



Multilateral Development Finance 2026

22 June 2026

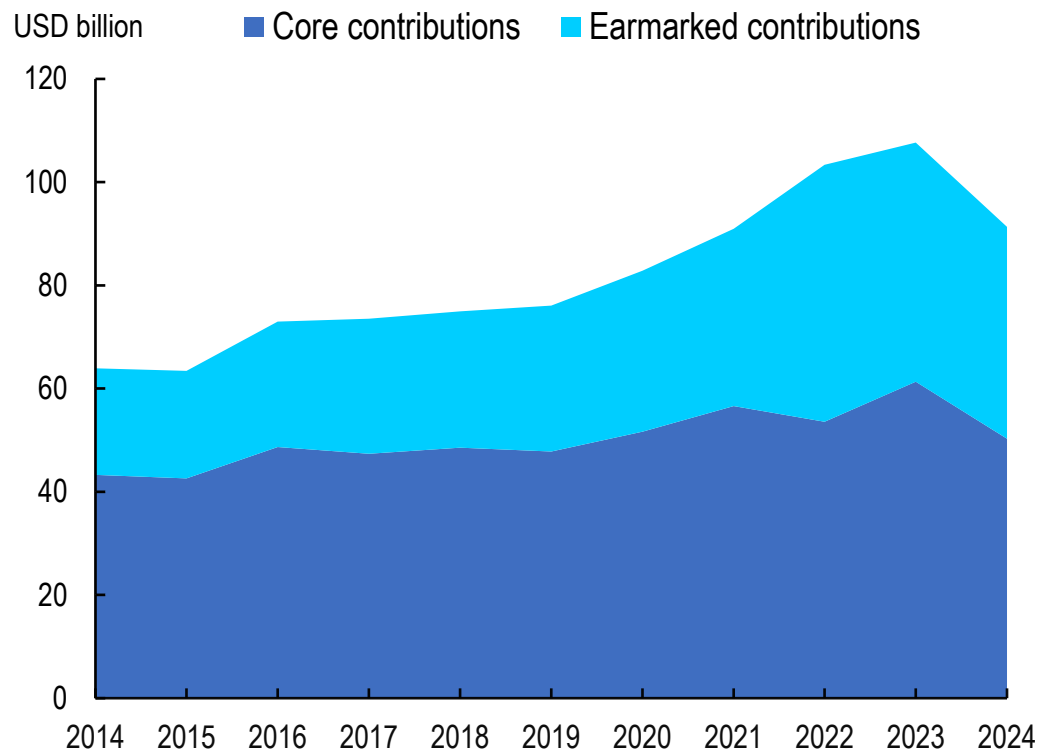


OECD DEVELOPMENT CO-OPERATION DIRECTORATE

2024 marks a structural reversal in multilateral funding

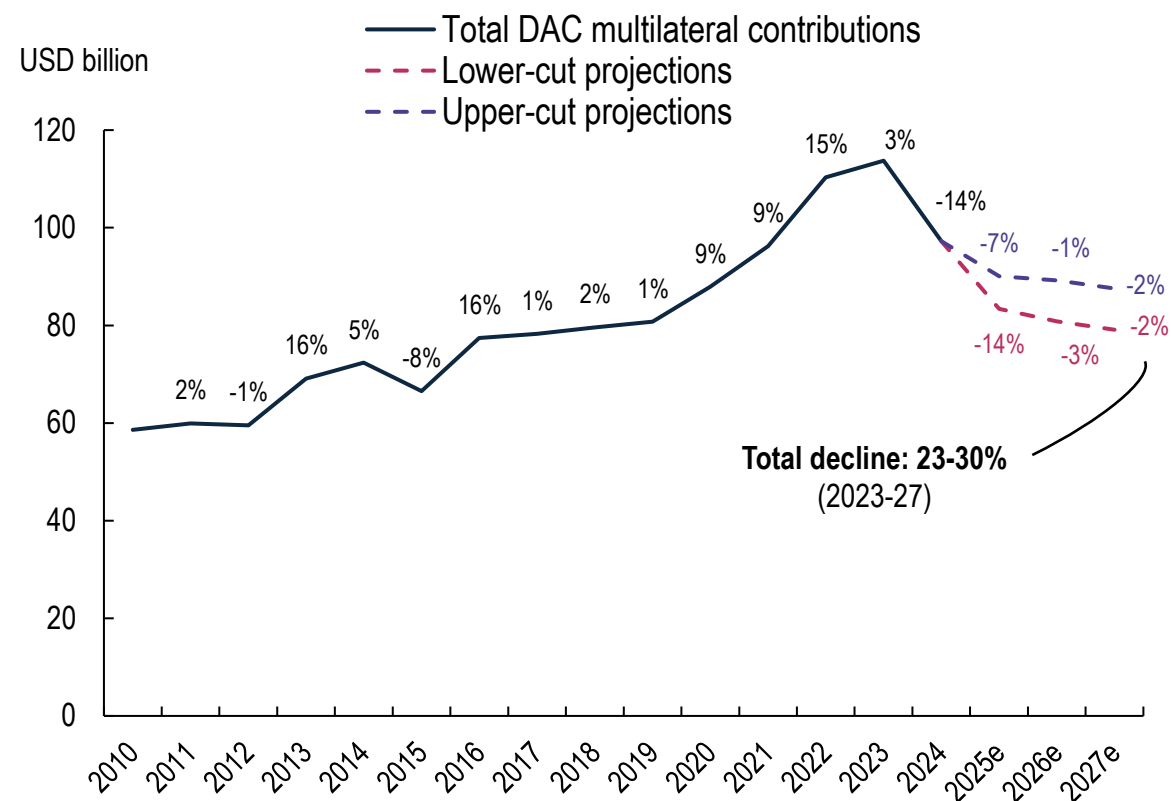
Both core and earmarked contributions to the multilateral system declined in 2024

A. DAC countries' core and earmarked contributions to multilateral organisations, 2014-2024



Aid cuts announced by major providers point to a further deterioration in the funding outlook

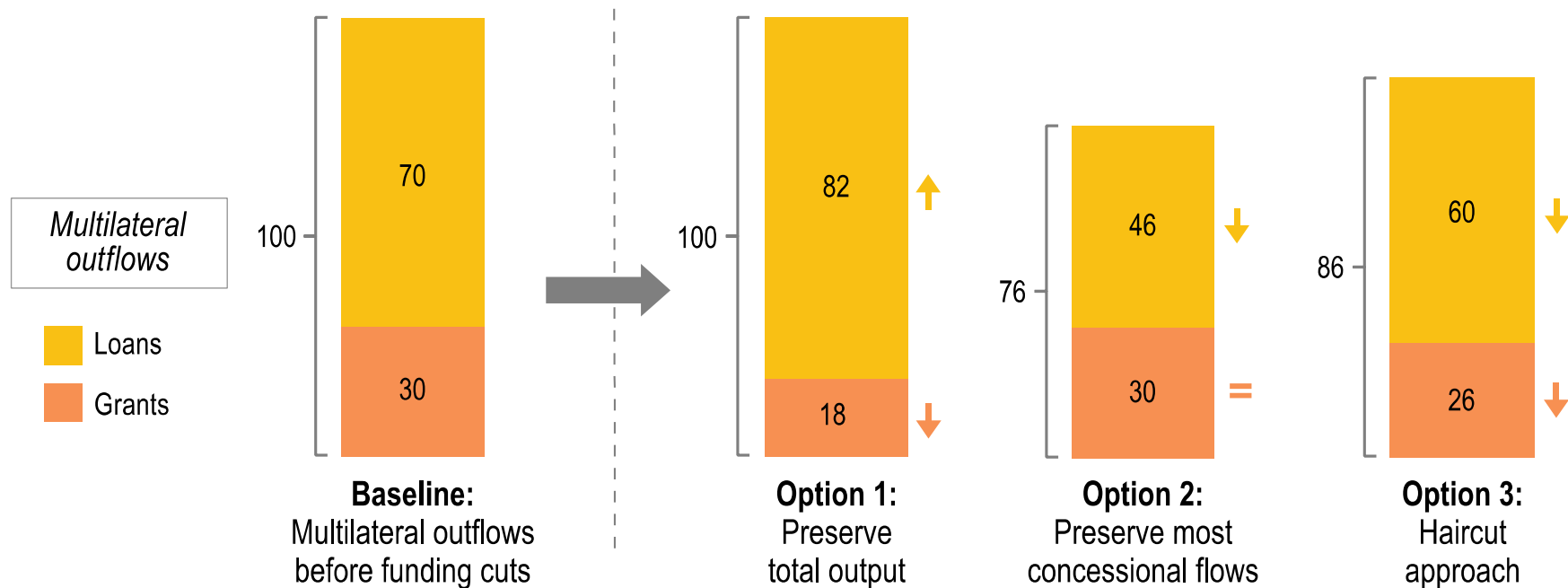
B. DAC members' total contributions to the multilateral system, 2010-2024 and projections



Budget cuts involve difficult trade-offs

Illustrative trade-offs of aid funding cuts: 15% budget cut scenario

15% budget cut

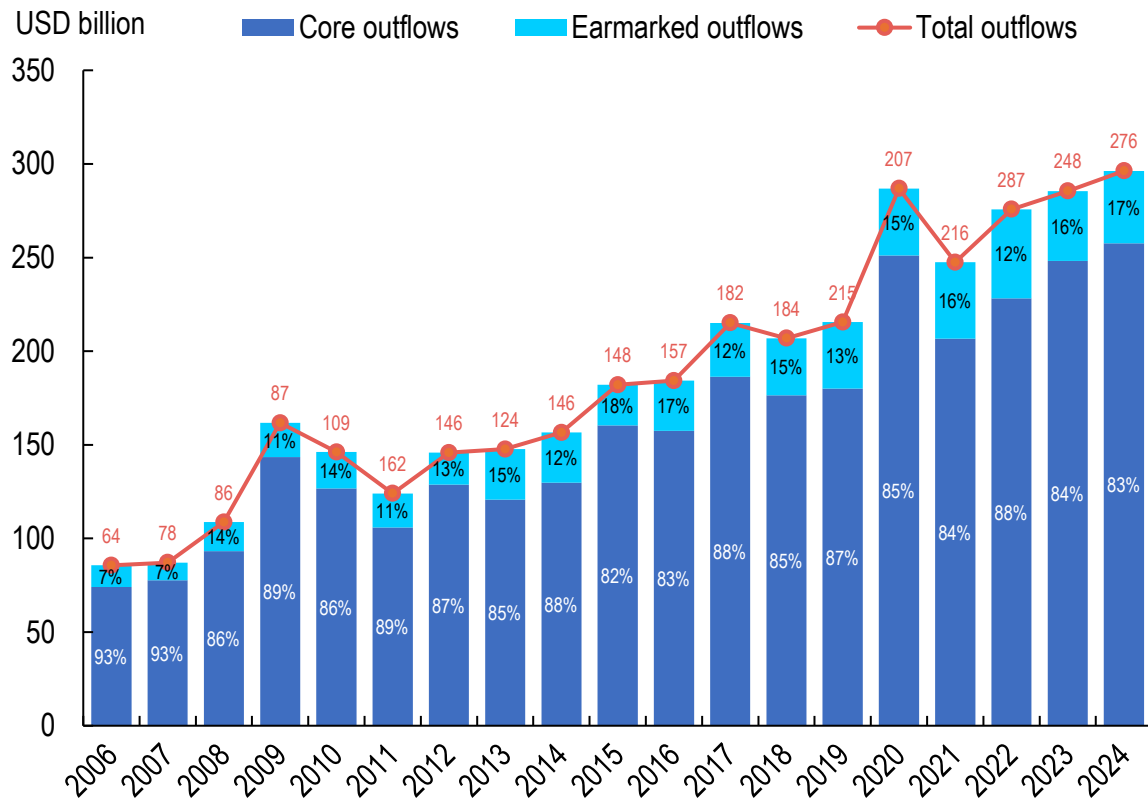


When envelopes shrink, the system cannot simultaneously preserve volumes and concessionality

Record multilateral outflows in 2024 mask underlying strain in the system

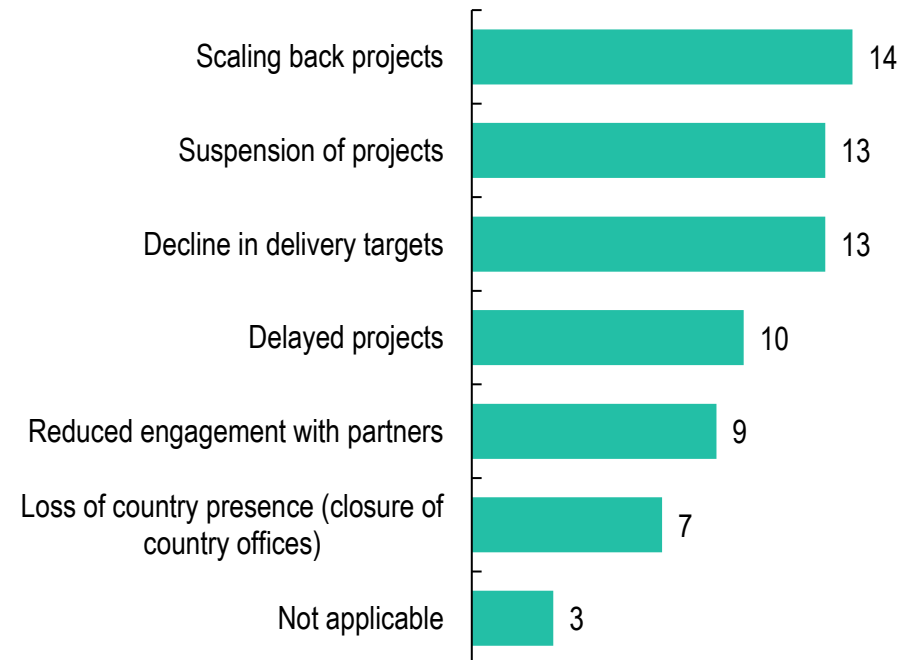
Multilateral outflows have increased markedly over the past two decades in response to global crises...

A. Evolution of multilateral outflows and their composition, 2006-2024



... but many MDOs now anticipate having to scale back projects as a result of recent funding cuts

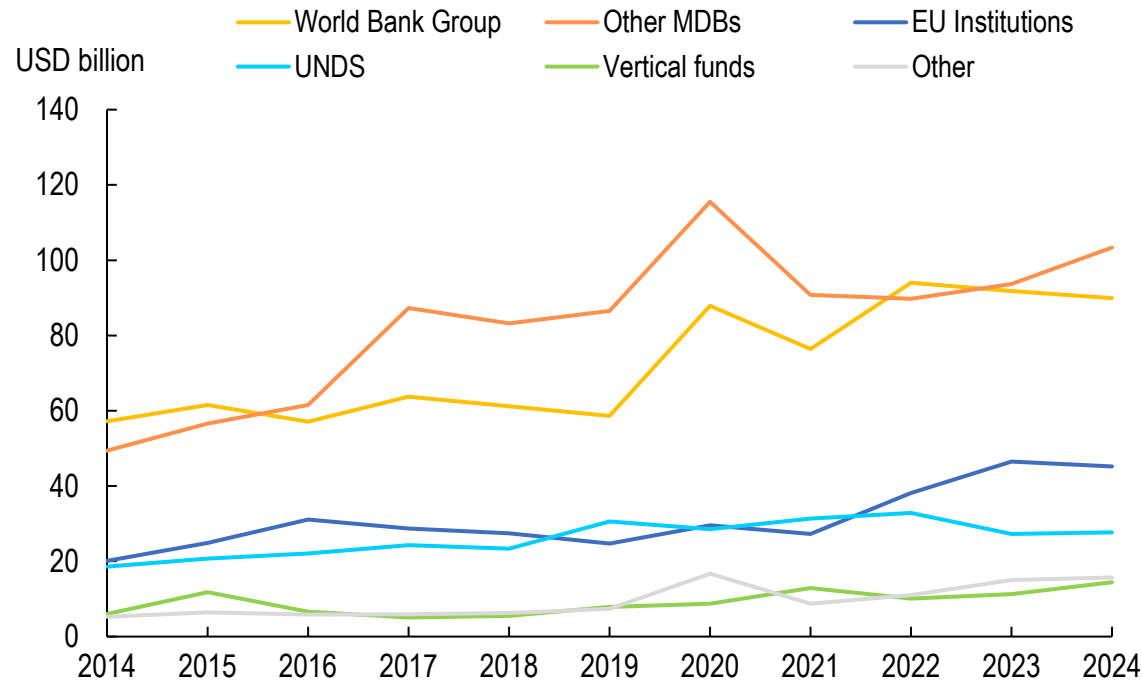
B. Operational implications of current funding reductions to MDOs



Parts of the system are already experiencing outflow contraction

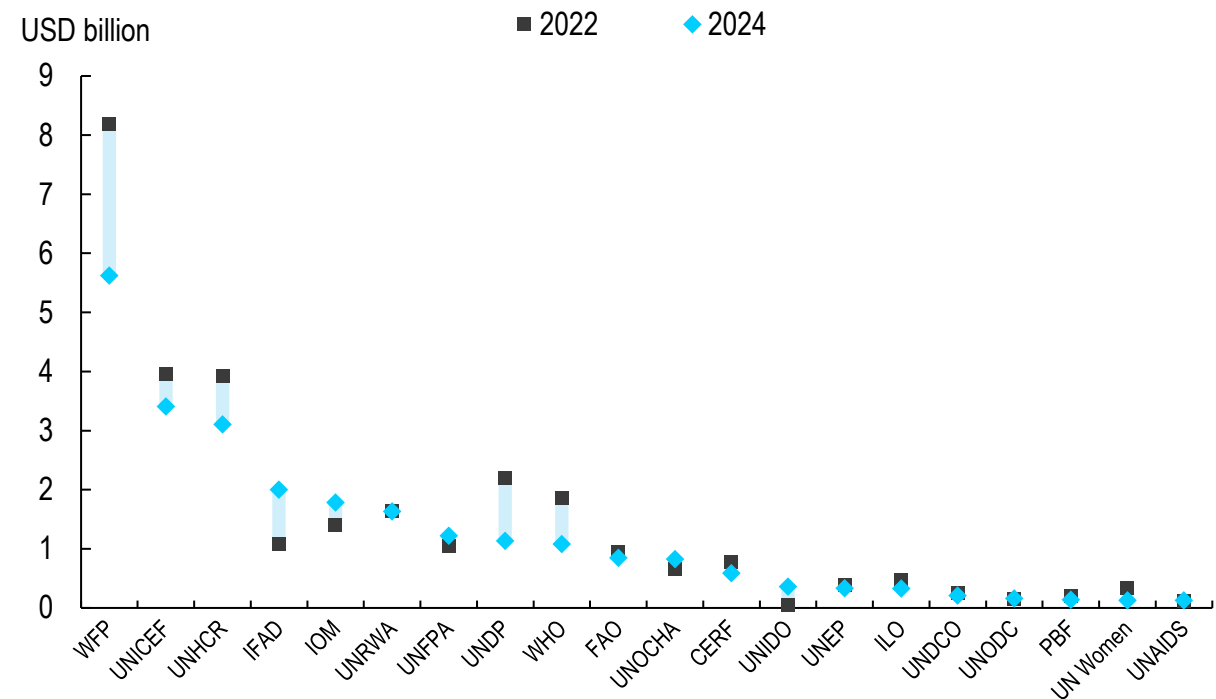
The rise in multilateral outflows is driven by MDBs and EU Institutions...

B. DAC members' total contributions to the multilateral system, 2010-2024 and projections



... while major UNDS organisations are already experiencing a significant drop in their outflows

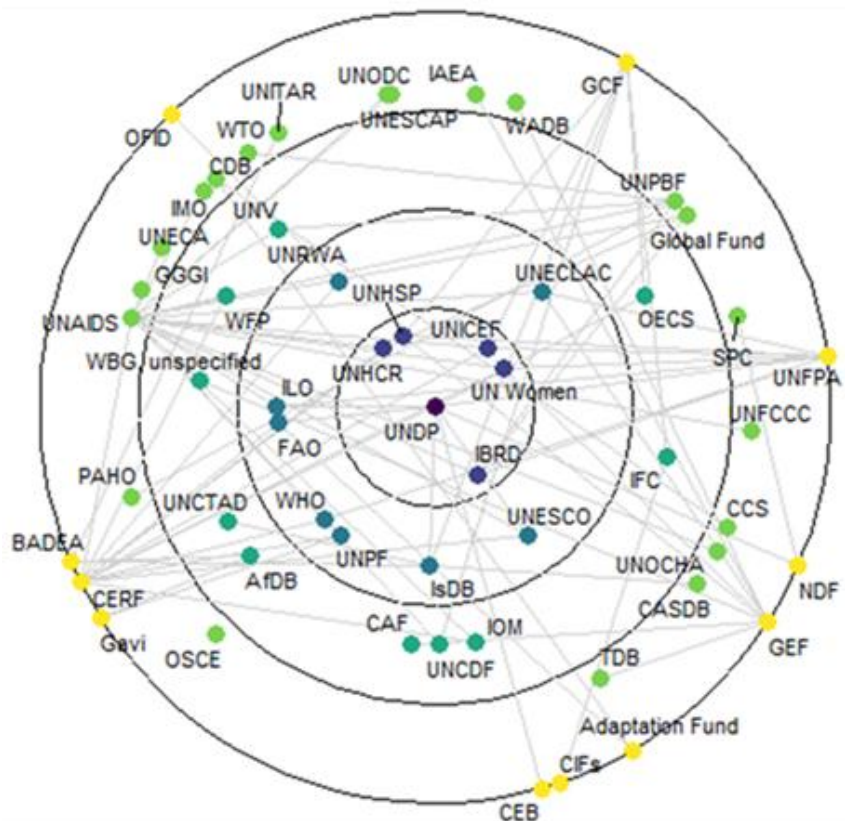
B. Change in outflow volume among top UNDS organisations, 2022-24



Cuts to central multilateral channels can trigger system-wide delivery failures

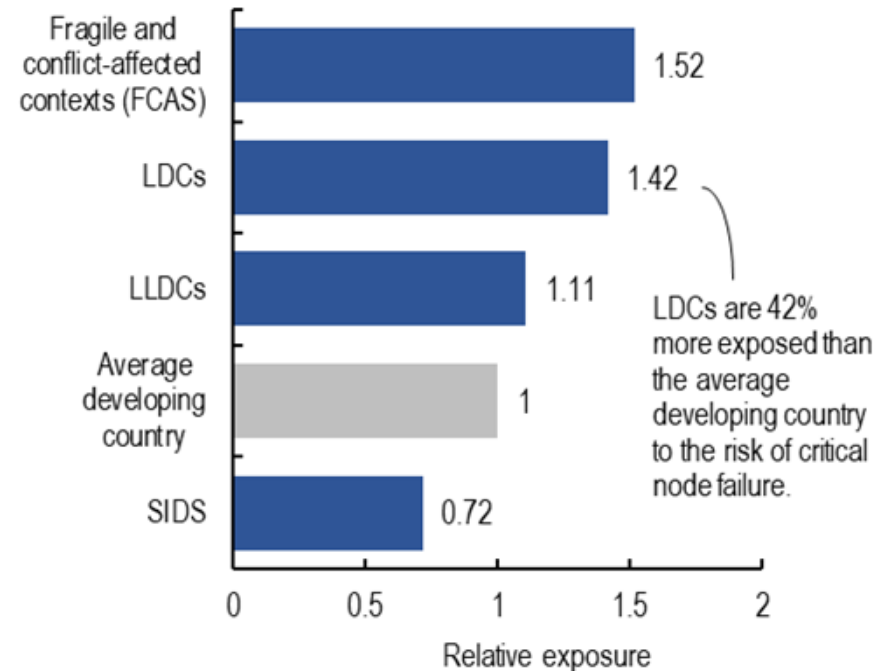
Several of the MDOs facing funding cuts are central to the multilateral delivery chain

A. MDOs by in-degree network centrality, 2021-24 average



The consequences are likely to fall disproportionately on the poorest and most fragile contexts

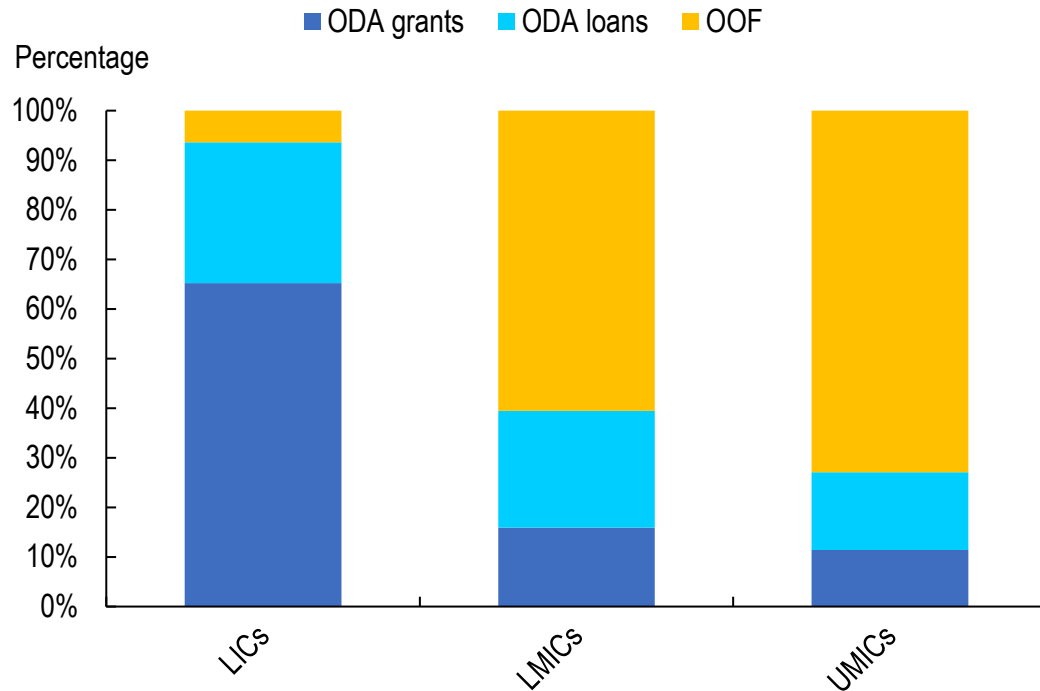
B. Country groups' relative exposure to critical MDO nodes, 2021-24 average



Concessional resources are at risk, with consequences for the most vulnerable

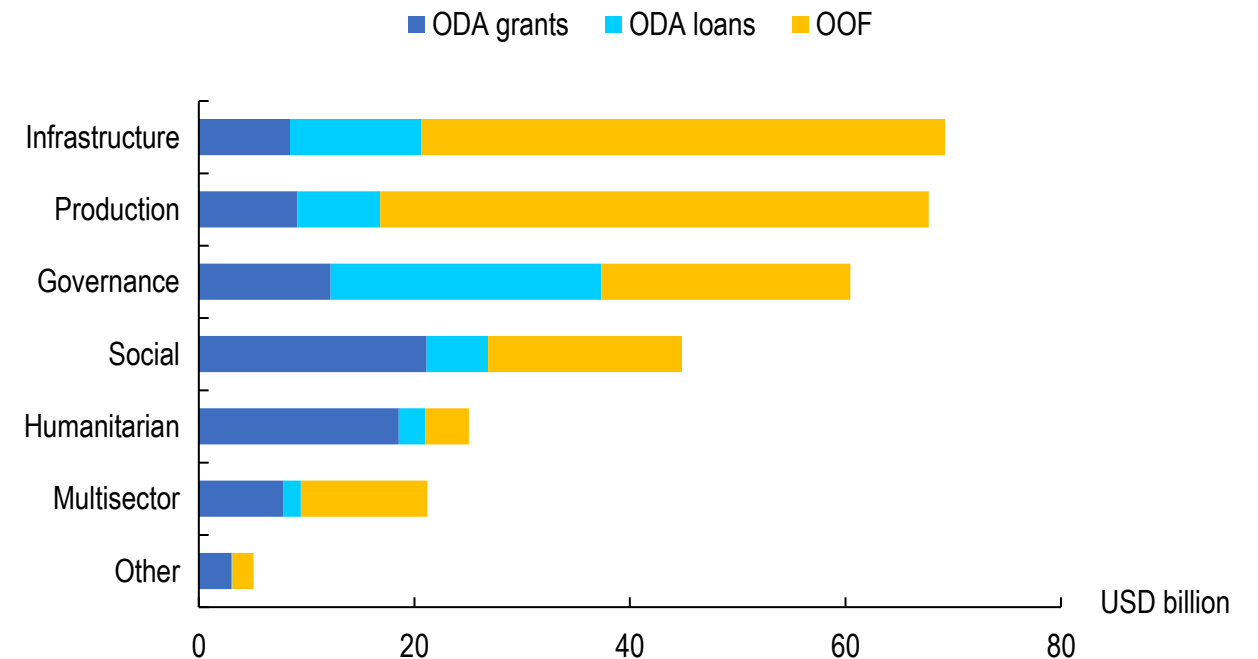
ODA grants and loans represented 93% of total multilateral outflows to LICs in 2024

A. Composition of multilateral outflows by recipient income group and instrument, 2024



Concessional resources accounted for 84% of multilateral outflows to the humanitarian sector in 2024

B. Distribution of multilateral outflows by sector and instrument, 2024



Main conclusions & policy options

Protecting the system's unique value...



Global reach



Delivery at scale



Specialised expertise

... requires a strategic reset

For member states:

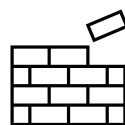


Protect the system's financial foundations



Avoid indiscriminate and uncoordinated cuts

For multilateral development organisations:



Adapt structurally to a fragmented and constrained environment



Treat concessional resources as a strategic asset

For more information



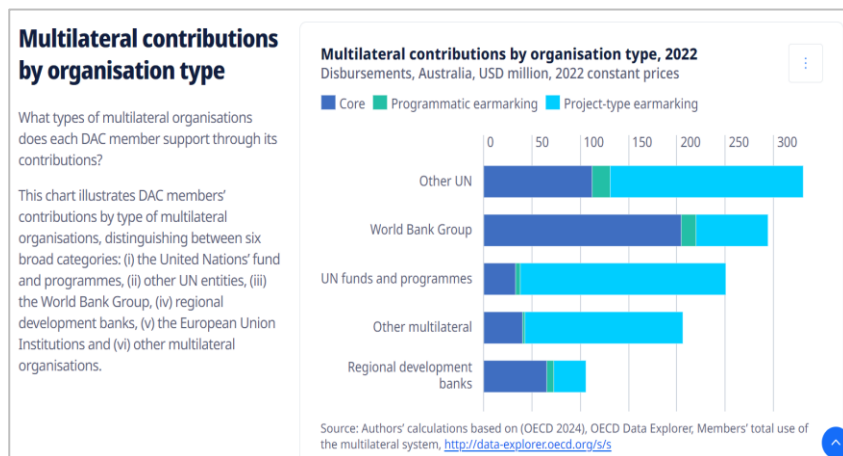
OECD > Topics > Multilateral development finance

Multilateral development finance

The multilateral development system, which encompasses more than 200 organisations and funds, including the World Bank and UN agencies, plays a pivotal role in global development co-operation. The OECD, whose members are major stakeholders of the system, offers expertise, policy analysis and guidance to ensure multilateral organisations are well-equipped to help address global development challenges.

Policy sub-issue

WEBPAGE: [OECD Multilateral Development Finance webpage](#)



DASHBOARD: [DAC members' use of the multilateral system](#)



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