

Development cooperation in a contested world

by Masood Ahmed

6 December 2024



Center for Global Development President Emeritus Masood Ahmed delivers the Mitchell Oration at the 2024 Australasian AID Conference

Photo Credit: Alexandra Orme

This blog is an edited version of the [Mitchell Oration](#) delivered at the 2024 Australasian AID Conference on December 5.

The traditional framework for development cooperation is being challenged today in multiple ways, going well beyond just geopolitical contestation between major powers. While growing rivalry between the US and China, with most developing countries caught in the middle and not wanting to take sides, is indeed part of the story, three other major trends are reshaping the development landscape.

First is the growing urgency of addressing climate change, pandemics and other global challenges, which often compete with traditional development objectives for funding. Second is the need to deal with the spread and entrenchment of fragility, conflict and violence, along with associated humanitarian crises and refugee flows. Third is the shift in many wealthy nations toward inward-focused policies that view development programs primarily through the lens of national security or commercial interests, coupled with increasing scepticism toward multilateral approaches and institutions.

This represents a stark departure from the 1990s when many elements of the current development paradigm were forged. That was an era of post-Cold War optimism, relatively comfortable economic conditions, and enthusiasm for globalisation – seen as a win-win prospect. In this context, ending global poverty became a global project, crystallised in the Millennium Development Goals. The technicians of development asserted, perhaps with more confidence than warranted, that they had the tools and know-how to deliver on this noble ambition.

The following two decades were good years for development cooperation. There was clarity of objectives and confidence in the tools. New or expanded development ministries and agencies were set up in many countries, including Australia which saw its aid budget double during this period. Political support led to increased aid

budgets even when other government expenditure was being held back. Most partner countries bought into the paradigm, and with major debt relief through the Heavily Indebted Poor Countries initiative and improved macroeconomic frameworks, many could use additional resources effectively.

The results were exceptional. Between 1990 and 2015, extreme poverty fell from roughly 40% to 10% of the global population. Life expectancy in low-income countries increased by 12 years. Under-5 mortality was more than halved. Primary school enrolment nearly doubled. HIV was brought under control and polio nearly eradicated. While China's extraordinary progress from low-income status to the world's second-largest economy drove many of these improvements, several African nations also made significant strides. Ethiopia's GDP per capita quadrupled, while Ghana, Tanzania and Rwanda saw substantial gains.

However, by the mid-2010s, development progress began stalling across many low- and middle-income countries. Long-term growth projections were revised downward, poverty reduction slowed, and debt burdens increased. The global financial crisis had weakened faith in mainstream development prescriptions based on liberal economic policies. Meanwhile, fragile and conflict-affected states posed particular challenges, with over 50% of global poverty concentrated in these contexts – projected to rise above 60% by 2030.

The COVID-19 pandemic then dramatically highlighted global interconnectedness and vulnerabilities, with low-income countries least able to cope – a quarter still haven't recovered to pre-pandemic income levels. Climate change has become increasingly urgent, with record-breaking temperatures and extreme weather events underlining the need to incorporate climate considerations into development programs. Additionally, conflict-related deaths reached over 160,000 in 2023, primarily due to Ukraine and Gaza, while displaced persons reached record levels.

These challenges have prompted substantial reallocations of funding from traditional development programs to climate initiatives, refugee support, and migration management. The definition of Official Development Assistance has been progressively widened to accommodate these shifts, undermining the credibility of donor self-regulation in development financing. Many programs are being approved without the kind of rigorous analysis and focus on value for money that experience has shown to be essential.

China's emergence as a major development partner has further complicated the landscape. Now the largest bilateral creditor for many low and middle-income countries, China operates with different norms and priorities – something many developing country governments welcome, although debt sustainability has become

a growing concern. The resolution of debt problems has become more complex due to difficulties in getting traditional Paris Club and new non-Paris Club creditors to work within a common framework.

Perhaps most concerning is the widespread erosion of faith in international solidarity. The contrast between rich countries' domestic COVID-19 response (15-20% of GDP) and support for developing nations (6% or less) laid the foundation for mistrust. Delayed vaccine sharing and hoarding of supplies while healthcare workers in developing countries waited further damaged relationships. The rapid mobilisation of US\$205 billion for Ukraine, while humanitarian catastrophes in Sudan, Gaza, Afghanistan, Yemen and the Sahel remain critically underfunded, has reinforced perceptions of double standards.

Trust is further undermined by the disconnect between declarations and actions. While everyone acknowledges the urgent need to deal with unsustainable debt, 3.3 billion people live in countries that spend more on debt service than education or health. Numerous reports present grand plans for scaling up investment in developing countries, but negotiations struggle to deliver even modest increments.

This erosion of trust comes at a particularly critical moment. The policy, investment and technology choices made by developing countries will largely determine how the next pandemic is contained and whether there is a viable path to net zero emissions for the world. But cooperative action to tackle these shared challenges can only happen if we restore and rebuild trust. The humanitarian and economic crisis continuing in many developing countries demands attention not just on moral grounds, but as a matter of simple self-interest for wealthier nations. Without addressing these fundamental challenges, the prospect of achieving any meaningful progress on global challenges becomes increasingly remote.

Where do we go from here? First, donors need to show more honesty and realism, making only deliverable commitments and being transparent about constraints. Second, we need a more pragmatic approach to multilateralism – using it where necessary (as with climate change) while accepting bilateral or plurilateral approaches may sometimes be more feasible. Third, development assistance providers must rebuild domestic support through frank discussions about both moral imperatives and self-interest in addressing global challenges. Finally, with expanding needs and shrinking budgets, ensuring and demonstrating value for money becomes even more critical.

The development community cannot simply stay in its comfort zone. We have accumulated expertise in cross-border cooperation, rigorous impact measurement, and effective partnership delivery. This knowledge needs to inform broader policy

debates to ensure development outcomes aren't shortchanged for lack of advocacy. The stakes are too high to do otherwise.

Development cooperation as we know it is under pressure, and I believe this is not a passing phase. There is a temptation for us development practitioners to stay in our lane and do what we do best – and there's certainly a lot to be done within the traditional development space. But I feel that we also need to engage on the policy choices and tradeoffs at the margins of development.

We are the keepers of a body of expertise on the good and bad lessons of how to cooperate across borders to improve people's lives. We have developed rigorous metrics for measuring effectiveness and incentivizing impact. We have learned how to adapt global lessons to country-specific circumstances and how to partner effectively to deliver results. Uncomfortable as it might sometimes be, we need to bring this expertise to the table when the big policy and strategic choices are being debated in governments, international institutions or civil society.

We won't always get the right outcomes, but our intervention will help to shift the balance and ensure that development outcomes don't get short-changed because they lacked an advocate.

We have a lot to offer, and we can make a difference. Let's keep up the good fight.

Masood Ahmed delivered the Mitchell Oration at the 2024 Australasian AID Conference. Watch the full speech on [Devpolicy YouTube](#). Read the full speech on the [Center for Global Development website](#).

Prior to the address, Ahmed recorded a conversation with Robin Davies for the [Devpolicy Talks](#) podcast. [Listen and subscribe here](#).

Author/s:

Masood Ahmed

Masood Ahmed is President Emeritus of the Center for Global Development. He previously held senior positions at the International Monetary Fund, the World Bank, and the UK's Department for International Development.

Link: <https://devpolicy.org/development-cooperation-in-a-contested-world-20241206/>