Future of Development Cooperation Coalition

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Beijing Consultation
June 5, 2026

On June 5, 2026, the Future of Development Cooperation Coalition held a consultation in Beijing, China co-organized with Zhejiang University International Business School and the Beijing Frontier Institute of Regulation and Supervision Technology that brought several dozen Chinese and other regional stakeholders from the business, finance, technology, and academic sectors to gather insights on how to best bolster development cooperation. Participants discussed where development cooperation can create real value, specifically in the areas of industrial policy, the green transition, and financial and digital innovation. Additionally, the Coalition partnered with the Asian Infrastructure Investment Bank to convene a panel, followed by a question-and-answer period, with senior leaders, thinkers, and practitioners who provided views from Asia on how development cooperation must evolve in today's world.

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

Recurrent Themes – A Summary

The Beijing consultation reflected on the possibilities for progress in development coordination in areas like industrial policy, the green transition, and digital and financial innovation, drawing both from China's own experience and the increasing patterns of regional engagement in development cooperation more broadly across Asia and elsewhere. Concerns about global tensions around geopolitics, trade, and multilateral institutions emerged throughout the conversations. At the same time, there was also a genuine sense of optimism about the positive prospects of economic transformation in low- and middle-income countries. In particular, the following themes stood out:

- The view that Asia has many insights and lessons learned from its own development journey that can, and are, contributing substantially to development cooperation.
- A belief that the current atmosphere, and particularly the narrative, of global rivalry and competition is corrosive but should not obscure the substantial cooperation and partnership that continues to take place on the ground.
- A confidence that sound industrial policy and green transformations can and should move forward hand-in-hand, but a caution that rhetoric has not always matched reality with green financing, and that the conditions for green transformations are challenging for a number of low- and middle-income countries.
- A conviction that technology and digital infrastructure are vital to modern economic growth but will require a supporting regulatory environment and meaningful investment if they are to be transformative.
- A recognition that a strong human capital base, and particularly quality education, is a pre-condition for unleashing rapid progress.

Recurrent Themes - A Deeper Dive

Asia offers insights

Participants were unified in highlighting that Asia can significantly contribute to development cooperation given its own development journey. China has seen remarkable dividends from an approach that put structural transformation at the heart of the system, resulting in some 800 million people lifted out of extreme poverty.

In many parts of Asia, participants noted, there have been important domestic development achievements in poverty alleviation, infrastructure construction, and the advancement of renewable energy and decarbonization. These experiences are being shared through increasingly active participation in South-South cooperation and multilateral development initiatives. Several participants suggested that the region's development experience in digital finance, green finance, infrastructure, and industrial policy can be customized and replicated in other developing regions, such as Africa, to support local structural transformation and inclusive growth.

It was observed that Asia is moving from a role of a participant to one of co-designer at a time when there is a need to integrate development into broader economic strategies. Experience from China suggests that development cooperation should increasingly shift its focus from project finance to long-term capacity building, including project preparation and policy coordination, data systems and AI integration, and domestic green finance building.

> *"Asia can contribute capital, policy instruments, practical solutions, and lessons on structural transformation. Asia has the capacity to offer new ideas and tools for development cooperation."*

In discussing the priority role of development cooperation, one perspective was that the market functions quite well already in financial and digital innovation. Consequently, the core purpose of development cooperation should be twofold: paving the first mile and unlocking the last one. The 'first mile' role was described as crowding in support when a project is in its earliest stages or seen by other sources of funding as too risky. The 'last mile' function was described as helping reach the hardest to reach, poorest or most remote communities where market incentives remain insufficient for the market to do so.

Several interventions made the case that Asia's development experience is more diverse than it is often characterized, with some still eager to view China as a state-led model and the OECD as advancing private sector models. Instead, they suggested that the Chinese economy is very much a mixed economy, and that across the region countries have been trying to make markets work well.

Competition and cooperation co-exist

There was a broadly shared sentiment among participants that great power and geopolitical tensions, "deglobalization," and ongoing conflicts are both corrosive and making economic and social growth more difficult – and certainly making development cooperation more challenging. The current global mindset of rivalry and disunion present very real obstacles that need to be navigated.

Notwithstanding the harsh current realities, many participants noted that the sour international narrative contrasts with practical on-the-ground realities where cross-stakeholder collaboration and partnership remain common. People are still searching for ways to create stability and cooperation.

Some interventions noted that markets and technology continue to improve and should be a source of optimism about the future, with more and more companies interested in going abroad, and capital willing to flow to environments where there are relatively open markets and sound policies.

> *"If we look at global growth rates – the world has experienced so much turbulence, but trade is growing and economic growth is resilient."*

Global economic growth has been generally upward from 2015 to the present, despite repeated geopolitical, geo-economic, and public health shocks, and existing international cooperation mechanisms have continued to deliver value. Against that backdrop, there has been widespread convergence between, for instance, Chinese and European development cooperation projects in low- and middle-income countries, with complementary strengths and frequent collaborative arrangements.

Some participants noted the natural tensions within development cooperation: multilateral cooperation has advantages in raising funds and providing greater legitimacy and perspectives, while bilateral approaches can be more efficient and entrepreneurial but sometimes fail to be a part of a more coherent strategic approach.

Participants identified several best practices for cooperation, with one of the most important being the need for all parties to understand the reasons why they are engaging and the approaches they take – not to try to change each other or finger-point. This shift in mindset among policymakers, practitioners, and beneficiaries was also cited as a critical first step in breaking down narrative barriers and advancing effective development cooperation.

It's the future, but not always easy: industrial policy and the green transition

There was clear recognition that industrial policy is highly context specific, though in many cases low- and middle-income countries can draw upon exemplars of what has worked and not worked in other similar settings.

Participants expressed alignment around the idea that industrial policy and the potential for a green transition are deeply linked, at a time when energy security and the risks from climate change are both prominent. In China for example, about 60 percent of new vehicle sales are electric vehicles and they represent about 50 percent of car exports as of July 2026.

> *"Unless we change significantly how we work and live, [planetary health] will be a threat to human civilization."*

It was stressed that trade issues are also interconnected, and without trade, it will not be possible to tackle the climate and energy crises. The failure to deal with those interlinkages effectively can be seen globally right now with repeated spikes in energy costs, subsequent price shocks in everything from fertilizer to pharmaceuticals, and the health and safety issues related to higher temperatures around the globe.

Participants proposed several solutions, including diversifying energy sources (including renewables), promoting resilience, and increasing climate adaptation. There was some optimism that low- and middle-income countries are increasingly active in environmental governance and multilateralism more broadly which is both welcome and overdue.

Several participants cautioned that the gap between the rhetoric around the green transition and actual practice remains large, with significant gaps in financing for climate adaptation and green jobs, inadequate risk sharing mechanisms, and standards and financing often poorly aligned.

A specific concern was raised around the lack of viable green project pipelines and risk perceptions as key barriers to scaling up financing to low- and middle-income countries. Addressing these barriers would require redesigning the current international financing system so that the world improves the sovereign rating system, better incorporates climate indicators, better articulates the needs of green industrialization, and increases the interoperability of standards through better policy and technology.

In addition, several speakers noted the regional dimensions of energy security, cross border grids, water management, and the inter-operability of shared infrastructure.

Participants shared that it takes time to achieve progress, which is often more incremental than revolutionary on the environmental front. It took time for the World Bank to shift its approaches, and despite China's significant shift towards renewables it is still a work in progress and the country still uses coal. A pragmatic, incremental approach to energy transitions was recommended, noting this approach must recognize the importance of energy security as a precondition for steady progress.

Several participants also observed that financing remain siloed. Ideally, projects and plans offer economic, social, and environmental benefits – but financing is not currently structured along those lines. Finding patient capital remains difficult. Several participants agree that aligning international certification standards for carbon markets would be of considerable utility.

Technology can be transformative, under the right conditions

Technology has been a crucial element of development cooperation and economic transformation in Asia, and most participants viewed addressing the topic effectively as a crucial challenge for efforts to modernize and revitalize development cooperation. Some participants noted that Asia does not have a monopoly on demonstrating the positive impact of technology on development, citing how mobile financial services (supporting both smartphones and feature phones) expanded financial access to micro- and small-enterprises and low-income groups in countries like Kenya.

Participants reflected on how domestic digital banking and financial innovation have been key drivers of China's financial sector growth over the past decade, allowing China to increasingly shift to impactoriented innovation. It was noted that multi-stakeholder cooperation involving governments, industry associations, financial institutions, technology enterprises, and local communities is critical to promoting responsible financial innovation and effective development cooperation.

Digital and AI innovation were seen by the group as driving fundamental transformations in the banking sector, shifting business focus to emerging industries, streamlining operational processes, and enabling new financing models for early-stage startups, while also bringing workforce adjustment challenges and regulatory gaps.

Participants also identified several obstacles to technology having a positive impact across borders and within specific low- and middle-income countries. They noted that low- and middle-income countries continue to face significant gaps in digital financial infrastructure. Development finance institutions can help bridge some of that gap with concessional loans and a great push for technology transfer, but this will be challenging as the pace of technological change continues to accelerate. In particular, there are no clear solutions offered for countries experiencing significant fragility other than a general hope that technology might be better adapted to their specific needs.

There was also some discussion on where regional cooperation is needed, including the need to lower cross-border digital costs; cut transaction fees; establish global common standards for cross-border flows; and, make payments safer and more efficient. AI faces common obstacles, including divergent national regulatory systems and data flow restrictions, which require coordinated global solutions.

Part of the discussion focused on the tendency of existing rules and regulations to slow the transformative power of technology. One participant cited “ancient WTO regulations” as being a particularly poor fit for new technologies and renewable energy sources. Several speakers suggested that development cooperation had an important role to play in helping adopt more modern global rules that reduce friction across states and systems, suggesting that one of the keys to transformation in a new era is not just to build infrastructure but connect it to other such systems.

> *“The more technology advances, the more we must keep our humility.”*

In that regard, cloud market access, cross-border data governance frameworks, and open finance policy environments were all mentioned as regulatory areas that are critical to unlocking the value of financial and digital innovation in cross-border development cooperation. Data-enabled solutions can deliver tangible development impact, as demonstrated by the satellite data-driven green financing use case for smallholder farmers in Brazil that improves financial inclusion for underserved groups.

Human capital is foundational

Although it was not a specific theme of the consultation, participants spontaneously and insistently stressed the importance of building human capital, and particularly quality education, as an essential element of economic progress, digital literacy, and transformative social change. Several participants noted that there is often a focus on the lack of capital in development cooperation, but comparatively little attention paid to the lack of appropriate talent. There was also consensus that education effectively unlocks other domains – in health, livelihoods, resilience, and effective governance.

Importantly, the participants stressed that the nature of education and how it helps produce a skilled workforce is also rapidly evolving because of new technologies, particularly AI. Health was also mentioned as key to human capital, with mention of the benefits of traditional Chinese medicines.

"Education is a foundation on which all other development goals depend. We need to rethink the purpose, quality, and lifelong learning aspects of education; not only as a social imperative, but as the key to unlocking human potential and sustainable development."

Conclusion

Several important themes emerged during the discussions that reflect Asia's increasing prominence and dynamism in development cooperation. Green industrial development along with robust adoption of AI are seen as drivers of continued economic growth and structural transformation. Protecting natural resources and the shared environment are important long-term imperatives. And trained, agile humans are foundational to any progress in a fast moving and fast changing world.

Almost all the participants viewed the state of geopolitics as suboptimal but were also of the general sentiment that the markets, innovation, and educated populaces would find solutions despite the current obstacles, and that there is a genuine thirst to rebuild cross-border trust and partnerships.