

Editorial

Development co-operation in 2023: The times, they are a-changing

“The times they are a-changin’” was an anthem for change in the early 1960s. We publish this 60th Development Co-operation Report (DCR) when much of the world is facing crises that development co-operation is struggling to respond to. The international development community also needs an anthem for change.

COVID-19 has cost lives and livelihoods. Debt levels are escalating. Russia’s war of aggression against Ukraine is redrawing the geopolitical map. Conflict and fragility are on the rise. Poverty is increasing. People are starving to death. Even sceptics cannot ignore the impacts of the climate crisis, especially on the world’s poorest people. Political freedoms and human rights are under attack. Discrimination against women and girls persists and has been intensifying. The Sustainable Development Goals (SDGs) are more valid than ever but seem more elusive.

Neither the development co-operation system nor the global financial architecture were designed to tackle these crises, a view reflected in candid contributions to this DCR. The development landscape has changed beyond recognition since the establishment of the Development Assistance Committee (DAC) in 1961. Development partners’ needs are increasingly complex. Development is inherently and increasingly political and contested. The DAC continues to evolve, but systemic changes are needed in terms of the range, quantity and quality of resources for development and the architecture that governs their use. These changes require the painstaking business of consensus building.

Official development assistance (ODA) cannot solve all development challenges. We are expecting this precious resource to do too much. Competing demands – from financing for global public goods and adaptation to the climate crisis to unprecedented urgent humanitarian needs – are stretching ODA budgets to breaking point. It’s hard to deliver effective development when resources are spread too thin. It’s even harder to ration this scarce resource. ODA must be invested as wisely as possible, based on the Development Effectiveness principles. The DAC takes this very seriously, but it’s frustrating that other development actors are not always held to the same standards. We won’t achieve the SDGs without correcting this imbalance.

Sustainable development happens when communities, societies and their governments own and pursue change aligned to the aims of the SDGs, supported by a favourable external environment. This report tells compelling stories about how the power of ODA can be harnessed in conjunction with domestic revenues, foreign direct investment and growth driven by the private sector to deliver the SDGs. There are really good examples of what ODA can achieve, from enabling Bangladesh’s transition from least developed country status to supporting Colombia’s achievement of its national priorities. But there are also salutary warnings that progress is being reversed by the overlapping crises.

There are mounting cries for reform of the international development financial system to make it work better for those who need it most, ranging from the Bridgetown Agenda to rethinking climate finance and more regional co-operation. Much remains to be done to agree on what change is needed and how to deliver it.

The DAC, as the custodian of the ODA rules and key funder of the multilateral system, has an important role to play. We need to harness our collective ability to build consensus to help shape new solutions to tackle global challenges. We must take bold steps to finance global public goods and development in ways that make sense in the 21st century, with only seven years left until 2030. OECD data show that the finance needed to support low- and middle-income countries to tackle climate change and fulfil the annual commitment of USD 100 billion could drain budgets for other development priorities.

Every dollar of development co-operation needs to be made to work as hard as possible. All development providers, including DAC members, must build on and improve existing toolkits and best practices. Much is known about what works and what doesn't. Fragile places are particularly difficult. This DCR has evidence from Afghanistan, Mali and South Sudan showing how development interventions in these extremely fragile contexts failed to deliver their objectives. A more realistic approach is needed. We don't need to start from scratch, but we do need to learn from our mistakes.

There is no escaping the need for more financing. Echoing the spirit of the SDGs, we must all be willing to share power and influence to bring together a new coalition of countries and other actors committed to financing sustainable development. Today, the DAC provides 81% of finance for the United Nations development system and 89% of IDA20. Others need to step up. Innovative partnerships between DAC members and other development providers can result in more and better development outcomes. This DCR has interesting examples from India and elsewhere. There is growing recognition of the need to widen the base of countries and actors supporting development. We need to improve how we work together to achieve shared goals.

At the same time, we need to put accountability to poor people in partner countries at the heart of our approach. Despite years of partnership and substantial investment, trust and relations between development providers and partners are strained. Geopolitical tensions have exacerbated old fault lines and created new ones. Donors have become more cautious in the years since the financial crisis and have been more reluctant to take risks with public money. Public support for development co-operation is under pressure with the cost of living crisis. We need to think creatively about how to rebuild trust with partner countries as well as with taxpayers in donor countries. This report has good examples of new types of mutually beneficial partnerships and how the multilateral system can support them. Financing sustainable development through ODA and other means is an investment in everyone's future.

This time of global disruption offers an opportunity to forge a new social contract for development and build a better system to help set the world on course towards the SDGs. Many of the contributors to this DCR call for action and provide many ideas as to how we might do so. Resilience to future shocks, no matter what their source, is recognised as essential.

Any contract involves rights and obligations on all sides. It must be agreed to in a spirit of mutual trust, understanding and shared responsibilities. It means being honest about what we can and can't do. It requires a determination to create the political space for international co-operation and investment in the SDGs, despite international and domestic challenges. And for partner countries, it means committing to a new era of transparency and good governance. This contract is about much more than ODA. A whole-of-society approach is needed that uses all available levers – whether political or technical, public or private – to create the conditions for sustainable development.

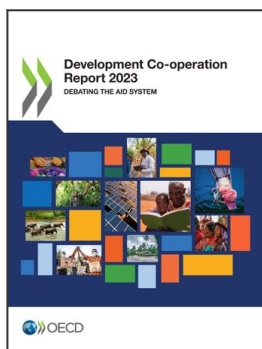
The DAC has a unique role to play in shaping this new contract. As a champion of development standards and good practice and of peer learning, data, transparency and accountability, we have much to offer. We are keen to engage with other development providers, partners and the multilateral system to build a better future for inclusive and sustainable development.

As Bob Dylan sang in the early 1960s, “Admit that the waters around you have grown ... and you better start swimmin’ or you’ll sink like a stone, for the times they are a-changin’.” As an international community, we must learn to swim harder against the rising tide. We must regroup and reform the development model and strengthen the global social contract to deliver for the complex realities of the world in 2023.

A handwritten signature in blue ink, appearing to read "Susanna Moorehead", is written above a single horizontal blue line.

Susanna Moorehead

Chair, Development Assistance Committee



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