

## Dialogue 4: ODA and the international (development) cooperation system – global goals and strategic partnerships

ODA graduation processes change the relations between former donor and recipient countries, scrape on old structures of development assistance and transform existing forms of cooperation into a new mode beyond a donor-recipient logic, beyond the development policy sector and beyond ODA. Thereby, they may contribute more generally to shaping the future of the international cooperation system in the SDG era.

In order to explore what this future may look like, it is necessary to first analyse the current landscape of international (development) cooperation, identifying persisting patterns and recent trends, and situating the role of ODA and ODA graduation in this landscape. Thereupon, we can begin to rethink this system: What are today's main challenges, and do we have the right tools to address them? What is the best role for ODA in line with the 2030 Agenda and its principle of universality? What forms of cooperation are needed to realise the SDGs in and through graduating countries? Finally, we discuss the outlook for the decade to come and what could be a suitable and realistic vision to achieve our global goals.

The discussion was held between *Joseph D'Cruz*, Senior Advisor for Strategy and Planning at UNDP, *Stephan Klingebiel*, Director of the UNDP Seoul Policy Centre, *Yuefen Li*, Senior Advisor on South-South Cooperation and Development Finance at the South Centre and *Philani Mthembu*, Executive Director at the Institute for Global Dialogue. It was facilitated by *Luiz Ramalho*, former senior manager at GIZ and independent development consultant, and *Juliane Kolsdorf*, editor of this publication<sup>79</sup>.

*Stephan, based on your research and practical experience in bilateral and multilateral cooperation, could you provide an overview of the current situation: the current landscape of national development cooperation, the structures that we have; the strengths, pressures and drivers of change? What does ODA graduation mean in this context? What are the consequences? Are we going to have a different ODA universe in the future?*

79 For better distinction from the discussants, the inputs and questions by the facilitators are displayed in italic without naming the respective person.

*Stephan Klingebiel:* Let me share with you four comments from a personal perspective.<sup>80</sup> First, I think what we are seeing right now has, to a large extent, to do with fundamental changes *outside* the aid system; so many things we are currently experiencing are consequences of changes in the broader context of development cooperation. I will give you a few examples. First, we are living in, what Amitav Acharya calls, a multiplex world.<sup>81</sup> You might know his publications about it, a quite fascinating debate about the rise of countries and the increasing complexity of issues and challenges. This is, of course, not just related to development cooperation but refers to a much broader scope. As a second point, we have a number of megatrends which frame our debate. Just look at the issue of migration and refugees, how important this debate is and has been for the last couple of years from a European but also North American perspective. Frontier technologies, digitalisation and other megatrends are equally important. Every one of those megatrends is complex, but we all understand this has a very strong impact on development. My last point when it comes to changes outside the aid system is that we have an increasing need for cooperation, for collaboration, but it does not go hand in hand with a readiness among main actors or countries to cooperate. But what we are seeing is shrinking multilateralism. So, against the background of populism and nationalism in a number of northern but also southern countries, you have nowadays less readiness for collective action. It is really a much more complicated situation than a few years ago.

My second comment is that we are also experiencing a number of changes *inside* the aid system. Many of those changes are related to the global context, just to mention a few of them: South-South Cooperation as a competing approach to traditional ODA, which has to do with the rise of a number of southern countries. This is changing the setting in partner countries and contributing to reflections on norms and standards for development cooperation. Just think about the whole debate about TOSSD, Total Official Support for Sustainable Development. In my view, this is, to a large extent, related to new alternatives in South-South cooperation, reflecting the rise of some middle-income countries. I want to highlight another aspect which is often overlooked in that context: traditionally, the allocation of development cooperation or ODA comes from a country-based system; we allocate resources for countries A, B and C. This is still to some extent reality, but over the last couple of years, what we have increasingly seen is a thematic allocation of resources. So, instead of attributing an amount to one region or country, the allocation is going to address

80 This section is based on analytical work that Stephan Klingebiel did at the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) until mid-June 2019.

81 Acharya 2017.

climate change. Or migration: look at the European Trust Fund for Africa. There is a huge amount of money going to African countries for migration, but that allocation does not focus on countries but on thematic priorities. There are many bilateral but also multilateral institutions where this kind of shift has taken place over the last couple of years. Germany is only one example. Finally, there is the mutual interest approach, applied by a number of donor countries as a consequence of what I discussed at the beginning. For instance, when I was writing a paper together with a colleague last year<sup>82</sup>, it was important for us to see that we have an increasing disconnect between the narrative, the *why* of development cooperation, the modalities, the *how*, and the operational activities, the *what*.

My third comment, more specifically on graduation: I am really convinced that this topic is highly relevant, and for some reason donors have shied away from really working on it for the last few years. It was always there, but not to the extent needed. I think this topic is important from a system perspective, as it is related to the entire system of development cooperation and, of course, there are a number of more specific dimensions related to it as well. Let me again just touch upon a couple of them. First of all, when you are having informal discussions with experts from practice, within the system but also from academia, you quite often find the reflection that the aid system is a “dying system”<sup>83</sup>. We have a shrinking market because of this middle-income transit: Some of the most important receiving countries are no longer in need of concessional resources, and this is reflected ultimately in their graduation. Therefore, over the next couple of years, the system will ‘run out of business’. In addition, what has been present for some years in the development debate but not clearly responded to is the whole question of how to collaborate with countries close to graduation: upper-middle income countries mostly, just looking at China, for example. A number of development partners, or donors, do not have a clear strategy on how to deal with this kind of situation where graduation is taking place, and in fact donors are quite unsure how to behave. Moreover, how should the handover be organised? When we were doing our study 2018/19<sup>84</sup>, we talked to a number of donors about how they organised the phasing-out process with regard to Uruguay and Chile, for example. You could assume that donors might be interested in handing over what they are doing to other actors, but in reality, you find out that things are really being phased out, even if partners are convinced that they could continue. In addition, if assumed that cooperation is needed in countries that are no longer ODA eligible, in reality, actors

82 Gonsior/Klingebiel 2019.

83 Ibid.

84 Ibid.

from other policy areas are not taking over those activities. A number of developing countries are also very interested in the experiences of countries which have recently undergone this kind of graduation experience, like Korea, but also in those of countries that have not yet graduated, like China. And even a country like Rwanda, which is still a least developed country, is starting to share its own experiences with other developing countries because it is much more convincing to share *recent* experiences.<sup>85</sup> And finally in this respect, we should not only think about graduation from the ODA system, but also consider a number of other important graduation challenges. Just think about the least developed country list and great studies done, for example, by Debapriya Bhattacharya on the case of Bangladesh<sup>86</sup> and the incentive system about graduation from the list of least developed countries, and also from a low-income to a middle-income country, etc. The IDA graduation debate is also quite relevant in this regard because this takes place even before countries exit the recipient list of the OECD DAC.

This brings me to my last point. Graduation should be regarded, and I think you are doing exactly this, as part of a broader debate on the rationale of the developing cooperation system. My perspective would be very much in line with new research on transnational rather than international cooperation in support of Agenda 2030.<sup>87</sup> This would be a different narrative from the existing, rather traditional ODA narrative – but it would be important, and if we had such a perspective, the graduation debate would take place in a quite different context.

*Stephan was talking about putting the graduation discussion in a broader context. Philani, based on your research on international relations, on powershifts in international communities and also on country coalitions like BRICS, what is your perspective on this discussion?*

*Philani Mthembu:* I see there are some more conceptual elements and also more practical elements to this discussion.

In my view, there is – at least amongst countries in the South – the perception that countries in the north are trying to find ways to take less responsibility when it comes to their historical commitments in the area of development cooperation. Certainly, we have the idea of universality in the 2030 Agenda and there is an understanding that the development challenges are not only focused towards developing countries anymore. You may look at a country like the United States and some refer to it as a “rich poor country”. But at the same time,

85 See Klingebiel 2019.

86 Bhattacharya 2019.

87 See, for example, Klingebiel et al. 2016.

it is important to not lose sight of the varied responsibilities. In that sense, we should admit that developed countries in the OECD DAC basically take on *less* responsibility just because there is this idea of universality. So, the idea of common but different responsibilities is still very applicable.

This is interesting because we do have that perception, but at the same time, when you look at the historical principles around South-South cooperation, they always advocated that developing countries should not be perpetually dependent on official development assistance for their own development goals. Within the Global South itself, right from the time that countries were gaining independence, they did not want to be dependent on developed countries. You look at their principles of self-reliance and they speak exactly to that. Now, the countries needed to find ways to live out this self-reliance. That has been there for many years already and it does not come from the OECD, but it is the developing countries themselves that are saying those things.

However, while you want to move away from a donor-recipient relationship, the question for the countries that are graduating is: what follows graduation? Nowadays, there is more diversity of development finance that is available for countries, so they have more choice. That is no longer just coming from the OECD DAC members but also from southern actors, and there are increasingly new development finance mechanisms, whether it is the BRICS New Development Bank or the Asian Infrastructure Investment Bank. But even in that respect, development cooperation from the OECD DAC members is still an important source of cheap finance for quite a number of countries, particularly within Africa.

In that sense, it is important to say: yes, there is the universal 2030 Agenda on Sustainable Development; yes, there are countries that are graduating, but it is important that there are programmes or at least programmatic or systematic thinking about what follows graduation. It could happen that suddenly those countries do not have access to certain financing that they had access to before, or that the terms of the finances change in a way that might not lead to the further development of those particular countries. That is why this project is important: long before actual graduation, it is important that those discussions amongst the development partners take place to understand what the expectations, for instance, from a country like Botswana are, and what the expectations from its partners are. South Africa was involved in an interesting discussion in the early nineties in terms of its relationship with the European Union. The discussion was about where South Africa fits in within the Lomé Agreement and then, later, within the Cotonou Agreement. In the end, South Africa was given a special status within the agreement. It was a member, but it was seen as more developed than other African countries. And depending on who you speak to in South Africa, which departments of government, some were not very happy

with that. They still believed that South Africa's challenges in fact persist, that the country still faces massive poverty and inequality, that you still have vast areas with poor infrastructure and that you still needed that sustained support from the EU. I always found that interesting in terms of how South African policymakers saw themselves, whereas sometimes people outside South Africa viewed the country as having a different status or development level compared to its counterparts on the continent. Those external views were not always aligned with how those in government actually saw the challenges within South Africa.

Also, in that sense, it is really important to have prolonged conversations and planning on the implications of graduation. In the introduction, you mentioned the three consecutive years in which these countries are categorised as high-income countries before graduating from ODA eligibility. But we also do not want countries falling back after that period of graduation. We do have a willingness to graduate, we have always had a willingness to graduate away from official development assistance (ODA), but the fact that we are having the discussion on graduation will always spark conversations on who defines development, and why they define it in this way and not another way. That conversation will always be there.

*I wanted to add two short impressions from the case studies that the Overseas Development Institute conducted.<sup>88</sup> For instance, in Botswana, there was the overall feeling that the country was being punished for its good performance, in the sense that its development partners withdrew, and they felt that they had lost access to dialogue and exchange. And in Chile, a country that in fact graduated recently, an official mentioned that basically it was not Chile that graduated but only Santiago. This touches on the huge persisting challenge of inequality, both social and regional.*

*Joseph, from your knowledge of the United Nations system, especially the UN development system: It was already mentioned that there is a different approach underlying the 2030 Agenda on the one hand, and the ODA system on the other, mainly because of the universality of the SDGs. Is there a contradiction between the two concepts or can they come together? What does ODA mean in the age of universality, how would it be useful for the 2030 Agenda and what should be its specific role? What do we need in order to move forward – and in that respect, what are the key driving factors behind the UN reform process and how are they being addressed?*

*Joseph D'Cruz:* Let me focus on the context of the specific issue that you asked about in terms of the 2030 Agenda and what I can see from my personal

88 Calleja/Prizzon 2019b; Calleja/Prizzon 2019c.

perspective about what the role of international development cooperation might be today. Let me start with some observations in terms of the shift – or perhaps the decline – in the role of ODA as a factor in development for many developing countries, especially regarding the context in developing countries over the last few decades. Two very simple observations: ODA in its traditional form was a vehicle to convey two sets of resources: finance and expertise. If you look at the world over the last 20 years, at least from the perspective of developing countries, in both these areas, access to what is required outside the ODA system has become remarkably easier.

Firstly, finance. Not only has access to finance become cheaper because of historically low interest rates, but the developments of the global financial system have led to most countries having access to a much more diverse set of financing options than they had in the past. And as an underlying driver for developing countries' approaches and attitudes towards ODA, this is quite critical. We are in a situation right now where pretty much any country in the world can access financing in the global financial system, no matter how small you are or in what part of the world; with one or two minor exceptions.

Secondly, on expertise. In a similar vein, globalisation over the last 20 years has made access to knowledge and information, and to some extent access to expertise, much more available to developing countries than it has ever been, both at the national government level as well as subnational local levels. Within UNDP, we openly talk about the fact that in terms of being a traditional provider of technical assistance, one of our biggest competitors in the world today is Google, or the internet. And if the role of ODA is simply to provide technical assistance and expertise in the traditional mode, then it is becoming an increasingly challenged or in some respects marginal industry. However, there are two countervailing perspectives on this which I think are important to bring to bear. First of all, while there is access to a tremendous amount of information, knowledge and expertise in the world, it has become increasingly clear that the real value of communication and sharing within the international development sector has been in the sharing of experience rather than expertise, because most of the true knowledge that development practitioners learn on the ground is highly subjective, contextualised and in some respects subtle. So, what we are seeing more and more with policymakers and development practitioners on the ground is a hunger to be able to share experience, to share insights rather than to ask for carefully packaged and designed pieces of expertise in a traditional mode.

Now, in this context, what is the role of an international development system? I believe first and foremost that the necessity of a system that allows the sharing of experience as well as expertise and knowledge, and the necessity of a system that allows collective action on issues that are transnational or

transboundary is now more acute than ever. And one of the key roles for member states, nation states and organisations that support the international development system is in maintaining and in strengthening the systems that provide this ability to share knowledge and expertise. This is in one limited sense technical or financial, in maintaining the infrastructures or the networks needed for expertise to be shared. But it is also very critically political in reinforcing the need for a multilateral system that allows the sharing of knowledge and expertise amongst countries and communities. Both at a nation state level as well as at the subnational and individual level.

Now, all of this leads me to the question you asked about the 2030 Agenda and the shifts in the international development system, particularly the UN system. First and foremost, as you rightly pointed out, the 2030 Agenda is universal. It recognises that the aspirations and challenges of development are as relevant in the most developed countries from a traditional ODA point of view as they are in the most undeveloped. And it also recognises that many of the challenges we need to deal with today are truly not just transnational but global in scope. This includes, for instance, the climate emergency, this includes the rapid spread of diseases, shocks and other stresses to the systems, and the impacts of national disasters. The 2030 Agenda has started to trigger a shift in our perception of development as being a binary conversation between the developed and the developing, to being a multipolar conversation about how we share knowledge, lessons and resources, and also how we come together in coalitions, in networks, in structures to be able to address the global, regional and transnational issues that are a key part of development.

Within this context, the UN reform process is pushing the United Nations system firstly to work together more effectively. Many of the challenges that our member states face today are complex and multidimensional and therefore do not lend themselves to the traditional specialist silos that most agencies within the system have traditionally occupied. Secondly, it has pushed us to become a lot more agile and efficient on the ground because the scope and scale of resources that are available for development assistance are certainly a lot more limited than they were. The push for efficiency, the push for collaboration is very much driven by these incentives.

*Yuefen, the South Centre was created in the nineties to promote unity within the Global South. My first question is: Is there a common position on these issues from countries of the South? Secondly, Stephan mentioned the lack of readiness to cooperate – we have the weakening of multilateralism, we have protectionism, we have a tendency to adopt nationalistic inward-oriented policies. What could be the role of South-South cooperation? And thirdly, connected to this*

*one: what would be the role of southern providers in these changes to the development cooperation system?*

*Yuefen Li:* First of all, from my observations in the negotiations for BAPA+40 and also the current negotiations about the outcome document for the UNCTAD ministerial conference in October this year: all in all, people think that ODA continues to be important. If you look at the list of the countries still receiving ODA, the first group is LDCs. Over 50 years, only five countries graduated from the category of LDCs and some of them are still debating about the implications of graduation. For instance, Bangladesh was already mentioned; they are now asking whether they could still benefit from certain trade-related international support measures after graduation from the LDC category. Because LDC countries, in addition to ODA, also enjoy trade support and other kinds of concessional lending from the multilateral financial institutions. Challenges for countries of different income levels to ‘going beyond aid’ are not the same and for poor countries it is not that easy. If you look at the studies by ODI, you can see that for the countries that graduated from ODA, countries with a per capita GNI (gross national income) of \$ 12,235 for three consecutive years, there is no longer aid dependence for most of such countries. For them the amounts of ODA are generally small and with declining trend over the years, so they mainly rely on taxation revenue and on external borrowing. Of course, they have gone through the transitional period through globalisation, joining the international production chain, benefitting from the commodity boom or inflow of different kinds of financial resources.

Countries like LDCs will continue to need ODA for their development. About ten or eleven per cent of African countries still have a situation in which ODA occupies an important part of their general fiscal budget. So, there has been no ‘going beyond ODA’ up to now; it will take quite some years for them to graduate from the ODA recipient status. For the countries which have already graduated from ODA, the very important thing is not to have any economic reversal. In this context, international cooperation in taxation and support on how to stop or minimise illicit financial flows and also how to avoid overborrowing is very important. Also, for these countries, a supporting international environment with no special shocks is essential. Moreover, it will be important for these economies to build buffers like increasing their foreign exchange reserves and, if possible, to set up special-purpose sink funds in order to avoid any kind of special needs. And, of course, it will be important for them to avoid the middle-income trap.<sup>89</sup> There is one thing that I would like to highlight:

89 The term usually refers to countries that have experienced rapid growth and thus quickly reached middle-income status, but then failed to overcome that income range to further catch up to the developed countries. See Glawe/Wagner 2016.

among the countries graduating from ODA recipient status, it is necessary to pay attention and follow and monitor the development of small island developing countries owing to their special vulnerabilities. These countries have a lack of scale of economy and their resilience to external shocks is not that strong. So, it would be important for them to build a mechanism to avoid returning to the ODA recipient status.

With regard to South-South cooperation and triangular cooperation, I think it will be important for the countries that graduated from the ODA status to share their experiences with the rest of the countries and also encourage them to engage in South-South cooperation. I do not see that South-South cooperation is a competing factor towards ODA. The BAPA+40 conference as well as the UNGA resolutions stated very clearly that South-South cooperation is a complement to North-South cooperation, so it does not compete with or substitute ODA. The exchanges in different fields among the developing countries are very encouraging. As Philani mentioned, the developing countries do not really want to depend on ODA. There is still the slogan that they would rather have trade than aid. They would like to make themselves independent and not rely on ODA, even though ODA is important for them. However, the current situation is that multilateralism is under attack and unilateralism is on the rise. The tariffs and non-tariff barriers have been increasing in recent years and unilateralism is really an onslaught on international trade. The decline of international trade, however, is a very negative factor for developing countries. I still hope the international community can address these matters as they will certainly have a negative impact on the implementation of the SDGs. On South-South and triangular cooperation, the countries are now discussing how to strengthen it. For instance, the Islamic Development Bank and the South Centre have pushed the idea about strengthening institutional frameworks for South-South and triangular cooperation. We also published a paper on the national ecosystems that promoted South-South and triangular cooperation.<sup>90</sup> In the future, this will be even more important, especially with more countries graduating from the ODA recipient status.

There is one question which I am curious to ask: For instance, for international trade, you have the trade diversion impact. But with countries graduating from the ODA status, I do not know whether there is data which shows that the rest of the countries, especially the LDC countries, are receiving *more* ODA. Supposing the ODA 'pie' remains the same size and with more countries exiting from the pie, it would mean that the countries left behind should have a greater share of ODA. Is this happening or not? I read somewhere that some countries have even received more support after graduation. I am wondering,

90 Islamic Development Bank/South Centre 2019.

out of curiosity, is it because of the economic, geopolitical importance of the countries that the funding continues to flow, or for other reasons?

*What do the others think? If more countries are graduating, are the LDCs getting more assistance, more financial support, more expertise?*

*Stephan Klingebiel:* I am not aware that this is the case. Spontaneously, just from data from the last Development Cooperation Report, I think we have a small increase for LDCs, but I think this is not really related to others graduating. But I would not expect this kind of direct link to the graduation of other countries. ODA data is a very complex thing. For example, a lot of resources are going to UMIC countries and this is related to economic interest. Some actors are in a position to bring on resources from the capital market and so forth. Therefore, I would not see this as a direct, positive consequence that more resources go to least developed countries if more advanced countries graduate.

*Yuefen Li:* Should we be concerned by this?

*I think it is not only a question of economic interest and financial flows, but also a question of institutionality, governance and other issues. But on one point you are quite right. Just to give you an example, Germany's development cooperation with Mexico has greatly increased in the last few years. Of course, other issues are getting more important, like cooperation in climate and environmental matters. In the case of Mexico, a large share of German ODA comes from the Ministry of the Environment and others, not only from the Ministry of Development. There is still an increase in ODA flows to countries that are at upper-middle-income level and the question is what will happen when they graduate.*

*Let us talk about the outlook, the future of ODA, but also the future of partnerships beyond ODA. Looking ahead over about a ten-year period – 2030 – and we do not only have the SDG agenda, but also the prospect of more than twenty countries graduating. What consequences are you expecting for the ODA system and for the development cooperation system as a whole? What would be the setting beyond ODA or beyond what we know now as a system of development cooperation?*

*Joseph D'Crux:* Again, a purely personal perspective here and one that is rooted more in my sense of the future rather than in any strong evidence base. In the short to medium term, we are clearly seeing a situation where the premise and the need for international cooperation is being deeply challenged. I think this is evident. However, in the longer term, it will become clearer and clearer that there are a significant number of societal, geophysical and environmental challenges that we are facing which absolutely require better forms of international cooperation. And that push will force us to rethink how we define and how we

deliver international cooperation in a way that better meets the needs of these global challenges.

A moment ago, you talked about the case in Mexico and you pointed to the fact that there is still a significant increase in ODA from Germany because of environmental issues; funding channelled through the environmental ministry rather than the development cooperation ministry. This is one strong trend we have seen around the world in the last ten years or so, because of the urge and necessity to deal with issues like climate change. I imagine that we will start to see greater recognition that other social and economic challenges as well as environmental challenges will require international cooperation on the same scale. For instance, the scale of climate emergency impacts, natural disasters and shocks is going to push us to develop a much more systematic way to monitor, predict and respond to them, not as crises after they happen but as early-stage emergencies when they occur. The reactive structure we have right now, disaster assistance, is not sustainable in the long term. And there will be growing international recognition that we need forms and structures to share the risk and the burden of these impacts in a very different way.

So, I do see that the need and the impetus for international cooperation in this form will grow. But I am less certain about whether it will be framed in the traditional context of the ODA donor-recipient relationship or even specifically bilateral rather than multilateral or in network cooperations.

*Yuefen Li:* For the relationship between ODA and the SDGs, I hope that donors would have certain priorities regarding ODA. The priorities to my mind should be on poverty alleviation, climate change and debt problems. Because, as Joseph mentioned about climate change emergencies, poverty alleviation is still a big challenge – the low-hanging fruits have already been harvested, and now we have the hard core of poverty, which really requires ODA. Also, with the current situation of ample liquidity and low interest rates, developing countries and even a number of LDCs have access to the international capital market and some of these countries are borrowing a great deal more than in the past, not on concessional terms but on commercial terms. This is becoming a problem and carrying the risk of a debt crisis. We know that some countries are already in debt distress and some are at high risk of debt distress. So, I hope that the ‘ODA world’ has certain priorities when it comes to the attainment of SDGs.

*Philani Mthembu:* For me, the future looks much more diverse than what we have been accustomed to. I think it was the time when Richard Manning was heading the OECD DAC and, at that time, the DAC members were responsible for more than 80 per cent, even close to 90 per cent, of official development cooperation. Since the year 2000, that picture has been consistently changing and that picture will continue to change.

I think we will have many more actors but also a much more diverse set of actors. We have just come from BAPA+40 and some of us are still in a state of 'hangover' where you realise that – in the absence of common definitions about what constitutes, for instance, development cooperation from the South – you have a lot more actors that are actually forming their own development organisations or their own modes of development cooperation. They will come up with different modalities to share with other countries. So, the picture of the development landscape becomes much more complex. Take a look at a country like South Africa, which for over ten years has been talking about the establishment of the South African Development Partnership Agency. And as that is happening, other countries in the South have actually gone ahead and formed their own development agencies. Some are working with OECD countries for support and others are not. That is going to create more complexity within the field.

We are also going to have more triangular cooperation, with northern and southern actors working together in other countries. Particularly some of the countries that are graduating might find that other countries in that situation are increasingly interested in sharing their experiences through development cooperation. Triangular cooperation may then present an opportunity for them to continually engage with their traditional partners.

So, the future may be this changing landscape: more actors, more modalities and no common agreement on what constitutes development cooperation amongst these actors that are establishing new institutions for international cooperation. In addition, how to include the role of the private sector in international cooperation is going to be important. I also see that we will get more ownership at regional levels and at sub-regional levels. Not necessarily the OECD; we have been accustomed to the important role that the OECD has traditionally played. But subregions, for instance the Southern African Development Community or the East African Community, will increasingly attain their own ideas of how the international development landscape should evolve. I believe they will want their voices to be heard and to be taken seriously around forms of international cooperation.

In that sense, the landscape between now and 2030 will become far more complex than it was when we were accustomed to the OECD DAC being responsible for 80 per cent and more of international development cooperation. And I think such a landscape tells us that we should be cooperating more and coordinating more. Because if we do not, then we are constantly going to be into the disagreements about what other actors are doing and maybe seeing it as a threat to various modes of cooperation. Especially in a landscape where multilateralism and dialogue are drifting away, this calls for more cooperation.

*Stephan Klingebiel:* My personal assumption is that we may see a more pronounced system in that we have two main categories of cooperation: one for bilateral donors as a strategic approach in economic and, to some extent, security terms. This means that donor A wants to collaborate with a country because of economic or trade interests, and development cooperation might be one of the instruments applied. We are seeing this already now, and this might become more pronounced. The second type might be centred more around thematic areas or global public goods, with more and more funds, from bilateral but also multilateral institutions, devoted to a specific topic. It might be climate change; it might be diseases. Just look at what we are seeing right now in China, in Wuhan, and what we already saw with Ebola a couple of years ago. My assumption would be that those thematic approaches will be much more pronounced in the future.

In this regard, graduation might not really play such an important role because, if you want to do something about climate change, this kind of collaboration might be relevant even if a country has graduated. The conditions might depend on the income level of a country, but if I want to collaborate with a country based on the rationale of diseases, because of climate change or because of migration, this graduation approach might not be really that relevant.

*For your closing remarks, drawing on what has been discussed so far, what do you feel is still missing in the dialogue?*

*Yuefen Li:* I would like to emphasise that there is no conflict between ODA and the SDGs. These two go hand in hand. Most countries are not yet upper-middle-income countries. To reach 12,000 dollars per capita for graduating from ODA is quite a remote target for many developing countries. Therefore, it will be really important to emphasise the continued importance of ODA in general and to alleviate the worry and concern from LDCs or other developing countries that the donor communities want to give away their responsibility or commitment. It will also be important to differentiate between the degrees of transition. Based on the analysis from ODI, we can see that graduation from ODA for the upper-middle-income countries is not as painful as for countries graduating from the LDC status. For upper-middle-income countries, this transition seems to be relatively natural and relatively painless.

*Joseph D’Cruz:* I also believe that the conversation would benefit from being framed slightly more broadly – away from ODA as the term of definition – to being how the trends in development cooperation would affect countries that are on the cusp of development changes, like LDC graduation.

*Philani Mthembu:* I agree with the differentiation in terms of graduation, but it is important to include the various forms of cooperation as well, also amongst countries from the South, and to understand that it is not just about state to state

but about multiple tracks of diplomacy, essentially, by bringing more players into the implementation of development projects. However, we need to start shifting the narrative away from the idea that there are certain countries that have the knowledge and the know-how; shift away from this donor-recipient view to understanding that in the current age a country like Rwanda has lessons for a country like South Africa or Ethiopia. One interesting example in that regard: South Africa is working on how to run state-owned enterprises, and increasingly people are saying ‘look at what Ethiopian Airlines has been doing’ – and not saying, ‘look what Lufthansa has attained or British Airways’. The examples and the opportunities to share experiences have broadened beyond the OECD DAC, and I think it is about supporting both particular processes, so that the developing countries amongst each other also have the opportunities to learn from their own activities.

*Stephan Klingebiel:* To add another small aspect, one trend – at least for some main bilateral donors with specialised development actors, like BMZ in Germany or DFID in the UK – is that those specialised government actors are playing an increasingly less important role because ODA resources are being split up amongst a group of different ministries, different departments, etc. For me, this is an indication that the whole rationale – how governments, countries and parliaments are organising themselves and how they want to use ODA, what they expect to grow out of it – is changing. This is a long-term trend and we might also see consequences of how donors look at graduation, what is their interest and so forth.

