UNPACKING

DEVELOPMENT AID

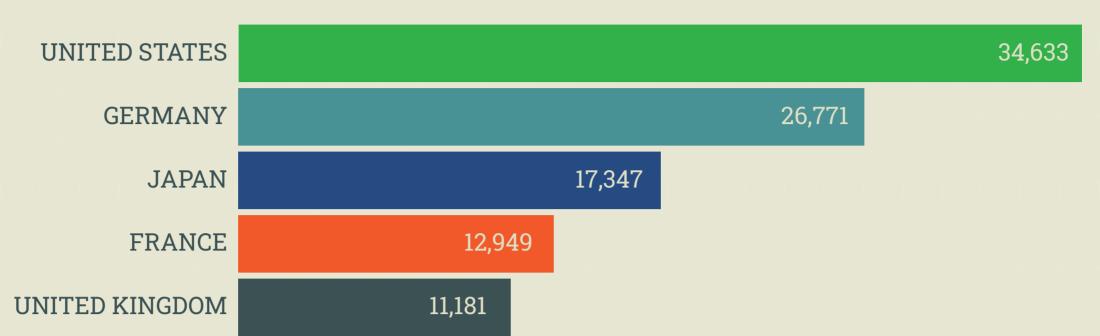
0.7%

In 1970, the UN agreed for rich countries to set aside **0.7%** of their incomes for Official Development Assistance (ODA) or aid, to address poverty and promote economic development.

TOP FIVE ODA DONORS

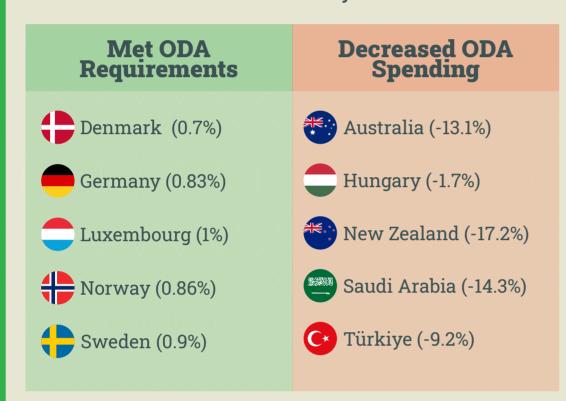
by gross ODA for all developing countries, 2020-2021 average, USD million

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BROKEN COMMITMENTS

While total ODA reached an all-time high of **USD 204 billion in 2022**, this is just **0.36**% of rich countries' incomes. This is still not enough to meet the challenges the world faces today.



FIND OUT MORE

BOOMERANG AID



Tied aid is money provided by the donor on the condition that:

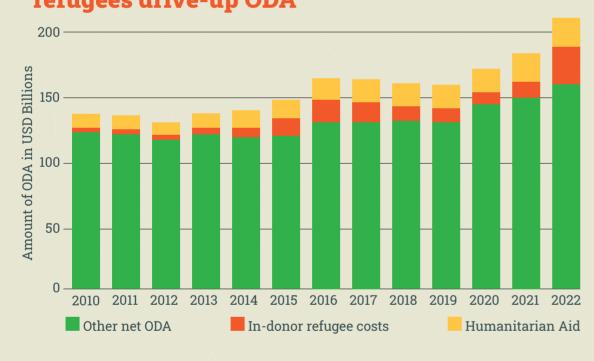
- the receiving country buys goods and services from that donor country;
- aid money must be spent on specific programs or projects determined by the donor country;
- receiving countries should deliver particular performance outcomes.

Donations to developing countries as a response to the COVID Pandemic as well as investments in climate action including renewable energy and green technologies double counted as ODA, majority of which were in the form of loans.

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DONORS' OWN IN-COUNTRY COSTS

Support to Ukraine and in-country aid for refugees drive-up ODA



The Organization for Economic Cooperation and Development (OECD) shows that **much** of the aid money never left the donor countries as they count expenses for assisting refugees on their soil as development aid.

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DEVELOPMENT AID VS MILITARY AID?



ODA is now also used to include spending for military aid, counter-terrorism activities, prevention of extreme violence, and nuclear energy.

USD 16.1 billion was exclusively directed to Ukraine, representing 7.88% of total ODA spend in 2022 – up from just USD 918 million in 2021 – of which only USD 1.8 billion was classified as humanitarian aid.

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PUBLIC MONEY FOR PRIVATE SECTOR GAINS



USD 4.9 Billion

average amount of ODA spent on different private sector instruments for 2018 to 2021.

This diverts resources away from much-needed public health, education and social protection services.

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DOUBLE COUNTING ODA AS CLIMATE FINANCE



Only **6% of the climate finance** provided from 2011 to 2018 is seen to be new and additional to developed countries' ODA commitments.

55%

of the Global North's public climate finance is development finance being diverted towards climate change action.

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