



Annual report

2025

The
Development
Fund

Fighting hunger and injustice together





Abdi Gurey Dirie, Somaliland

Results, learning and the value of long-term commitment

2025 was a challenging year for international development cooperation. Major donor countries reduced aid budgets, while the impacts of climate change and geopolitical instability continued to affect people already living with limited resources. For organisations working to strengthen food security and climate resilience, demonstrating tangible results has never been more important. Equally important is being honest about where improvements are still needed.

For The Development Fund, 2025 has been a year of both delivery and reflection. Together with our partners, we have worked to improve food security, strengthen climate resilience and support sustainable livelihoods, while continuing to learn, adapt and improve the way we work. We believe that effective development cooperation requires humility: a willingness to question assumptions, listen to partners and learn from setbacks as well as successes. That is why this annual report highlights not only achievements, but also lessons learned. Both are essential if we are to remain a strong organisation and contribute to lasting change.

At the same time, there is a lot to be proud of. Throughout the year, we further strengthened our work on food security, climate adaptation and smallholder agriculture, including through our weather information services programme in Malawi and Ethiopia. Developed through years of collaboration with research institutions, government authorities and local communities, the programme provides farmers with access to weather forecasts and climate information that help them make informed decisions at critical moments in the agricultural cycle.

2025 was also a year of preparing for the future. Together with partners across Africa, Asia and Central America, we developed new programmes that will enable us to continue supporting food security, climate adaptation and sustainable food systems in the years ahead. Designing these programmes is demanding work, but it also demonstrates the strength of our partnerships. When local communities, partner organisations and staff work towards a common goal, the results are greater than any one actor could achieve alone.

We also continued to bring farmers' perspectives into national and international policy processes. Through our engagement on climate adaptation, biodiversity and farmers' rights, we contributed experiences and insights from farming communities to discussions at

COP30, negotiations under the International Treaty on Plant Genetic Resources for Food and Agriculture, and dialogue with Norwegian decision-makers.

What has impressed me most throughout the year is the resilience of the people we work alongside. Whether it is farmers in Malawi embracing new climate services, communities in Somaliland adapting to prolonged drought, or young people in Guatemala building businesses through local partner organisations, we continue to witness extraordinary determination and innovation in challenging circumstances.

Finally, I would like to extend my sincere thanks to everyone who supports The Development Fund. The work described in this report is only possible because individuals, companies, foundations and public donors choose to invest in long-term solutions. Together with our implementing partners, you help farming families and rural communities improve food production, adapt to climate change and build more secure futures.

The achievements presented in this report are the product of that shared commitment. We are proud of what we have accomplished together.



Ulf Flink,
Secretary General

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Page 6: Photo by Thoko Chikondi for The Development Fund, Malawi.
Page 8 and back cover: Photo by Addis Aemero for The Development Fund, Ethiopia. All other photographs: The Development Fund.

Results 2025

Our impact in numbers

The figures below present selected results from The Development Fund’s work in 2025. They are based on documented programme results and are reported with transparency and accountability. The data are drawn from our largest programme, which operates across Ethiopia, Somalia/Somaliland, Malawi, Nepal and Guatemala. Across all agreements and programmes, our overall reach extends even further. These results illustrate how locally led solutions contribute to change, today and for the future.

320 000

People reached through the programme.

57 321

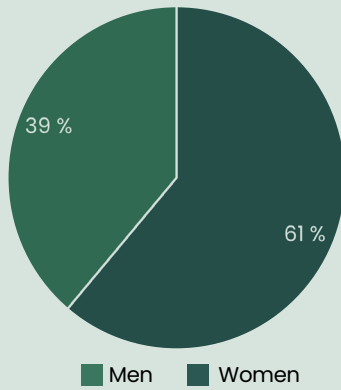
Smallholder farmers directly supported.

677

Local civil society organisations supported.

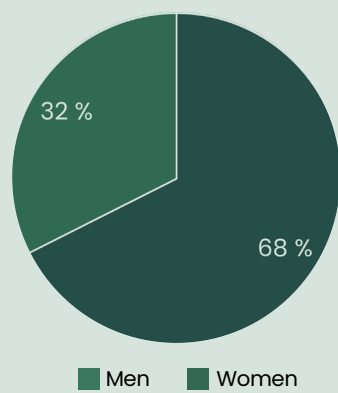
20843

People trained in climate-resilient food production.



10024

People supported to strengthen livestock production and management.



114

Climate-Adaptive Village (CAV) plans supported.

248

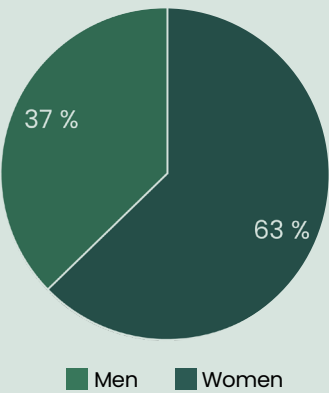
Irrigation systems constructed or rehabilitated.

12942

People trained in nutrition and care practices.

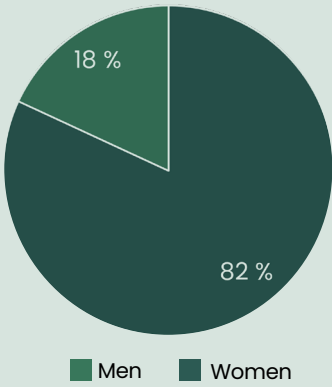
13092

People trained in sustainable management of land and water resources.



7143

People trained in business management or income-generating activities.

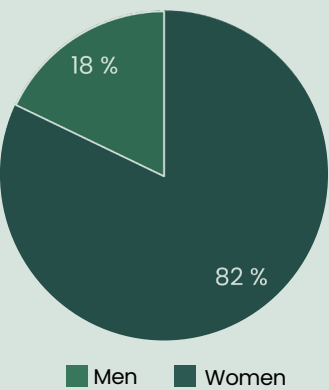


11654

Hectares of land brought under sustainable land management.

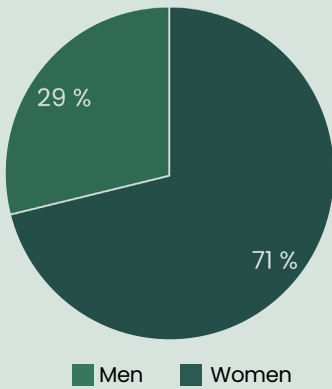
21187

People gained access to loans through saving- and loans groups.



8581

People trained in gender equality and social inclusion.



93 %

Women in decision-making positions who actively participated in meetings and decision-making processes.

Locally led development: what works and what we continue to learn

It has been quite a year.

For international development, 2025 got off to a dramatic start. Donald Trump had barely returned to the White House before US foreign assistance was suspended. Millions of people lost support overnight. Organisations were forced to shut down programmes. Projects came to a standstill. There is no doubt that it was a shock. At the same time, it was not the beginning of a new trend. The aid landscape had already been changing for years.



Lucy Aubrey (45), Malawi

The Development Fund has embraced a locally led approach to development since its establishment in 1978. At its core is the belief that people living with challenges are best placed to understand them and identify solutions that lead to lasting change.

International aid has been under pressure for a long time. In 2025, global aid levels saw one of their steepest declines in recent history, even as needs continued to rise. Conflicts are becoming more prolonged, climate change is having a greater impact, democratic institutions are under strain, and food crises are occurring with increasing frequency. Many are asking whether we have reached "peak aid". There are good reasons to believe we have.

At the same time, Norway's Minister of International Development has launched Project Turning Point, a review of the future of Norwegian aid. It is an important and necessary discussion. Unfortunately, the debate has focused increasingly on what should be removed rather than what actually works.

For those of us working in development, the priority remains the same: doing the work, learning from experience and remaining open to challenging our own assumptions. When questions are framed too narrowly, important answers are often overlooked.

A common refrain in today's aid debate is that development cooperation must be "evidence-based" and "effective". Of course it should be. The problem arises when this is presented as something new, as though aid has only recently become informed by evidence or focused on results.

We do not accept that narrative.

It overlooks decades of knowledge built by local organisations, farmers, women's groups, youth movements and communities themselves. It overlooks very real achievements. People have gained better access to food and income. Agricultural production has increased. Organisations have grown stronger. Seed banks have been established. Forests have been restored. Communities have influenced public policy. Rights have been strengthened. These are not theories. They are tangible results achieved by people working to improve their own lives and livelihoods.

That does not mean aid should be beyond criticism. Quite the opposite. Good criticism is essential. It keeps us accountable, challenges our assumptions and

helps us improve. It creates opportunities for learning, transparency and better practice.

One of the strengths of Norwegian civil society is precisely this willingness to share experience. Not only success stories, but also challenges, mistakes and setbacks. That openness allows us to learn from one another and strengthen our work.

Development policy is not static. New challenges emerge. New approaches are tested. Some ideas endure, while others disappear.

Yet amidst all the uncertainty, there is something encouraging.

Locally led development is back at the centre of the conversation.

The Development Fund has championed this approach for more than 45 years.

Since our establishment in 1978, we have worked from a simple principle: the people who live with challenges are also best placed to understand them and identify solutions. We may not have called it locally led development at the time, but that is what it was. And it remains at the heart of our work today.

For us, the question is not whether locally led development is the right approach.

The question is how we can practise it even better.

And how we can continue learning both from what works and from what does not.

Siv Helén Strømland,
Head of Programmes



Success story of the year

Two new programmes developed together with local communities

At a time when development funding is under increasing pressure and growing numbers of worthy initiatives compete for limited resources, The Development Fund is proud to have secured support from Norad for two new long-term programmes in 2025.



Tamirat Mola (48), Ethiopia

Through strong local partnerships, farmers like Tamirat Mola are building more resilient communities and developing sustainable responses to climate change in Ethiopia.

One programme focuses on strengthening climate-resilient communities in Somalia, Malawi, Ethiopia, Nepal and Guatemala. The other supports participatory forest management in Ethiopia in partnership with Norwegian Church Aid, a programme featured later in this report.

Both share one defining characteristic: they are rooted in locally led development.

It is easy to assume that funding is the most important outcome of a successful programme application. In reality, funding is only one part of the story.

Behind every programme lies years of experience, learning and collaboration. There are needs assessments, discussions about priorities and methodology, reviews of risks and opportunities, and countless conversations with people who understand local realities far better than we do.

The Development Fund’s partnership approach is built on the conviction that local organisations and communities are best placed to identify their own challenges and develop their own solutions. Partnerships have therefore been central to our work since the organisation was founded.

Our partners contribute local knowledge, trusted community relationships, technical expertise and a deep understanding of political and social dynamics. The Development Fund contributes funding, technical support, networks, learning opportunities and organisational strengthening. Together, we achieve far more than either of us could alone.

This philosophy is reflected in the principles that guided the development of the new programmes: local ownership, inclusion and participation, mutual respect and trust, transparency and accountability, and long-term commitment.

Locally led development is not simply about who implements activities. It is about who sets priorities, who owns the process and who lives with the results after the programme has ended.

Although developing new programmes is a

substantial undertaking, it also offers a valuable opportunity to step back and reflect. During 2025, workshops were held with partners across all programme countries to review results from the previous programme period, discuss challenges, test assumptions and examine which changes contributed most to success.

The process included revising theories of change, updating learning agendas and strengthening strategies for documentation and evidence generation. All of this was carried out in close collaboration with partner organisations.

We also revised the overarching theory of change for our framework agreement through a participatory process drawing on decades of programme experience, research and evidence. Country teams, local partners, thematic advisers, strategic partners and external experts all contributed.

Together, we have developed a more robust understanding of how change happens. The lessons, achievements and feedback gathered throughout previous programme periods have shaped the design of these new initiatives. We now have a stronger understanding of how social norms influence development outcomes, how inclusion improves effectiveness, and how local action must be linked to district, national and international processes.

Perhaps the greatest success is this:

The programmes were not designed for communities.

They were designed with them.

The people responsible for delivering change helped shape how that change will happen.

That is locally led development in practice.

Siv Helén Strømland,
Head of Programme



This year’s lessons learned

How well do we really practise locally led development?

In recent years, greater attention has been paid to accountability, risk management and documentation in development cooperation. Requirements related to financial management, reporting and oversight have become increasingly stringent. The Development Fund has strengthened its systems, improved financial controls and enhanced its work on documentation, compliance and corruption prevention. But how do we strike the right balance between accountability and locally led development?



Humna Kawor (40), Nepal

The key lesson of the year is this: we must not allow fear of making mistakes to define our work. We must continue to trust the knowledge that exists within communities and recognise that the people driving their own development are often those best positioned to succeed.

External evaluations consistently show that our programmes deliver strong results and offer good value for money. At the same time, we have had to strengthen systems and improve procedures in recent years. That work has been necessary. It has also taught us something important: mistakes can be powerful sources of learning.

Yet we must be careful that learning does not make us more risk-averse than reflective. When a setback hurts enough, the natural reaction is often to avoid situations that might lead to another one. Caution grows. Confidence shrinks. Control starts to take precedence over opportunity.

This is where this year’s most important lesson lies. Locally led development is built on trust, relationships and local agency. Aid management, meanwhile, relies on accountability, documentation and risk management. Both are essential. Both are necessary. But balancing them is not always straightforward.

Our Partnership Policy identifies mutual trust and respect as core principles. It highlights local ownership, long-term commitment and flexibility as essential features of effective partnerships. At the same time, it emphasises transparency, accountability, anti-corruption measures and sound financial management.

These principles are not contradictory. But in practice, they can sometimes feel that way.

We have experienced this ourselves. As development organisations face growing demands for documentation, oversight and risk management, it becomes easy to focus on avoiding mistakes.

And when organisations become afraid of mistakes, uncertainty is often met with additional control mechanisms. More forms. More requirements. More reporting. More detailed oversight.

Yet more control does not necessarily lead to better development outcomes. In some cases, it can do the opposite.

There have been moments when we have not been the strong, confident and flexible partner we aspire to be. Moments when uncertainty has made us less curious than we should have been. Moments when our first instinct was to control rather than understand, or when conversations were shaped more by caution than dialogue.

These are difficult things to acknowledge. That is precisely why they matter. If people and organisations are to learn, there must be room to make mistakes.

We also see a broader trend in today’s aid debate that deserves scrutiny. Concepts such as knowledge, effectiveness and locally led development are often presented as though they are entirely new. As if the sector were starting from scratch. It is not.

We must be careful not to become so focused on innovation that we overlook experience. We must avoid becoming so focused on measurement that we forget what the numbers are meant to tell us. And we must resist making things more complicated than they need to be.

Most importantly, we must not internalise a narrative that tells us we do not know what we already know.

Because we do know some things. We know that strong local organisations deliver results. We know that local ownership leads to more sustainable change. We know that trust-based partnerships make both us and our partners more effective.

This does not mean we should stop managing risk. It does not mean we should stop monitoring or maintaining accountability. But it does mean we must continually ask whether our systems are strengthening locally led development, or whether they may, at times, undermine it.

That is a question we will carry forward. We will make mistakes again in the future. But we will not allow fear of making mistakes to define our work.

We will continue to trust our partners. We will continue to believe in the knowledge that exists within communities.

And we will continue to believe that people who are able to shape and drive their own development are those most likely to achieve lasting change.

Because ultimately, we are not the ones creating that change.

It is the farmer who gets up every morning and works the land. It is the women’s group that organises and advocates for its community. It is the young person starting a new enterprise. It is the community finding its own solutions.

Our role is to support them, and our local partners, as effectively as we can.

Siv Helén Strømland,
Head of Programme



Participatory forest management

Forests are best protected by the people who depend on them

For more than a decade, The Development Fund has worked alongside forest-dependent communities in Ethiopia to protect some of Africa's most important forest landscapes. The results are clear: deforestation has been significantly reduced, hundreds of communities have secured stronger rights to forest resources, and local people now play a central role in managing the natural resources on which they depend. In 2026, this work enters a new phase through an expanded partnership with Norwegian Church Aid and local organisations.



Since 2013, The Development Fund has worked to strengthen both the rights and livelihoods of forest-dependent communities in Ethiopia. Through participatory forest management, 354 communities have secured stronger rights to forest resources.

Forest-dependent communities play a vital role in protecting natural forests. Recognising their rights and their contribution to reducing deforestation is essential if these valuable ecosystems are to be preserved for future generations.

South-western Ethiopia is home to the country's largest continuous forest landscape. These forests play a crucial role in regulating water systems and rainfall patterns, making them vital for food production not only in Ethiopia but across much of the region. The area is also recognised as the birthplace of coffee and is one of the world's most important biodiversity hotspots.

As a result, the forests are under increasing pressure from commercial interests seeking to establish coffee and tea plantations, threatening both biodiversity and local livelihoods.

Protecting these forests is therefore critical for future food security across East Africa. At the same time, they represent an important contribution to global efforts to reduce greenhouse gas emissions and limit climate change.

The communities living in and around these forests are among their most important stewards. Yet both their rights and their contributions to conservation have often been overlooked.

This is one reason why The Development Fund has worked since 2013 to strengthen the rights and livelihoods of forest-dependent communities in south-western Ethiopia. With support from Norway's International Climate and Forest Initiative (NICFI), and in partnership with a local organisation, we have supported a project aimed at reducing deforestation and forest degradation by strengthening community rights and influence.

The results have been significant. Almost 570,000 hectares of forest landscape are now managed by local communities, including approximately 430,000 hectares of natural forest. The project has contributed to a 76 per cent reduction in deforestation compared with projected deforestation rates.

This has been achieved through participatory forest management, a well-established approach through which authorities transfer management and use rights to communities themselves. Communities organise into forest management groups, develop management plans and report regularly to local authorities.

Through this approach, 354 communities have secured stronger rights to forest resources through formal agreements with government authorities. Of these, 237 have obtained collective land certificates for the forest areas they manage.

When the first certificates were issued, it marked the first time communities in Ethiopia had received collective ownership rights to forest land. Clear and secure land and use rights are essential for reducing deforestation. Unclear boundaries and insecure land tenure remain among the main drivers of forest loss in this part of Ethiopia.

To ensure lasting results, the project has also focused on strengthening local livelihoods. One important approach has been supporting cooperatives that provide better market access for products such as coffee, honey and spices, all of which depend on healthy forest ecosystems.

In recent years, the programme has also tested forest-friendly livestock and farming practices that create new income opportunities without increasing pressure on forest resources. This reduces the need for logging and agricultural expansion.

The project is closely linked to Ethiopia's REDD+ programme (Reducing Emissions from Deforestation and Forest Degradation), which forms part of the global effort to reduce greenhouse gas emissions through forest conservation. A key priority has therefore been to develop systems that can document reduced deforestation and demonstrate local communities' contributions to national climate goals. The ultimate ambition is for these communities to receive their fair share of future results-based payments for emission reductions.

At its core, this is about justice. Communities that protect forests and contribute to reducing global emissions should also benefit from the value created through those efforts.

This will be a major focus as the programme enters a new phase in 2026, following renewed support from Norad and Norway's International Climate and Forest Initiative. We will continue working with our long-term local partner, Ethio Wetlands and Natural Resources Association (EWNRA), and the international research organisation CIAT.

At the same time, we are joining a consortium led by Norwegian Church Aid, whose local partners are working to reduce deforestation in neighbouring areas.

Together, we will continue protecting Ethiopia's forests and rich biodiversity while strengthening the rights and livelihoods of the people who play a vital role in safeguarding these valuable natural resources every day.

Elin Cecilie Ranum,
Head of Policy



A changing development aid landscape

Who will still have a place, and who will be left behind?

Aid has been debated, criticised and reformed for many years. We have discussed thematic priorities, geographic focus, approaches and methods, whether aid works and how much of the national budget should be allocated to tackling global poverty. Throughout these debates, some degree of predictability and long-term commitment has largely been maintained. That changed abruptly in 2025.



Valentina Jose, Guatemala

Valentina participates in a youth programme in Guatemala and dreams of starting a business that creates jobs. Guatemala has been significantly affected by reductions in US aid. Through our advocacy work, The Development Fund works to ensure that smallholder farmers and food security remain priorities in development policy.

Global aid took a dramatic turn at the beginning of 2025 when most US foreign assistance was cut and USAID was effectively dismantled. Other donor countries followed suit.

International aid fell by 23 per cent between 2024 and 2025 and is now roughly at the same level as when the Sustainable Development Goals were adopted in 2015. The spirit of global solidarity has not disappeared entirely, but it has undoubtedly weakened.

Norway deserves recognition. Aid spending has largely been maintained and exceeded one per cent of Gross National Income in 2025. As a result, Norway remains the country that allocates the largest share of its economy to development assistance.

But does that mean more Norwegian funding is reaching the world's poorest communities?

Not necessarily. An increasing share of the aid budget is being directed towards support for Ukraine and the costs associated with hosting refugees in Norway. As a consequence, areas such as food security and climate and environmental programmes are facing reductions.

This is precisely what concerns us. After strengthening investments in food security and agriculture from 2023 onwards, including through the government's initiative Joint Effort Against Hunger, support for food security was reduced by one-third in the 2026 budget compared with 2025.

This comes at a time when the number of people experiencing hunger in Africa is increasing and the world is further away from achieving Zero Hunger by 2030 than when the goal was adopted in 2015.

It also comes despite clear evidence that many of those experiencing hunger are food producers themselves. Smallholder farmers are among those most severely affected by climate change, yet they produce around one-third of the world's food and as much as 70 to 80 per cent of food consumed in Africa.

We also know that access to sufficient and nutritious food is fundamental to children's health, education and development. Without it, progress across many other development goals becomes far more difficult. Climate adaptation in agriculture is essential for strengthening food production and food security worldwide.

Yet at the very moment resources are shrinking, climate adaptation has become one of the most difficult issues under the UN climate negotiations and the Paris Agreement. One of the main reasons is the

huge gap between adaptation needs and available finance.

Although countries agreed to triple adaptation finance by 2035 at the climate summit in Brazil in November 2025, it remains uncertain whether that target will be achieved. Following recent cuts to climate and environmental funding in Norway's 2026 aid budget, Norway itself risks falling short of its commitment to triple adaptation finance.

The year 2026 will be decisive for Norwegian development policy. In January 2026, the Minister of International Development launched the aid reform initiative Project Turning Point, arguing that aid must become both smarter and more effective, and that difficult choices will need to be made.

The central question is who remains part of the effort and who is left behind.

Food is so fundamental that it is often overlooked. That is why The Development Fund strengthened its advocacy efforts throughout 2025 to ensure that food security, climate adaptation and smallholder farmers remain central to future reforms of Norwegian and international aid.

Aid cannot become more effective if the people it seeks to support are hungry or suffering from malnutrition. On the contrary, efforts in education, health and economic development are weakened if families do not have enough food on the table. Smallholder farmers also stand to lose if climate adaptation funding fails to materialise.

And those who would lose most are the millions of people across the Global South who depend on the food these farmers produce.

One of our most important tasks in the years ahead will be ensuring that smallholder farmers and food security remain at the centre of Norwegian development policy, while Norway continues to honour its international commitment to increase adaptation finance.

That alone will not end hunger.

But it will help ensure that Norway remains part of the global effort to fight poverty, inequality and injustice.

Elin Cecilie Ranum, Head of Policy



Fundraising and communications

The stories that create space for action

Throughout the year, we worked to build connections between people who want to contribute and those who are working every day to strengthen food security, create opportunities and build more resilient communities. At a time when development assistance faced growing scrutiny and criticism, we experienced increased support from donors, partner organisations and other supporters. It is a powerful reminder that commitment to international solidarity and long-term development remains strong.



Nimco Mohamoud Mose (45), Somaliland

Somaliland has been severely affected by drought. After losing her husband in 2018, Nimco Mohamoud Mose (45) took over responsibility for the family farm. The Development Fund supported her with training in agriculture and financial management, as well as the construction of a water reservoir that provides access to water for the village. Today, she dreams of becoming a humanitarian worker and helping strengthen other vulnerable communities.

The people behind the results

Our communications and fundraising work is ultimately about bringing the experiences of farmers and rural communities closer to donors, decision-makers and the wider public in Norway.

During visits to Ethiopia and Somaliland in 2025, I met people living with the daily realities of climate change and food insecurity. I met women who had built small businesses through savings groups and farmers adopting new agricultural practices to secure their families' futures.

What stayed with me most was not the scale of the challenges they faced, but their determination to find solutions. Their ability to create opportunities and look ahead despite difficult circumstances.

These stories have shaped much of our communications work throughout the year. Behind every debate about aid, every policy decision and every funding commitment are people working to create a safer and more secure future for themselves and their families.

Creating understanding in a challenging public debate

A key part of our work has been contributing knowledge and perspectives to public discussions about development, climate and global justice.

Through opinion pieces, media engagement, events, campaigns, newsletters and digital channels, we have highlighted the links between climate change, food security, biodiversity and social justice. We have worked to demonstrate how locally led development strengthens resilience and how investment in smallholder farmers contributes to food security, climate adaptation and economic development.

Climate justice has remained a central theme throughout our advocacy efforts. Through campaigns, partnerships and targeted communications, we have sought to build public engagement around the need for a more just and sustainable future.

Thank you to everyone who makes this work possible

The past year has once again demonstrated the value of long-term relationships. More people chose to support our work, and total fundraising income increased compared with the previous year.

Behind these results lies the trust placed in us by individual donors, partner organisations, businesses, foundations and other supporters who share our

vision of a more just and sustainable world.

For us, this is about more than financial results.

It reflects a continued belief in international solidarity and the value of long-term development cooperation.

That trust enables us to continue supporting food security, climate adaptation and stronger local communities. It allows us to stand alongside people who are building their own futures in challenging circumstances.

Together, we create opportunities for change

Looking back on 2025, what I feel most strongly is gratitude.

Gratitude to the people who share their stories with us. To colleagues and partners working every day to strengthen food security and community resilience. And to the donors, partner organisations, businesses and supporters who choose to stand with us in this work.

The stories I brought home from Ethiopia and Somaliland are not primarily stories about aid. They are stories about people who want many of the same things we all do: security, opportunity and a better future for their children.

The role of The Development Fund is to help ensure those voices are heard. Through communications, fundraising and advocacy, we build understanding of why this work matters and mobilise support for people striving to secure food, income and opportunities for their families and communities.

The results we see are not created by one organisation alone. They are the result of collaboration. Of people sharing knowledge, resources, commitment and a belief that change is possible.

That sense of collective purpose is what I carry with me into 2026.

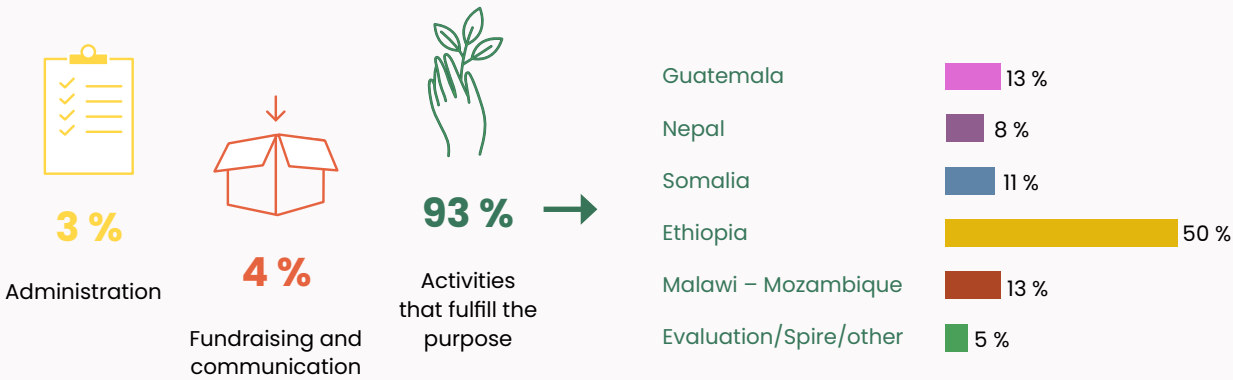
Because when people work together to create opportunities for one another, both resilience and hope grow stronger.

And that is something the world needs more of.

Hailey Hammer,
Head of Fundraising
and Communications



Where the money goes



Statement of financial activities

Available funds

	2025	2024
Grants		
i) Government grants	125 410 214	100 872 752
ii) Other grants in Norway	1 614 671	10 524 926
iii) International donors	12 201 502	9 902 907
Collected funds, gifts, etc	10 671 247	5 964 582
Financial and investment revenue	915 847	1 624 632
Other incomes	0	0
Total income	150 813 481	128 889 799

Use of funds

Costs for acquisition of funds:

Cost of fundraising	4 267 183	4 084 873
Other expenditure for the acquisition of funds	1 346 719	1 247 291
Total costs for the procurement of funds	5 613 902	5 332 165

Cost of programmes:

Malawi – Mozambique Country Programme	18 761 771	9 667 820
Ethiopia Country Programme	70 891 012	67 423 978
Somalia Country Programme	16 137 886	15 252 263
Nepal Country Programme	11 370 873	10 768 694
Guatemala Country Programme	17 844 778	12 323 196
Evaluation & risk reduction	350 463	228 709
Policy	2 699 005	263 028
Information	3 153 792	2 783 577
One Organisation Week	0	0
Spire, youth organisation of DF	217 071	116 393

Total cost of activities towards the purpose	141 426 652	118 827 659
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Administration expenses

	4 547 996	3 048 003
	1 295 523	-992 924
Total costs	152 884 072	126 214 902
Profit/loss of the year	-2 070 591	2 674 897

To/from equity with external restrictions		
To/from equity with self-imposed restrictions		
Profit for the year, to/from other equity	2 070 591	-2 674 897
Total transfers	2 070 591	-2 674 897

Greetings from the chair of the board

The Development Fund is ready for the challenges ahead

2025 marked the final year of The Development Fund's five-year framework agreement with Norad. In 2026, a new three-year agreement begins. Having served on the Board for three years and preparing to step down as Chair in 2026, I would like to share a few reflections on The Development Fund's role and on Norwegian development policy more broadly.

The most important factor in development cooperation with low-income countries is continuity and long-term commitment. Not five-year plans, but commitment measured in decades. That has never been more important than it is today, at a time when uncertainty is becoming the defining feature of international affairs.

The international order we have long taken for granted is changing at the very moment many low-income countries are facing significant challenges. Across Africa, progress on peace, democracy and security has stalled or reversed. According to IDEA's Global State of Democracy Report 2025, thirty African countries experienced armed conflict, coups or other forms of political instability during 2024. In times like these, solidarity with people in the Global South matters more than ever.

The Development Fund works in countries where conditions can change rapidly. Malawi remains one of Africa's most stable democracies, yet economic progress has been slow and the country is among those hardest hit by climate change. Ethiopia occupies a more prominent place in global geopolitics but continues to grapple with internal tensions and the risk of renewed conflict. Somalia's political future remains uncertain. Nepal is experiencing renewed youth protests, while countries in Central America, including Guatemala, are being strongly affected by unpredictable US policies.

These are precisely the moments when long-term partnerships matter most. In the wider context, the contribution of an organisation of The Development Fund's size may appear modest. Yet for the tens of thousands of smallholder farmers with whom we

work, that support can mean the difference between chronic food insecurity and the opportunity to build a better future for their families.

Despite economic growth and urbanisation, most people in sub-Saharan Africa still live in rural areas. Development assistance will therefore remain necessary for many years to come. At the same time, development cooperation must continue to evolve and become more equal, with greater influence and ownership resting with those directly affected.

This makes knowledge of local and national contexts more important than ever. While Norway's official presence in many low-income countries has been reduced, organisations such as The Development Fund maintain direct and continuous partnerships with local organisations and farming communities.

That knowledge is essential because, in the end, what matters most are results for smallholder farmers. Independent evaluations have consistently shown strong outcomes from our work. In Malawi, a review by Nordic Consulting Group found that 75 per cent of farmers who received training had adopted new and more sustainable technologies. In Ethiopia, evaluators noted visible differences between areas where The Development Fund had worked and neighbouring communities. In Guatemala, our programme received the highest rating for cost-effectiveness and was highlighted as an example from which other organisations could learn.

The Development Fund has also been through a demanding period of strengthening systems and procedures. As a result, the organisation is as well equipped as anyone to meet the significant challenges that lie ahead in low-income countries.

Asbjørn Eidhammer,
The Development Fund's
Chair of The Board in 2025





The
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Fund

Fighting hunger and injustice together

