to begin a conversation with citizens about development. For example, narratives can appeal to their sense of community or demonstrate the effectiveness of development co-operation and the importance of sustainable development (see Figure 1.1). In explaining why sustainable development matters, we can also show citizens how they can get involved personally.

Renew the co-operative spirit

Striving towards a better tomorrow requires that we accept that co-operation has greater benefits for all of us than ungoverned competition. It requires citizens to understand better the universal nature and benefits of sustainable development, peace and prosperity, even if there is no guarantee that this understanding will translate into public support. As we strive for that future, we also have to replace our divisions and outdated ideas of “us” and “them” by harnessing human solidarity and creativity and joining forces to deliver solutions.

Shared values that respect human rights, democracy and the rule of law help lay the groundwork for mutual accountability in development co-operation. These values – combined with principles of transparency, accountability and quality standards – help level the playing field, making it easier to team up, blend and partner behind the global agenda for sustainable development. International willingness to renew and update principles and standards for good development co-operation through inclusive processes
can also help shape positive interactions in today's intricate international system of state and non-state development actors.

**Act, don’t react**

Striking the right balance between global concerns and national sovereignty is just one step on the road to modernising international development co-operation. This new approach should also be clear about what it actually means to leave no one behind, and put in place strategies for handling tough choices, trade-offs and the interests of those groups who face short-term economic or political losses – such as power or profit - from more just and sustainable development.

Not only must this pledge continue to drive us to deliver on our existing global commitments to fair, climate-resilient and sustainable development for all nations and peoples, starting with women and girls. It must also push us to act on behalf of future generations. As daunting as our collective challenges may seem today, they will pale in comparison to the challenges that await future generations if we do not act.

If one Swedish teenager can change the global conversation about global warming in just one year, surely the governments of the world can show that they care and that they are listening by taking the actions necessary to deliver on the change millions are demanding. Of course, achieving systemic reforms to make the global economy and society fairer and more sustainable is no easy task. It takes leadership at all levels of society that puts in place the right incentives to get all actors behind the vision of sustainable development.

These active approaches must guide international development co-operation in the future. Creating a fairer, greener and safer tomorrow requires development actors...
to be two steps ahead of looming problems and to be honest, frank and forthcoming about what they can do better.

International development co-operation cannot create a perfect world. But it does help create a better one. We must not oversell its role, and we should not shy away from championing its importance. The flow of finance and ideas that stems from development co-operation are underpinned by solidarity and public support. They are built upon shared values and commonly defined standards and norms. To build a better tomorrow, we must play to these strengths and ensure that the unique role of development co-operation continues to increase our chances of success for everyone.

Way forward: A call for a change of course in development co-operation

OECD DAC governments and their development agencies need to show through words, actions and investments that development co-operation is fit to take on 21st-century challenges and open to working with diverse actors. This change of course requires a smart balancing act – inspiring public support and trust at home, especially with younger generations and voters; supporting rapidly changing and varied national pathways towards sustainable development; and all the while, playing to unique strengths as values-based, transparent and results-focused development partners.

Changing course requires action on three fronts

1. Narrative, modernise it
   - Engage citizens to craft modern and collective narratives that harness human solidarity and interests, focusing on local actions and solutions to big issues that people care about most – climate, health, basic needs, justice, saving lives – and around which progress cannot be taken for granted. Narratives must make action tangible for the public or risk overwhelming people, increasing anxiety and stymieing action.
   - Respect the right and responsibility of each nation to chart its own course towards sustainable development, with due respect for the universal rights of all peoples and generations, home-grown solutions, and protecting global commons and goods. Explain the diverse and catalytic roles that development co-operation plays in different contexts.
   - Update words and language to move public perceptions away from money and corruption, hand-outs and charity towards the empowerment of all people through education, jobs and other sources of resilience, starting with women and girls. Let narratives show how we all gain economically, socially and environmentally from progress in human well-being in other parts of the world.

2. Fit for purpose, retool
   - Champion and safeguard the essence and value of concessional public finance for development to support local, national, regional and global efforts to leave no one behind – and with a laser focus on root and system-wide causes of fragility, all forms of inequality, poverty and exclusion, building resilience, and ensuring more coherent action in humanitarian assistance, development and peace.
   - Step-up action for gender equality, which is fundamental for all societies – not only because it is right, but also because it provides keys to unlock the doors to progress.
   - Green and clean development co-operation, breaking silos between climate and development to promote people-centred, climate-resilient development pathways.
   - Uphold, update and promote high standards, expertise and good practices
informed by decades of experience and lessons, new research and evidence, and peer learning from all relevant actors, including citizens, on what works to achieve progress in well-being and why.

3. **Team up, smartly**
   - Reignite the spirit of effective development co-operation by remaining true to the central tenets of solidarity, country ownership, partnership, mutual accountability, transparency, responsible practices and long-term commitment to development results, especially in the face of short-term political and economic interests and pressures that are inconsistent with development.
   - Catalyse knowledge, innovations, financing and capacity towards sustainable development by teaming up smartly with public, private and civil society actors, informed by their unique value and potential and equipped with the right incentives and safeguards for sustainable development.
   - Co-ordinate across different policy communities to promote coherence in all areas of public policy and citizenship, to maximise global public goods while minimising any negative effects of domestic policies and actions on sustainable development objectives in other parts of the world.
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NOTES

1. For more information, see a video address by UN Secretary General António Guterres at the Consultative meeting of the Climate Commission for the Sahel Region at (UN, 2019).
2. Philip Alston, the United Nations Special Rapporteur on Extreme Poverty and Human Rights, used the term “climate apartheid” in his report to the UN Human Rights Council (UN, 2019).
t=1571741067836&t=1571840436200
4. See (Entrepreneurship Campus, 2019) for more information.
6. See (Ahmed, 2016) for more information.
7. See (The Ocean Cleanup, 2019) for more information.
8. See (Wodon et al., 2018) for more information.
9. See for example, Restless Development, which works with young people so that they can lead in solving those the challenges that effect their lives. Its and whose financial partners include civil society organisations, foundations and many OECD governments. Further information about the range of funding partners is available at: https://restlessdevelopment.org/funding-partners.
10. See UN (2015).
11. See (UNFCCC, 2015).
12. For a review of the impact of media coverage on attitudes towards aid, see (Anders, 2018).
13. This point was made in several consultations conducted between May and September 2019 for this report (see acknowledgements).
19. See GIZ (n.d.) for more information.
21. Public opinion polls regularly show that people significantly over estimate budgets for development co-operation: American taxpayers on average believe that foreign aid accounts for a full 26% of the federal budget compared to roughly 1% that the US government actually spends on aid (https://www.kff.org/global-health-policy/poll-finding/data-note-americans-views-on-the-u-s-role-in-global-health/).
22. The Institute for Economics and Peace notes that the cost-effectiveness ratio of peace building is 16:1, based on Rwanda as a case study. The case study, “History of peacebuilding expenditures in Rwanda”, can be found at (Institute for Economics and Peace, 2017, pp. 22-30).
23. See (Wodon et al., 2018) for more information.
24. See (Martínez-Zarzoso et al., 2016) for more information.
25. See (Mendez-Parra and Willem te Velde, 2017) for more information.
26. See (Amum Otor and Dornan, 2017) for more information.
27. See (UN, 2015) for more information.
28. See (OECD, 2019) for more information.
29. See (OECD/WTO, 2019) for more information.
30. See (European Commission, 2019) for further information.
31. See (Gashaw, 2018) for further information.
32. See (DFID, 2015) for further information.
33. See (OECD, 2019).  
34. See (OECD, n.d.).  
35. OECD data show that ODA to Tunisia increased nearly 40% (from USD 780 million to USD 1.08 billion) from 2010 to 2011, and a further 18% from 2011 to 2012 (to USD 1.27 billion). Since 2012, ODA has remained at around the same level. Data can be accessed at http://dotstat.oecd.org/Index.aspx?QueryId=93599.  
36. See OECD (forthcoming) and (Kolev, 2018) for further information.  
37. According to OECD (forthcoming), Viet Nam is in a special situation of not using most of the available ODA for macroeconomic, debt management reasons.  
38. See (World Food Programme, 2018) for further information.  
39. See (OECD, 2014) for further information.  
40. These include such as Cisco, the Ford Foundation, Google, Humanity United, the MacArthur Foundation, the Rockefeller Foundation, the Knight Foundation, the United States Agency for International Development (USAID) and the United Kingdom Department for International Development.  
41. See the OECD Recommendation of the Council for Development Co-operation Actors on Managing Risks of Corruption (OECD, 2016). See also the example of Norway and its “zero tolerance policy” (Government of Norway, 2019) and its “guidelines for dealing with suspected financial irregularities in the Foreign Service” (Government of Norway, 2019).  
43. See http://www.oecd.org/dac/development-assistance-committee/ for more information about the DAC.  
44. See (Congressional Research Service, 2019).  
45. MOPAN is a network of 19 donor countries. In 2017, MOPAN member countries accounted for more than 85% of official funding to multilateral organisations. MOPAN supports the needs of its members through the collection, analysis and presentation of relevant and credible information on the performance of the multilateral organisations they fund. Since 2015, MOPAN has assessed 26 organisations using its harmonised approach, the MOPAN Methodology 3.0, which includes more than 240 performance criteria grouped under 12 Key Performance Indicators. More information available at: http://www.mopanonline.org/home/  
46. Information shared by MOPAN Secretariat on basis of MOPAN official document.  
47. The recommendation can be accessed at: https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5020  
48. The recommendation can be accessed at: https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-5020  
49. See UN (2019) for further information.  
50. See FAO (2019).  
52. See NASA (2019).  
55. See (OECD/WTO, 2019), (AUC/OECD, 2018) for further evidence and analysis.  
56. See (OECD, 2018) for evidence and analysis on the risks of being left behind.  
57. See (Hedman and Williams, 2018) for further evidence and analysis.  
58. It is estimated that 35% of women worldwide have experienced either physical and/or sexual intimate partner violence or sexual violence by a non-partner (not including sexual harassment) at some point in their lives. However, some national studies show that up to 70% of women have experienced physical and/or sexual violence from an intimate partner in their lifetime, see https://www.unwomen.org/en/what-we-do/ending-violence-against-women/facts-and-figures  
59. See (Hedman and Williams, 2018, p. 101) for further evidence and analysis.
60. Feminist foreign and development co-operation policies promoted by Canada, France and Sweden, for example, go in this direction. See overview of DAC members latest policy priorities at the Development Co-operation Profiles: https://doi.org/10.1787/2dcf1367-en.

61. See (AUC/OECD, 2018) and the overview and the megatrends chapter at (OECD, 2018).


64. See (Kolev, 2018) for further evidence and analysis.

65. See (Kolev, 2018) for further evidence and analysis.


67. An analysis of United States media broadcasts by the Tyndall Report (2018), found that the Central African Republic conflict received just one-third of the airtime committed to coverage of the royal wedding in the United Kingdom in 2018.


69. According to (OECD, 2018), ODA accounts for two-thirds of external finance to fragile contexts.

70. View States of Fragility platform for extensive analysis of financial flows: http://www3.compareyourcountry.org/states-of-fragility/overview/0/

71. This is according to the Climate Action Tracker, which monitors climate action in 32 countries, which account for roughly 80% of global emissions. See also (UNFCCC, 2019).


73. See UN (2019).

74. See Shields and Masters (2019).

75. See Islamic Development Bank (2019) for more information.

76. See Thier and Alexander (2019).

77. See OPCW, 2019 for more information.

78. See (UN, 2018) for more information.

79. See (Mawdsley, 2012) for more information.

80. More information can be found at (OECD, 2014) and (OECD, 2018).

81. See (New Development Bank, 2017) for more information.

82. According to Jenks and Topping (2019, p. 14), 74% of the direct funding to the UN Development System comes from governments, 57% from DAC countries and 11% from non-DAC countries; indirectly, governments also funded the UN Development System via EU institutions and in part via UN pooled and vertical funds.

83. See (Morgenthau Jr., 1944) for more information.

84. See (OECD DAC, 1996) for more information.

85. See (PAHO/WHO, 2019) for more information.

86. More about OECD work on policy coherence for sustainable development can be found at (OECD, 2019).

87. See the OECD recommendation on policy coherence at (OECD, 2019).

88. See Kharas and Rogerson (2017) and Ingram and Lord (2019).

89. See (Ingram and Lord, 2019) for more information.


91. See OECD, 2019 (p. 26).

92. See (Morgan Stanley, 2018) for more information.

93. See (Feng and Pilling, 2019) for more information.

94. See (TNN, 2019) for more information.

95. See (OECD, 2018) for more information.

96. See Srinath I (2019).

97. See (Greenhill, Prizzon and Rogerson, 2013) for more information.
98. See (Carey, 2018) for more information.

99. The OECD consulted the Southern Voice network for input on the added value, changing role and main challenges in development co-operation. Ten members of the network responded, representing views from Africa, Asia and Latin America.

100. See (Gertz and Kharas, 2018) and Chapter 10 in (OECD, 2018) on micro-, small and medium-sized enterprises.

101. See (OECD/UNCDF, 2019) for more information and analysis of these issues.

102. See (OECD, 2018) for more information about financing for development.


104. See for example evidence cited by Pinker (2018) and Our World in Data: https://ourworldindata.org/war-and-peace

105. See OECD (2018) for more information.
