Future of Development Cooperation Coalition
New Delhi Consultation
June 2026

On June 1, 2026, the Future of Development Cooperation Coalition held a consultation in New Delhi, India that brought over 70 Indian and other regional stakeholders with expertise in policy, research, finance, civil society, and the private sector to gather insights on how to best bolster development cooperation. The consultation was convened by the Coalition in partnership with the Indian Council for Research on International Economic Relations and the Center for Global Development. Across an expert roundtable and a structured, interactive workshop, participants focused on some of the most pressing questions shaping development cooperation today: its purposes, relative effectiveness, and how it must evolve amid major geopolitical, climactic, technological, and demographic shifts. India's unique dual role as both a development partner and a recipient gave this conversation a distinct perspective. These notes are shared here not as a comprehensive record of the far-reaching dialogue, but to highlight key areas of concern, agreement, and divergence.

Note: All quotes in text boxes are from participants in the consultation.

Recurrent Themes – A Summary

There was strong agreement among participants in New Delhi that development cooperation needs a significant reimagining in today's world. Participants were eager for a system of development cooperation that prioritizes the specific needs of emerging economies and enhances prospects for economic growth and prosperity across low- and middle-income countries. Importantly, the consultation highlighted the need for an approach to development cooperation that is forward-looking, able to respond to both current geopolitical shocks as well as future threats and opportunities. Participants encouraged the Coalition to advance specific proposals that are meaningful, bold, and actionable. Some of the recurring themes included:

- Development cooperation should be understood more broadly;
- The need for reforms to development finance institutions to drive greater speed, accountability, and impact;
- An emphasis on building state capacity to deliver at scale;
- A recognition of the importance of technology and closing the digital divide;
- A view that development cooperation must ultimately restore trust in multilateralism;
- The importance of south-south cooperation and knowledge sharing;
- The need to get the climate-development nexus right; and,
- A push for inclusive decision-making for greater impact.

Recurrent Themes - A Deeper Dive

Development cooperation needs to be understood more broadly

Multiple participants challenged the continued dominance of Official Development Assistance (ODA) as the primary lens for shaping and defining development cooperation. Participants argued that the current architecture, largely inherited from the Bretton Woods era, fails to reflect the complexity of today's development finance landscape. Participants called for a new model of development cooperation that better integrates trade, investment, remittances, technology transfer, concessional finance, and grants as important and often equal instruments.

> *The greatest development successes have not been achieved through dollops of aid, but by countries integrating with the global economy...but that successful plank is being broken by geoeconomic fragmentation."*

The term "aid effectiveness" was cited by some as being emblematic of a system stuck in outdated approaches because it is focused on a narrow piece of the puzzle. The consensus was that development cooperation must shift toward an approach that embraces multiple instruments and financial flows, moving from an "aid architecture" to a "capability architecture," that reflects country priorities rather than donor-driven frameworks.

Participants also noted that the geography of development cooperation is evolving, with many countries that are both "recipients" and "donors" and the rising role of the middle powers. They urged that the very effectiveness of development cooperation is linked to its ability to adapt and evolve.

Reforming development finance institutions is a priority

There were considerable calls for the reform of development finance institutions if they wish to remain relevant. Participants largely echoed a view that development finance to date has been fragmented and excessively slow and needs to become faster, less bureaucratic and more risk-tolerant. Participants wished to see the global financial architecture shift from "donor-driven" approaches to more "partnership-driven," ones where emerging markets have genuine voice and agency. Few specific views were shared, however, for how to achieve such transformational change.

> *"We need to move from instruments of conditionality to instruments of accountability."*

Many participants pressed for finance that is nimbler, more risk-tolerant, and less conditional. For middle-income countries like India, some argued that multilateral development banks should shift their focus from providing money to providing knowledge. There were calls to build capability in areas like manufacturing, digital infrastructure, institutional capacity, and skills rather than focusing predominantly on financial transfers.

With risk to finance, participants pushed for a broader and more flexible mix of capital and called for conditionality-based instruments to be replaced with accountability-based measures. There were also suggestions that funds should be designed to leverage at least equivalent amounts from the private sector. A number of interventions stressed the need for government to play a catalytic role in encouraging private investment and strengthening financial systems. Similarly, international organizations, multilateral development banks, and domestic financial institutions were also urged to support reforms and cooperate on financing issues. Several interventions noted that improved coordination between creditors, debtors, and development institutions would be required to create more smoothly functioning networks of finance.

State capacity is a foundational challenge

> *"Success is when institutional capacity outlives the funding."*

Participants highlighted that state capacity—the ability of governments to design, implement, and sustain complex economic, social, and political policies—is a foundational and often underappreciated development challenge. Given governments' role in shaping safety nets, infrastructure development, health systems, and social development initiatives, trained civil servants and committed political leadership are essential. Absent such capacities and capabilities, achieving sustainable development becomes exponentially more difficult.

Even as participants highlighted the crucial role of governments, they also stressed that governments should increasingly act as conveners and facilitators, rather than as sole actors or traditional central planners. Effective development cooperation was seen as requiring collaboration between governments, civil society, communities, researchers, and the private sector. The importance of coalition building and collaboration was seen as becoming only more important as societies grapple with issues like governance of Artificial Intelligence (AI) and climate change.

Several people maintained that traditional capacity building efforts for governments have often fallen short, and that too often "good governance" initiatives have been reduced to one-size-fits-all prescriptions that ignore the realities of country-specific contexts and broader issues of political-economy.

Technology is both an opportunity and risk; above all we must watch for the yawning digital divide

Technology, particularly AI and digital public infrastructure, emerged as both a defining opportunity and a pressing risk for low- and middle-income countries. Participants warned that the concentration of computing power and AI capabilities in a handful of countries, combined with inadequate diffusion and adaptation of technology risks, is creating a new and enduring development divide that may leave developing countries as perpetual consumers of technologies designed elsewhere. Data sovereignty and the lack of rigorous impact evaluation of AI investments were flagged as concerns, with participants noting that countries are either deeply excited or deeply anxious about AI's trajectory (and sometimes both.) At the same time, India's own digital public infrastructure (Aadhaar and the Unified Payment Interface) was held up as a successful model creating non-linear, scalable impact across health, education, and agriculture, with lessons that are directly transferable to other low- and middle-income countries.

> *"The biggest development divide is not going to be inequality of incomes. It's going to be unequal access to knowledge and adaptive technology."*
>
> *"Technology diffusion is a new development cooperation."*

Participants called for cross-border knowledge platforms, stronger technology diffusion mechanisms, and greater South-South cooperation on emerging sectors such as electric transport, where India itself still lags. To realize these opportunities, development cooperation must strengthen AI capabilities, digital infrastructure, and workforce upskilling, while ensuring that foundational digital access, multilingual AI tools, and inclusive deployment reach traditionally marginalized communities and not just well-connected elites. Delivering on this agenda requires collaboration across governments, the private sector, research institutions, and youth networks, supported by grant-based financing, early-stage innovation funding, and sustained investment in digital public infrastructure.

Trust in trade and multilateralism needs to be restored

Participants stressed the role of international trade as a driver of economic growth and development. India is currently in the process of signing a series of bilateral free trade agreements with the intention to boost growth and development. Yet, at the same time, it was highlighted that geopolitical fragmentation is increasingly distorting these very mechanisms, eroding trust in the multilateral system. Participants expressed a desire to find ways to incentivize international cooperation, and for development cooperation to play a role in restoring a measure of faith in globalization and multilateralism itself while helping underprivileged countries secure a more level playing

> *"Development cooperation must ultimately restore trust in globalization itself...it ensures that a lot of the underprivileged countries perhaps get a much more level playing field in global institutions."*

field in global institutions. Participants also noted the need for a development cooperation system that is more resilient to geopolitical fragmentation.

Several participants observed that international aid priorities have increasingly been shaped by strategic and geopolitical interests rather than development objectives, causing abrupt funding shifts that directly harm communities — with the withdrawal of U.S. Agency for International Development programs cited as a concrete example.

Shifting power and encouraging south-south cooperation is a way forward

The most consistently recurring theme was the growing agency of the Global South and the need to move decisively away from a donor-recipient framing of development cooperation. Participants drew on India's distinctive dual identity as both a recipient and provider of development assistance to make the case that the broader development cooperation architecture should also evolve to reflect this new reality. South-South and triangular cooperation were cited as being trusted and effective modalities in large part because they build upon country-to-country relationships rooted in shared experience rather than hierarchy.

Participants also called for innovations emerging from the Global South, such as digital public infrastructure and community-led finance models, to be recognized as important contributions to global development frameworks rather than being treated as mere local adaptations of Northern templates. Limited platforms for cross-learning, inadequate documentation of Global South experiences, and insufficient sector-specific approaches were all cited as constraints on broader knowledge sharing.

The climate-development nexus is not fully realized

> *"Existing climate finance and international partnerships need to be better leveraged to support domestic manufacturing ecosystems and green industrial development."*

The importance of climate finance was a recurring theme, although there were a variety of views as to how it should best be treated. Some suggested that climate finance could be integrated into development finance while others preferred it to be treated as a separate stream. Several people also raised concerns that, because climate is such a pressing issue at a time when development resources are generally constrained, climate funding risks diverting resources from traditional priorities such as poverty reduction, job creation, and health.

A number of speakers maintained that climate finance is essentially stuck: it is available but insufficiently deployed with an estimated $4–5 billion funding available for green hydrogen alone for example – but it is sitting largely unutilized due to a lack of bankable projects and underlying structural barriers. Some speakers called for undertaking urgent sectoral diagnostics to better understand why finance is often failing to translate into action.

Participants argued for a more holistic framing of the climate-development nexus that would treat development itself as a form of climate adaptation along with greater south-south cooperation on the issue of climate resilience. On the financing side, several interventions pushed for a stronger mix of early-stage financing, guarantees, demand-side incentives, and private capital mobilization to scale green technologies, alongside better leveraging of existing international partnerships to support domestic manufacturing ecosystems, particularly for micro, small- and medium-sized enterprises and green industrial development. In addition, participants recommended applying more decentralized planning approaches, robust monitoring frameworks, local community participation, a gender lens in climate dialogue, and coordinated partnerships across governments, MDBs, the private sector, and civil society.

Inclusive decision-making is key to achieving development impact

Participants were unequivocal that inclusive development cannot remain an afterthought and that gender, in particular, must be embedded in the core design of national and international policy frameworks. The persistence of gender-based violence, the chronic underinvestment in care infrastructure, and the continued exclusion of women from decision-making were flagged as stark contradictions in a world that has made significant progress on many other development goals.

> *"All development programs are built on the backs of women. Because they are unpaid and free labor, they just get a very ordinary honorarium."*

More broadly, participants called for the application of guiding principles for inclusive and participatory decision-making that center individuals at the last mile, including women and other traditionally marginalized groups as co-creators of development solutions. A common structural concern was expressed throughout the discussion: that development cooperation as currently practiced largely serves government-to-government channels and elite interests rather community needs.

Participants spoke of the Sustainable Development Goals (SDGs), but expressed skepticism about the SDG's framework's unwieldiness, with India alone having 52 SDG-aligned policies, which makes coherent coordination extremely difficult. While no one called for abandoning the goals, the consensus was that there needs to be more focus on outcomes that are tangible, measurable, and durable. Partnerships with community-led organizations, civil society, and international actors were identified as essential enablers, alongside blended finance mechanisms, targeted skill development programs, and ecosystem-based scoping studies to strengthen human capital. Success, in the end, was defined simply: building national capability strong enough that the word "aid" itself becomes unnecessary.

Conclusion

There is a unified call for a development cooperation model that better serves today's world. Across discussions on the urgency of state capacity, the risks of AI exclusion, the fragmentation of climate finance, and geopolitical tensions, participants argued that the current system remains too heavily shaped by donor priorities rather than those of low- and middle-income countries. Participants called for an approach to development cooperation that is rooted in trust, mutual partnership, and is resilient to an increasingly fragmented geopolitical landscape.