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Tomorrow’s Global Development Landscape: Mapping Trends and Reform Dynamics

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Summary

The key tools and governance approaches for international cooperation for sustainable development (hereafter, international cooperation) were set up in a markedly different time and age. International cooperation – with official development assistance (ODA) as the dominant means of implementation – remains key, despite being generally considered as no longer adequate for addressing today’s common and collective challenges.

Despite numerous declarations of its growing irrelevance or calls for it even being beyond repair, the governance and reporting system of ODA has remained largely unchanged throughout its 60 years of existence. One reason is that there are few alternatives. Pandemic response and preparedness, climate finance, humanitarian aid, the United Nations development system as well as the budgets of the multilateral development banks all by and large remain dependent on ODA.

New and additional sources of development finance have been slow to materialise and run the risk of remaining time-bound and ad-hoc, as illustrated by recent discussions on Special Drawing Rights, debt swaps and green bonds. While other actors, such as providers of South-South Cooperation (SSC), and non-governmental actors are increasing and gaining importance, they are only to a limited degree institutionalised. In the absence of transparent and coherent methodologies for monitoring their actions, concrete financial volumes remain hard to assess.

This paper analyses structural factors of the institutional inertia in international cooperation and formulates expectations for where new reform impetuses might arise from. To this end, it maps and links key reform proposals for the global development system, with a specific focus on public financial flows consisting of three connected parts.

The first part concerns current forms of and reporting processes for ODA, climate finance and SSC. These concern well-established, albeit path-dependent, forms of international cooperation with different types of multi-stakeholder settings and different levels of institutionalisation. Here, we do not expect fundamental reforms given various entrenched interests and expect **that the nexus between climate finance and ODA will be the main driver for change**.

The second part of our mapping consists of what we call “global first” reform ideas. These ideas begin with a problem-oriented approach at the global level and aim at setting up new, universal financing schemes and redesigning institutional structures for that purpose. While the ideas in this category are still in their initial stage, we regard them to be particularly relevant for conceptualising the “demand-side” of reforms (i.e., “what would be needed?”). Here, we **predict that the more ambitious reforms for creating universality of contributions and benefits at the global level will not materialise. However, these concepts play a key role in influencing the future orientation of specific existing (multilateral) institutions**.

The third part of our mapping entails positioning current multilateral and bilateral development organisations located between the first two parts. We observe that these organisations experience a gravitational pull towards both directions of reform, namely focusing on global public goods versus prioritising the (countries) left behind, often with competing incentives and trade-offs between national and global development priorities. **We expect that a reform of bilateral development actors will lag behind in the broader policy field due to their domestic political constraints, whereas multilateral development banks will generate greater reform momentum (and be pushed by their stakeholders) as first movers.**

Introduction

For many decades, international cooperation has been a key tool for addressing the world's most pressing development challenges by supporting countries' long-term efforts to improve welfare, reducing poverty and promoting sustainable development. Both development cooperation and international cooperation in support of sustainable development are under considerable pressure. Budgetary resources for international cooperation are frequently mobilised to respond to major global events and shifts, ranging from foreign policy and security related events, global economic shifts to global crisis situations, such as the 2008 global financial crisis or the COVID 19 pandemic.

While development cooperation has been gradually and progressively integrated into foreign policy during the past and present decade, geopolitical tensions have increased in the years since the start of the global pandemic. Russia's invasion of Ukraine and more recently the war in the Middle East, have increased demands on development policy to prioritise geopolitical objectives in its allocations and strategies. In addition, the rivalry of systems between Western actors and China have entered the development discourse, particularly regarding the overall cooperation narrative and motivations of public actors.

Official development assistance (ODA) has also become a key source of finance for the adaptation to and mitigation of climate change under the Paris Agreement, despite promises to adhere to "additionality" principles of providing climate finance on top of ODA commitments. While climate change is the most prominent example, it represents a wider debate around the equitable provision of global public goods (GPGs) and the use of ODA for this purpose. Add debates on reporting domestic refugee costs as ODA and it becomes evident how much evolving global crises as well as adaptations among donors or providers have stretched the ways in which development resources are deployed. Given the lack of other formalised and institutionalised funding schemes to address GPG provision, global challenges and crisis situations, ODA has become a catch-all solution for mobilising public international financial flows, albeit being grossly insufficient. Scholars and analysts thus rightly ask whether a 60-year-old system – that has so far resisted any major reform efforts – is up to addressing these multiple global challenges or whether a re-conceptualisation and more fundamental reforms are needed (e.g., Elgar et al., 2023; Mélonio et al., 2022; Sending et al., 2023).

The key challenge any reform of the current system must address is the question how national socio-economic development in developing countries can be supported given that most Sustainable Development Goals (SDGs) are off-track while some have even regressed, whilst also providing more resources and reforming (multilateral) institutions to address the needed provision of GPGs.

The World Bank estimates that in 2030, the majority of people living in extreme poverty will be located in fragile and low-income countries. Meanwhile, only 24 per cent of global ODA in 2022 was disbursed to Least Developed Countries (LDCs) – a decrease from earlier years linked to the Taliban's seizure of power in Afghanistan and the reallocation of funds to Ukraine. This trend also indicates the increasing gap that results from deploying limited ODA resources to address a series of new challenges, including migration, security and climate change.

This paper offers two contributions: It first provides a mapping of ongoing reform efforts and the links between them before formulating expectations based on the political feasibility of the selected reforms.

International cooperation and its different understandings

International cooperation is all too often conflated with those actions and public financial flows reported as ODA. Originally, ODA has been defined as pertaining to activities with the primary objective to support the national social and economic development goals of "developing countries".

Founded in 1961, the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) membership consists of rich countries that have been in charge of defining, collecting and publishing statistics on ODA flows, accompanied by the European Union which is a full member and has evolved into a self-standing development actor. Notwithstanding the important past achievements of the DAC in informing global development agendas, norm-setting, accountability and resource mobilisation, the DAC's engagement is increasingly driven by the need to more openly serve the members' own national interests and contribute to addressing global challenges.

As per these pressures, ODA reporting directives have been updated over time to allow for the inclusion of additional activities that pursue national interests, such as external investments, or allow for the reporting of activities that do not contribute to strengthening the welfare of developing countries, some of which are discussed below. The ever-expanding inclusion of reportable actions has led to increasing expenditures reported as ODA within the DAC countries themselves. Critics therefore increasingly view the national and global purposes of ODA at odds with its original intent of promoting national development in developing countries (e.g., Kenny, 2023). They suggest that the nature of the changes is due to the way in which decisions to the ODA reporting directives are taken, namely by consensus and exclusively by those that provide ODA.

An alternative to this narrow perspective of international cooperation as ODA requires opening-up the decision-making process and the accompanying deliberations by including actors beyond the DAC's membership. These include emerging economies or so-called providers of South-South cooperation (SSC), non-governmental actors including civil society, philanthropy, and private sector, and also the countries that are the intended beneficiaries of international cooperation. All of these actors tend to take a wider view and consider international cooperation as any activity that explicitly aims to support (their) national or international development priorities, especially when intended to favour "developing countries". A broader understanding therefore conceptualises international cooperation to encompass a variety of activities and financial flows across policy fields that may be difficult to demarcate, let alone measure. Nevertheless, what such a broader understanding offers in scope and diversity, it lacks in precision and the ability to compare and measure efforts.

Comparing both perspectives, neither a narrow nor a broad definition of international cooperation is suitable to conceptualise solutions for the increasing gap between national and global development challenges. Given this vast range of definitions, any discussion on reforms needs to clearly locate proposals along this spectrum and reflect on the vested interests that so far have prevented reforms.

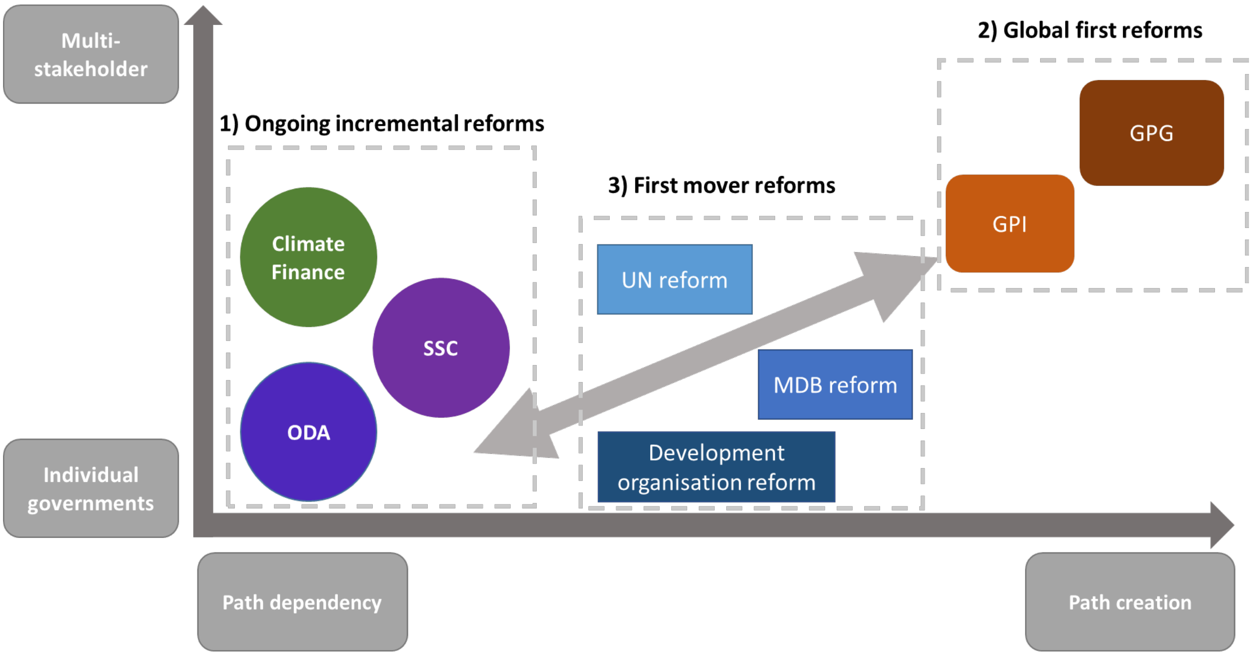
In scholarly and policy debates, these questions have been discussed in the context of reorienting ODA and contributing to the provision of GPGs (e.g., Elgar et al., 2023; Mélonio et al., 2022; Sending et al., 2023). Common to these contributions is, among other things, the observation that ODA is increasingly being used for purposes that are not aligned with the original objective of ODA. In addition to addressing ODA's "mission creep", the contributions also address the question of how funding for the provision of GPGs can be mobilised and to what extent it should be ODA-eligible.

Mapping the global landscape of international cooperation reform

Similar to the above distinction between ODA-provider-centric and broader understandings of international cooperation, we divide the ongoing reform discussions on global development into two categories. At one end, there are path-dependent reforms of existing forms of cooperation, including ODA, SSC or the global climate finance goals and architecture (for the latter, see Koch & Aleksandrova, 2023). Although these approaches differ in terms of which actors are involved and the extent of institutionalisation and reporting processes, they all represent existing fora for discussing fundamental issues related to international cooperation. By choosing the term "path-dependence", we highlight how reform dynamics in existing political institutions can be constrained by past decisions that – in the absence of external shocks or critical junctures – lock-in a specific trajectory of institutional development that are difficult to change or reverse.

At the other end of the spectrum, we locate more recent and emerging "path-creating" forms of international cooperation that are mostly conceptual in nature and have not yet been formalised. Although the equitable and sustainable provision of GPGs requires a wide range of ambitious actions, including regulatory change and institutional development, in the context of this paper we – and the discussion concerned – focus on dedicated actions to finance their provision. These include proposed global mechanisms for financing the provision of GPGs, citing the concept of Global Public Investment (GPI) as one example. Although these mechanisms are still in the design stage, they represent a fundamentally different approach to global challenges compared to the path-dependent reforms, as they focus more strongly on the demand and problem side of global challenges. We term a "global first" manner as initiatives seeking full "universal" membership that do not distinguish between providers and recipients. These reform ideas are path-creating in terms of taking global challenges and financing needs as a starting point before turning to the question of the means of cooperation, such as ODA or SSC.

Figure 1: Mapping reform processes in the global development landscape



Notes: ODA is official development assistance, SSC is South-South Cooperation, UN is United Nations, MDB is multilateral development bank, GPI is Global Public Investment, and GPG is global public good.

Source: Authors

In between the path-dependent and global first reforms, we locate an intermediate group of ongoing institutional reform processes related to specific actors who could act as "first movers". These reforms include ongoing discussions in the United Nations (UN), multilateral development banks (MDBs) and within individual cooperation providers, some of which are long-term (e.g., UN system reform) and others are more ad-hoc and short-term (e.g., changes in government). While these institutional reforms are closely related to the path-dependent category (and in fact could be part of these), they also illustrate the push and pull forces that are affecting key international cooperation organisations by aiming to address "path dependent" as well as "global-first" logics at the same time.

As per our analysis of dominant incentives in the wider system, we anticipate that changes within individual countries, such as domestic political shifts to the right and growing support of populist parties, and related discussions about the necessity and orientation of international cooperation will have a strong effect on rule-setting under path-dependent reforms. Moreover, the same actors will push to ensure a degree of "complementarity" of the multilateral cooperation actors (including the World Bank and UN) whose operations they co-finance with the priorities established in their bilateral cooperation portfolios. The dynamics of the emerging 'global first' reforms are more diffuse. On the one hand, global challenges require collective solutions that all countries and other actors contribute to. On the other hand, there are ongoing development challenges at country level that continue to require targeted and context-dependent measures.

Predominantly at the "receiving" end of these reforms, though with key involvement and influence, **poorer countries witness a competition between GPG-focused and national development challenges, while Western donors increasingly emphasise global (co-)benefits.** In a statement adopted at a 2023 high-level meeting, DAC members argued that no country should face the choice between these different aims (DAC, 2023), but the reality is one where this choice is effectively made for them by cooperation providers.

Within this broader landscape of reform, we focus on three reform processes – ODA reform, global first reforms and MDB reform. We analyse the reform processes by applying a "fit-for-future purpose lens" to compare reform ideas in a comprehensive manner according to their potential of impacting the future of international cooperation.

Fit-for-future purpose: Analysing and linking the three reform groups

We analyse and link the dynamics in selected ongoing reform discussions in each of the three groups (see Figure 1) to determine the direction and likelihood of these reforms to further unfold. In this analysis, we start by examining the historical context of each reform by asking: Where does the reform proposal originate from and what has been the reform's track record so far? In addition, we assess how politically feasible the reform proposal is, since vested political interests are a major impediment for reforms. Specifically, we analyse key actors and their incentives for supporting or opposing a given reform.

Part 1: Ongoing incremental reforms

For the first group of reforms, we focus on the ongoing ODA reform discussions. In 1969, the concept of ODA was adopted to monitor concessional flows, defining the purpose of ODA as "government aid that promotes and specifically targets the economic development and welfare of developing countries". While following UN-based discussions on the need to provide support to newly independent states, the development of the concept was originally prompted by US-inspired efforts to promote a more equal sharing of the contributions to development assistance among the OECD's membership. The composition of this group of countries with wide-ranging population and corresponding economy sizes – ranging from the USA to Luxemburg – influenced the decision to monitor both absolute and relative levels of ODA, with the emphasis on a relative target of 0.7 per cent of the Gross National Income of each OECD member. Until today, ODA remains the key measure used in practically all aid targets and assessments of aid performance.

Changes in how to count ODA-eligible expenditures can exclusively be proposed and approved within the OECD by members of the DAC that have committed to achieving ODA targets. Crucially, neither recipients nor other stakeholders have a say or direct influence on these reforms. As a result of this political setting, questionable decision on ODA eligible expenditure have, for instance, included domestic expenditure by OECD on scholarships, imputed student costs, development awareness (i.e., efforts to promote public support for development cooperation within OECD states), debt relief, vaccine donations, and costs spent by refugees in OECD countries during the first year of their stay. These and other changes have gradually eroded the legitimacy of ODA as an indicator of support to global development.

A fundamental change took effect in 2018 when the DAC switched from a "cash-flow equivalent" reporting to a "grant equivalent approach" for recording ODA. This was followed by new rules on Private Sector Instruments as adopted in October 2023, concluding an internal negotiation among DAC members that began in 2016. These changes triggered wide-ranging criticism, including from several high-ranking former DAC officials and OECD Secretariat staff. While technical in nature, the implication of the reforms is such that it is no longer legitimate to compare ODA figures from 10 to 20 years ago with ODA figures today.

Two types of exogenous changes have driven the gradual reforms of the ODA concept. First, ODA as a financial flow has steadily lost relative importance in recipient countries due to developing countries increasingly having access to alternative sources of financing, including through new public lenders, such as China, or an expansion of private markets. Second, ODA provided by OECD members has been subject to increased political and commercial pressures. These were initially driven by austerity policies, but today are increasingly motivated by domestic political changes and geopolitical motives. These **domestic pressures have urged governments to try to find creative bookkeeping to get as close as possible to the ODA target with the least possible effort in terms of public finance**. One example concerns the decision in 2020 to count debt relief of countries unlikely to repay their loans as ODA or the provision of leftover vaccines to developing countries that were not originally procured for that purpose.

Yet, while the OECD's DAC has found ways to account a number of contributions and financial flows as ODA (not all of these with direct beneficial impacts for developing countries), it has so far resisted opportunities for fundamental changes that address the governance structure and open membership of the DAC to more countries. It is also the governance structure that is so far the main reason for the inertia of the DAC to react to existing criticism. In essence, the DAC is a donors' club with a vested interest in designing rules to make themselves "look good", with decisions prepared by OECD officials and civil servants of OECD members in the Working Party on Statistics, but actual changes to ODA and reporting are taken by the OECD Delegates to the DAC – which, in both cases, are done by consensus. This conflict of interest is compounded by the fact that DAC Delegates and even technical experts often promote particularistic interests, especially driven by finance ministries that favour lower aid spending and higher credit for existing budget lines.

As a final but decisive reform dynamic, **we highlight the increasing blurring of development and climate finance regimes**, as public climate finance under the UN Framework Convention on Climate Change (UNFCCC) is mostly sourced from ODA budgets. Going against the principle of additionality agreed upon under Article 4.3 of the 1992 Rio Climate Convention, the current accounting system creates competition between climate change and socio-economic development as climate finance leads to a crowding out of limited ODA resources for other purposes (Michaelowa & Nahmhata, 2022). As climate mitigation and adaptation goals are expected to require public and private funding in the trillions, a progressing climate regime and a regressing poverty agenda under the same umbrella (ODA) leads to a reduction and further weakening of ODA as less and less grant money is available for socio-economic development and least-developed countries.

As a result, a clearer separation of ODA and climate finance has been proposed by several policy papers, including from France and Norway (Mélonio et al., 2022; Sending et al., 2023). While these proposals have not yet materialised, we expect that the nexus between climate finance and ODA will be critical for the future of ODA reforms. Although we expect inertia and a slow pace of reform in the decision-making processes within the DAC – particularly in relation to ODA reporting – a greater reform dynamic is more likely to materialise around the UNFCCC process to define a new global climate finance goal by the end of 2024 (namely, New Collective Quantified Goal [NCQG] in UN speak). This will result in implications and reform pressure on how to define climate finance and measure it individually from ODA (see Koch & Aleksandrova, 2023). The DAC faces a choice between continuity and the stretching of the existing policy paradigm versus a greater openness to adapt ODA and its governance structures to tomorrow's sustainable development financing requirements. Institutional inertia will inevitably lead to a loss of significance and a situation in which the pace and direction of reform is set by other and more inclusive institutions.

Part 2: Global first reforms

At present, there is no formal or coordinated financial mechanism or institution for adequately addressing global challenges and monitoring the contributions to the equitable and sustainable provision of GPGs. The idea of establishing a global-level financing mechanism has been influencing policy and scholarly debates for several decades, but concrete policy manifestations of this idea remain scarce and do not come close to the required global-level redistributive system that accounts for different burdens and responsibilities of all countries.

GPGs are defined as non-rival and non-excludable, such as clean air or the control of communicable diseases. This definition can be broadened to include other goods with externalities where public intervention can lead to a better outcome for society compared to what private actors would be able to achieve. Yet, two main obstacles cause an undersupply of GPGs. Free riding occurs when individuals or countries enjoy the benefits of public goods without contributing to their provision. Next, collective action can break down when individuals and governments are unable to communicate with each other to agree on common strategies. As a result, there is a "market failure" and GPGs are not provided at a sufficient level. Concepts or practical attempts to establishing these reforms that are global first in nature therefore need to present solutions for addressing these main obstacles.

One idea that had been circulating in the past few years is the Global Public Investment (GPI) idea as a concrete application of what a GPG finance mechanism could look like in practice. The GPI concept was brought forward by a multi-stakeholder group of civil society organisations and researchers. At its core, the concept is described as "all contribute, all benefit, all decide". In theory, all participating countries contribute according to their capacities and all countries receive financial contributions according to their needs in an accountable manner with the goal of building social infrastructure for greater social cohesion. It also applies the understanding of global sustainable development as being a universal agenda shared by all, as reflected in the 2030 Agenda.

Yet, the details of how such a concept would translate into practice and how it would complement existing institutions still need to be worked out. A key challenge lies in establishing measures that combine an accurate assessment of efforts expressed in budgetary costs (all contribute) with an equally nuanced assessment of inflows and results (all benefit) at the level of impacts. This is methodologically difficult to establish, particularly given the complex range of global development goals (as expressed in the 2030 Agenda) and numerous co-benefits across sectors (Melonio & Naudet, 2023). The political challenge of creating fair institutions that can set standards and mediate across stakeholders (all decide) in this context further exacerbates this challenge. Nevertheless, GPI is envisioning a radical evolution of the existing global financial architecture that departs from the familiar path-dependent reforms. The political feasibility of this concept depends, to a large extent, on whether low-income countries and middle-income countries find it in their interest to increase their advocacy for GPI. In our perception, their engagement in GPI remains limited to date.

The key starting point in establishing a global first reform for financing GPGs is the issue of measurement and metrics. While the GPI concept is still being developed and does not feature agreed upon metrics yet, there are other ongoing efforts worth highlighting. Currently, the majority of GPG measurements is still derived from ODA figures and therefore does not adequately address non-ODA resources. A complementary effort to measuring GPG finance beyond ODA is the concept of Total Official Support for Sustainable Development (TOSSD), which was originally developed by the DAC in 2012, but is currently worked out in a multi-stakeholder group and has been linked to the reporting process of the 2030 Agenda. TOSSD is measured in in two pillars: one dedicated to track cross-border flows to developing countries and the other to track regional and global expenditures with substantial benefits to developing countries. But experts have questioned to what extent expenditures reported in the second pillar can be clearly distinguished as having substantially benefited developing countries, as any public investments aimed at reducing greenhouse gas emissions could be reported (Sending et al., 2023), even if their benefit for developing countries is indirect mostly, such as in the case of investments in domestic carbon capture facilities. On top of these questions of metrics, the political process of establishing a broad-based global support for TOSSD is still facing challenges.

For global first reforms, we expect that the more ambitious reforms for creating universality of contributions and benefits at the global level will not materialise in the short-term, but that these concepts will become increasingly relevant through influencing existing institutions towards broadening their perspectives on combining discussions on efforts with measuring benefits at the impact level.

Part 3: First mover reforms

The third part of our mapping entails positioning current multilateral and bilateral development organisations between the path-dependent and global first reforms. Development organisations are currently being pulled into these different directions of reform, often with competing incentives and trade-offs between national and global development priorities. Bilateral development policy interests (and states) still play a leading role in these discussions and multilateral processes by and large reflect their interests. Yet, we have witnessed a number of political economy factors related to bilateral actors, such as an increasingly polarised domestic political landscape, the continuing rise of populist and right-wing parties and a much stronger alignment of development and foreign policy and geopolitical reasoning as restraining factors for bilateral actors to substantively pursue reforms in both directions, namely path-dependent and global first reforms.

Global first ideas and the need to provide GPGs in addition to the continuing pursuit of traditional and more interest-driven goals of ODA are largely recognised by bilateral development ministries, departments and agencies. Yet, these actors lack the political clout and influence in their domestic political institutional set-up to develop significantly in this direction, as national interests around security, migration and geopolitical motives dominate the discourse on the future direction of development nationally. In fact, current electoral shifts to the right in several European states increasingly put development policy on the defensive and under pressure to justify itself, as nationalist parties weigh global spending against national spending. Given these constraints and to circumvent domestic pressures, we expect bilateral donors (those where the foreign or development ministry is not under right-wing leadership) to more strongly push for related reforms at the level of MDBs. Accordingly, we anticipate that reforms of bilateral actors (ministries, departments and implementing agencies) will lag behind broader policy field reforms since multilateral organisations will be in a stronger position to push reforms, in particular to address the undersupply of GPGs.

The reform of MDBs plays a critical role in this context, as highlighted by the G20, the Bridgetown Initiative and the Paris New Global Financing Pact in 2023. There will not be a single institution responsible for addressing the global supply of GPGs, but rather a patchwork of different organisations and funds addressing specific GPGs, such as the World Health Organization regarding global health or the UNFCCC as a framework for climate change. Yet, these multilaterals all depend on public finance and the funds contributed by bilateral donors.

MDBs hold the advantage to act as global banks and thus play a crucial role in ramping up investments at scale. The mobilisation of additional resources and regular capital increases through shareholder support is key to ensure that financing of global challenges like climate change does not unfold at the expense of financing for least developed countries and national development challenges. Yet, as many Western governments are currently under pressure to justify their development spending in the face of populist and right-wing pressure at home, these capital increases must be hard-won by a consensus among democratic parties.

In addition, MDBs are key to unlock and de-risk private finance and investments to lower the cost of capital for countries to invest in low-carbon transitions, maximise capital efficiency, and tap into new sources of capital and guarantees (Bhattacharya et al., 2023). For MDBs to follow this path, their role needs to change substantially and the scale of their support needs to triple by 2030, as laid out in the recommendations of the G20 Expert Group on Capital Adequacy Framework.

The current World Bank reform has a special signalling role and the ability to enact first mover reforms with potential second-order effects. Whilst these are first important steps to ensure the needed provision of climate and GPG finance, other issues remain open. These issues include addressing the mounting debt burden of developing countries, the need for a more substantive increase in funding, and the outstanding gradual reform process of the World Bank's board structure and appointment process of its President (with the US providing this position while the International Monetary Fund is led by a European citizen).

While we expect the World Bank to first move into filling the void of a key global institution to finance the provision of GPGs, its key characteristic of representing the Western hegemony will inevitably prevent these Bretton Woods institutions from becoming a sufficiently credible and representative "global first" institution recognised by all countries worldwide. Yet, given the current lack of differently and more inclusively governed operational institutional structures, the World Bank will continue to play a key role. The discussions around the establishment of a loss and damage (L&D) fund illustrate this dilemma. While the US and EU successfully pushed for this new fund to be managed by the World Bank, G77 countries strongly opposed this proposal and demanded several conditions for the Bank to fulfil in setting up and running the L&D fund.

Conclusion

This policy brief analysed key reform dynamics in international cooperation. We highlighted that there are currently two directions for reform: one that is path-dependent and incremental, and another that is path-creating and more transformative. International cooperation actors are influenced by and themselves influence reform processes heading in both directions, while all are challenged to reposition key international organisations in response.

Three expectations can be observed in relation to each of part of the global development reform landscape:

1. For the ongoing **incremental reforms**, across their stakeholder and mission diversity, **we do not expect fundamental reforms resulting through this cluster**, given various entrenched interests. We **predict that the nexus between climate finance and ODA will be the main driver of change**.
2. For the **"global first" reforms** component of our mapping, we consider **their strength to lie in their non-institutional starting point** that positions them to represent the "demand-side" of reforms. We nonetheless expect that **the more ambitious reform efforts and initiatives may not materialise** themselves, but will instead **drive and inform other reform processes**.
3. Finally, the various ongoing reform discussions of multilateral and bilateral development organisations experience a gravitational pull towards both directions of reform, namely focusing on GPGs versus prioritising the (countries) left behind. **We predict that reforms of bilateral actors will lag behind the broader policy field reforms, whereas MDBs will generate greater reform momentum as first movers**.

We also expect that deeper reform of existing governance structures depends on the formation and articulation of interests by non-OECD states, both individually and in coalitions. OECD states currently lack incentives for change as this would require reaching a collective decision to share their influence with others, with the effect of reducing their own control. Reform from within the DAC itself depends on change-agents who recognise the ongoing loss of legitimacy and push for becoming inclusive, transparent and reform-minded. Looking at the international calendar, the following processes appear key for rebalancing the global development landscape:

1. The **New Collective Quantified Goal** is expected to be formalised and ratified during COP29 in Azerbaijan in November 2024. The OECD and its members should open and actively engage in attempts to **better define what counts as climate finance** and how this could potentially be differentiated from development spending. As current reporting to the UNFCCC relies heavily on OECD data collection and reporting, the accounting and reporting system of the OECD also needs to be improved and aligned with the NCQG.
2. In July 2025, 10 years after the most recent meeting in Ethiopia, the next **UN Summit on Financing for Development** is due to be held in Spain. Taking place more than two decades since the Monterrey Summit of 2002 in the aftermath of the September 11th terror attacks, the 2025 summit should reflect a similar resolve towards a **complete revamping of the international development landscape** – with the key objective to move beyond the former state-centred approach.
3. Finally, to allow the above two processes optimal chances of unblocking the reporting and policy machinery purposefully clogged by the OECD states, they should place a **moratorium on further changes to ODA reporting** during the coming period, at least until the July 2025 UN Conference on Financing for Development. The same states should show a similar willing stance in the **MDB reform discussion** by taking concrete joint initiatives with the effect of crowding in further resources from and by all relevant actors.

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