

## INTERNATIONAL DEVELOPMENT COOPERATION



### IMPORTANCE

Official development assistance (ODA) is a major source of funding, particularly for least developed countries as a complement to other sources of finance.

COVID-19 has hit developing countries particularly hard, reducing fiscal space by several percentage points of GDP in 2020 in several countries. In a context of increasing financing needs and decreasing available resources, international development cooperation can play a major counter-cyclical role.

ODA also helps catalyse private finance to fill the SDG funding gap.

Mobilisation of finance for climate mitigation and adaptation in developing countries is essential to address the multiple negative consequences of climate change for populations.

The EU and its Member States are by far the largest provider of ODA in both relative and absolute terms, representing EUR 66.8 billion, i.e. 0.5% of collective gross national income, in 2020.

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The Global Gateway strategy is a plan for major investment in infrastructure development around the world underpinned by a value-driven approach and aiming to mobilise additional finance for sustainable, transparent and high-quality projects fully aligned with the SDGs and the Paris Agreement.



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The EU and its Member States, in a Team Europe approach, impressively mobilised EUR 46 billion by April 2021 to provide additional fiscal space and better respond to the COVID-19 crisis.

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The EU and its Member States have shown strong leadership in pushing for a global green, inclusive and resilient recovery, substantially increasing support for biodiversity, disaster risk reduction and human development among others.

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Because public resources are not enough to reach the SDGs, the EU and its Member States use ODA to leverage private capital, notably through blending or guarantees.

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Innovative finance mechanisms mobilised close to EUR 10 billion of additional financial resources in 2020.

The 2020 target of spending at least 20% of the EU budget on climate finance has been met by far.

The EU is now committed to reaching a target of 30% for climate finance, with an additional EUR 4 billion for climate finance for partner countries by 2027.

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