

Session 2: International development cooperation

*Strengthening the capacity of experts from SIDS to engage
in the intergovernmental negotiations on the Fourth
International Conference on Financing for Development*

New York, 9 December 2024

An evolving development cooperation landscape

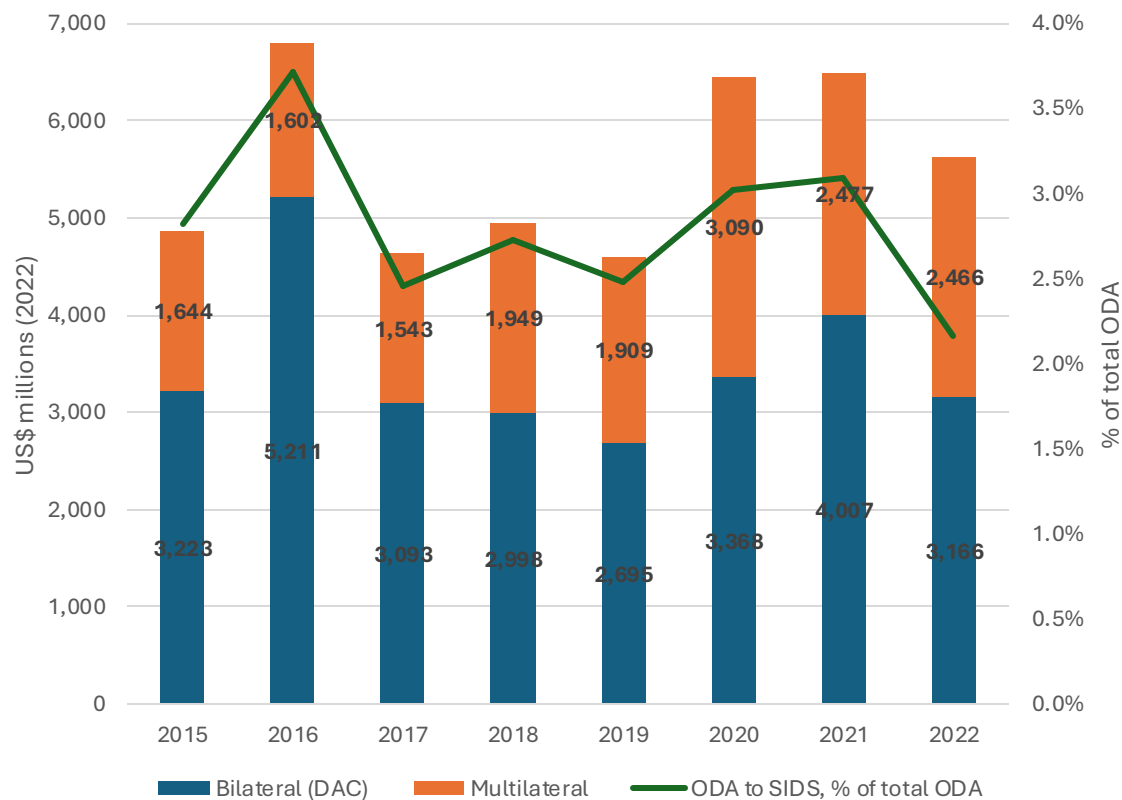
- **Increasing demands**
 - Economic development and welfare of developing countries / poverty alleviation / long-term sustainable development
 - Climate change
 - Humanitarian crises
- **Needs outpacing available concessional financing/ IDC**
 - Globally, ODA volumes increasing but falling short of commitments; less ODA is reaching developing countries
 - MDB lending increasing but concessionality levels decreasing
 - Climate finance increasing but inadequate for most vulnerable countries and falling short of needs



- **Challenges in allocation**
 - Across purposes (e.g. additionality of climate finance)
 - Across countries (e.g. vulnerability criteria)
 - Across modalities/instruments (e.g. budget support/ vertical funds)
- **Mixed progress on effectiveness**
 - At global level - proliferation of actors and modalities (e.g. climate funds)
 - At country level - donor fragmentation/ decreasing emphasis on alignment with country priorities



ODA to SIDS as a share of total ODA remains low



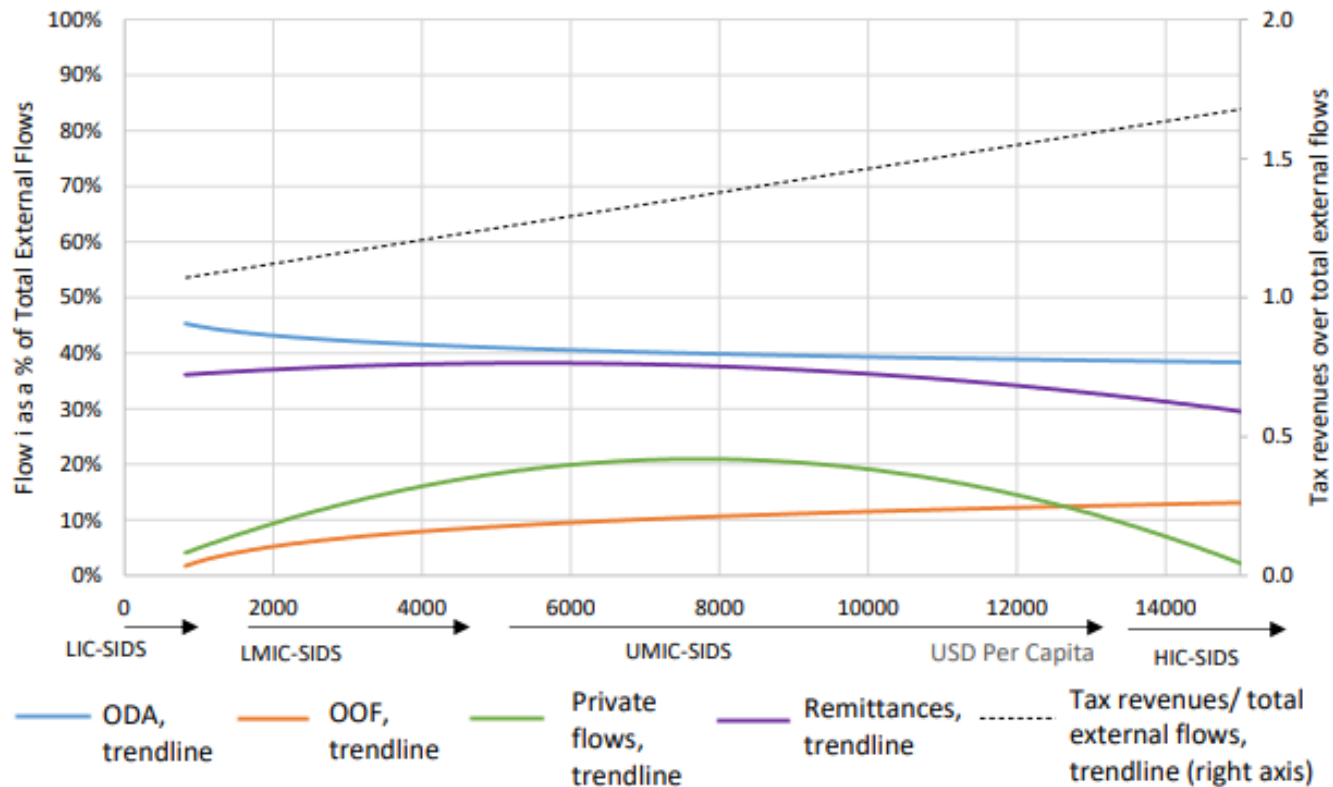
Source: OECD Creditor Reporting System

Note: ODA figures include ODA from DAC countries and multilateral organisations



SIDS dependence on ODA is high

- ODA dependency remains high even at graduation

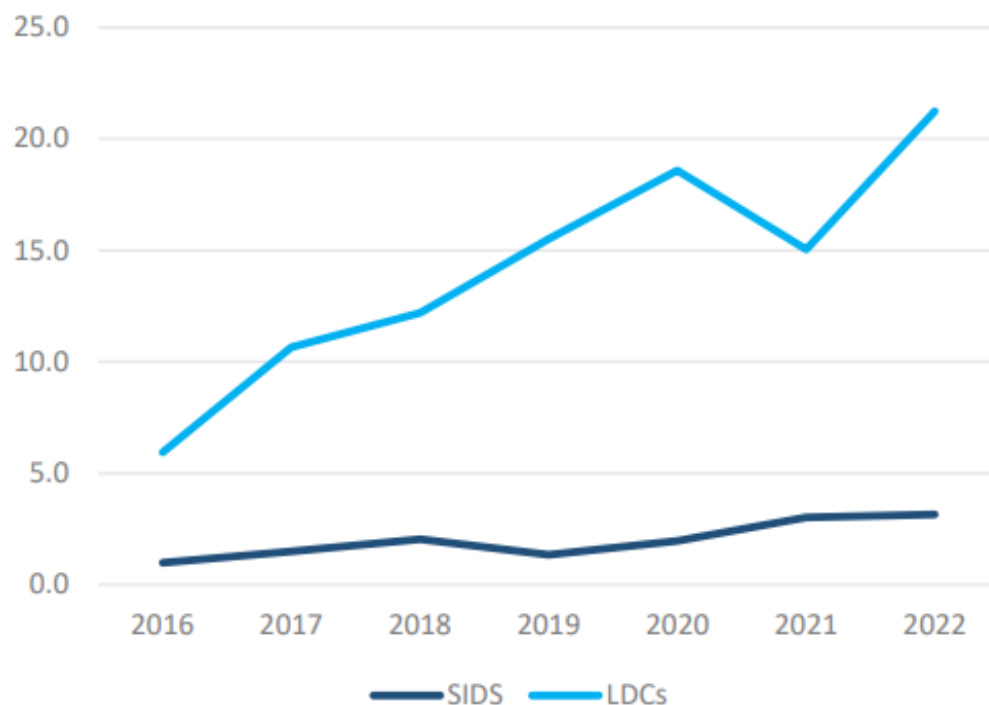


Source: OECD DCD



Recognised 'special case' for climate finance but no special treatment

Climate finance provided and mobilized in 2016-2022 (USD billion)



Source: OECD (2024) Climate Finance Provided and Mobilised by Developed Countries in 2013-2022

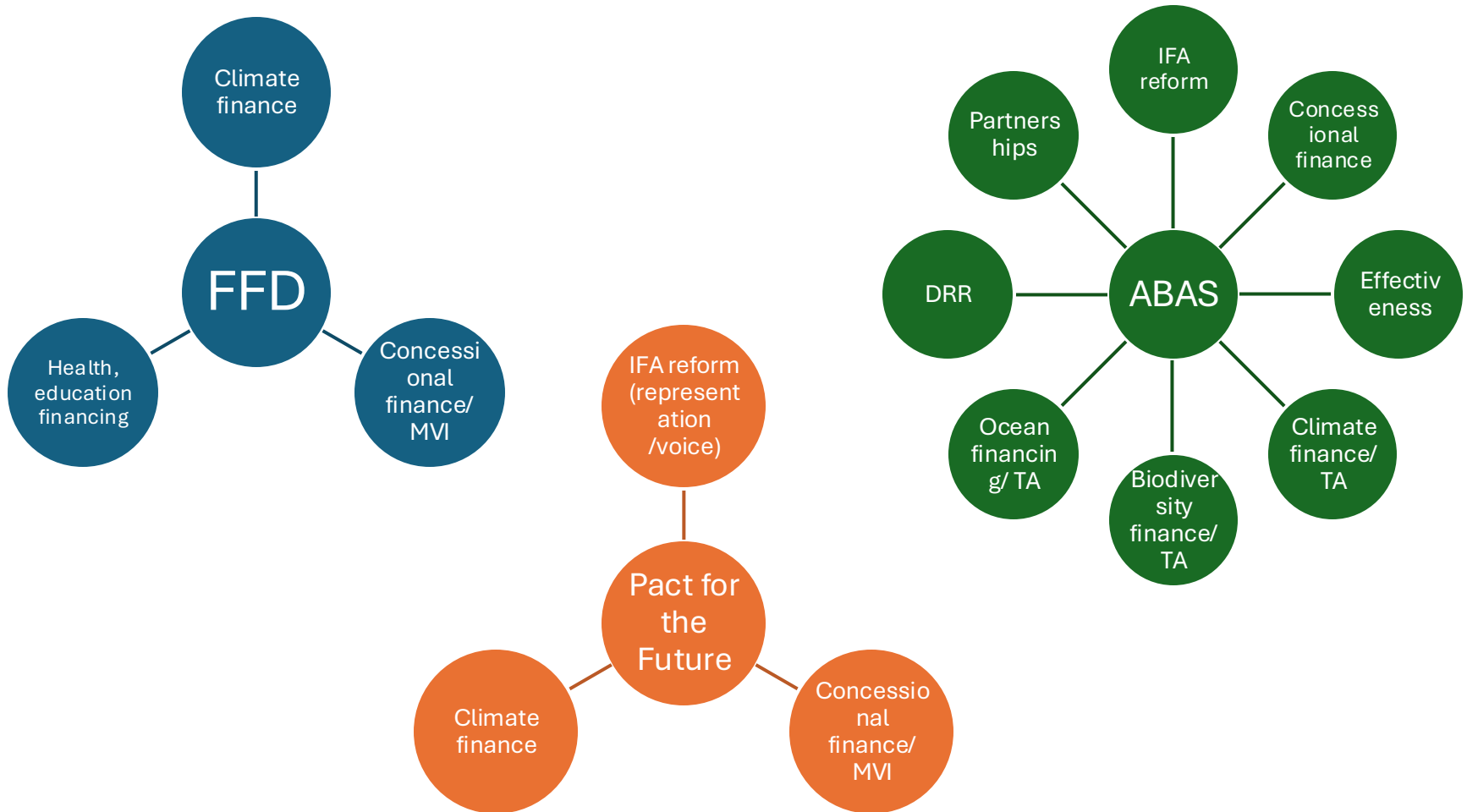


Key challenges

- **Increasing demands (climate + development + humanitarian)**
 - Rising loss and damage from climate impacts in addition to other existing calls on IDC (e.g. climate adaptation and mitigation, biodiversity, social sectors, institutions building, infrastructure, energy)
- **Access to concessional finance and grants**
 - Allocation and eligibility criteria/MVI
 - High transaction costs
- **Effectiveness of support**
 - Alignment with needs and priorities – mainstream vulnerability/resilience building
 - Donor coordination; Harmonization and simplification of application, access and approval procedures (climate funds)



Commitments by the international community on development cooperation mirror current challenges



- *How can the Fourth International Conference on Financing for Development (FfD4) help advance the international development cooperation agenda in line with the needs and priorities of SIDS?*
- *What are emerging issues and areas of concern that should be reflected in the FfD4 outcome document?*
- *What are the priority implementation gaps that FfD4 should address?*
- *What are key commitments from the Antigua and Barbuda Agenda for SIDS (ABAS) related to international cooperation which should be considered in the FfD4 outcome document?*



Thank you!