

Inflated and distorted: preliminary 2023 aid figures show failure to address global challenges

Today the OECD published the preliminary statistics covering Official Development Assistance (ODA, or aid) in 2023. It gives a picture of how much ODA was spent, where it was spent and what it was spent on.

In absolute terms, ODA increased from 2022 to 223.7 billion USD. This represents 0.37% of OECD DAC members' collective GNI (equally low as in 2022).

However, the [DAC Civil Society Reference Group](#) (DAC/CSO RG) has major concerns about the underlying trends reflected in these figures. Through its 'ODA modernisation process' the DAC has significantly expanded the list of what can be considered as ODA. As a consequence, aid is moving away from its original purpose of achieving poverty eradication and economic welfare and now includes many controversial flows of funds and goods.

Reporting the cost of hosting refugees as ODA - also known as in-donor refugee costs - is, once again, the main way donors are inflating their ODA, distorting the statistics and hence misrepresenting the real donor effort. In-donor refugee support amounted to 30,967 billion USD in 2023, a minimal decrease from 31 billion USD in 2022, but still representing 13.8% of ODA spent in that year. This constitutes a payment by donors to themselves.

Furthermore, while donor countries claim to need ODA to provide adequate resources for refugees they host, conditions for those refugees continue to be [under attack](#) and have been deteriorating alarmingly. Meanwhile, these resources are diverted from prevention, early warning and action to address emerging conflicts. Donor countries have the wealth to meet these obligations without taking ODA resources intended for reducing poverty and inequalities in developing countries.

While hosting refugees is a human rights obligation, the DAC/ CSO RG has been very critical of reporting this as ODA.

In-donor refugee costs is just one way in which ODA is increasingly reflecting donor countries' own priorities, which is shown both in thematic as well as geographic allocations.

2023 was one of the most conflict-ridden years in decades. In this challenging context, the DAC/CSO RG has repeatedly called for aid to reach those most in need and warned against an increasing geopolitisation of aid. Once again, Ukraine has topped the list of recipient countries. While there is no doubt of the immense and acute humanitarian and developmental needs in Ukraine, it is concerning to see how aid to people suffering in the other 55+ conflicts around the world has been stagnating or decreasing. The effects of the geopolitisation of aid endanger those most in need in conflict-affected regions, from Yemen to Gaza and from Sudan to Haiti.

Aid to least developed countries (LDCs) had been on a decline and the preliminary ODA statistics for 2023 show that while this trend did not continue in 2023 the increases were marginal in the context of overall ODA volumes. Aid to Sub-Saharan Africa, which decreased by 7.4% in 2022, increased by 5% in real terms. Meanwhile, the polycrisis continues to disproportionately hit countries in the global south. The poorest countries are still reeling from the effects of the Covid-19 pandemic, global inflation, unsustainable debt and the impacts of the climate emergency. The repeated failure of donors to meet the minimum UN target of 0.15% to 0.2% of donor Gross National Income (GNI) for aid to the least developed countries is indefensible.

More than half a century ago, donor countries also committed to spending 0.7% of their GNI on aid. Yet, this target is far from being reached. Only 5 DAC members achieved it : Denmark (0.74%), Germany (0.79%), Luxembourg (0.99%), Norway (1.09%) and Sweden (0.91%) and 2 only did so due to the inclusion of in-donor refugee costs.

Just as the need for effective aid and development cooperation is higher than ever, these disappointing ODA statistics once more reflect a broken system that dictates aid allocations and conditions, while refusing recipient countries a seat at the table.

The DAC CSO Reference Group has been a staunch supporter of global south participation and ownership in these crucial decision-making processes as they are best placed to judge their effects. A select group of rich countries cannot simply be relied upon, through closed door decision-making, to have the best interest of the countries that receive - and rely heavily on - ODA in mind.

As a result of this unbalanced decision-making, ODA is being taken away from its core purpose and aligned more and more with donors' own domestic interests. The recent rule-changes to ODA have made it clear: a serious conversation about establishing a more inclusive and representative governance of ODA needs to be had. The future of aid must be one of a human rights-based and transparent allocation of aid in line with the aid effectiveness principles.

No.	CSO Name	Country
1	Reality of Aid Africa	Kenya
2	Croatian Platform for International Citizen Solidarity (CROSOL)	Croatia
3	La Coordinadora de Organizaciones para el Desarrollo	Spain
4	AidWatch Canada	Canada
5	Asociación Coordinadora de la Mujer	Bolivia
6	Alliance Sud	Switzerland
7	11.11.11	Belgium
8	Global Citizen	Global
9	ERIKS Development Partner	Sweden
10	Women's International League for Peace and Freedom (WILPF Sweden)	Sweden
11	ActionAid Italia	Italy
12	Japan NGO Center for International Cooperation (JANIC)	Japan
13	Oxfam	Global
14	PMU	Sweden
15	Cordaid	the Netherlands
17	Eurodad	Belgium
18	Reality of Aid - Asia Pacific	Philippines
19	Civil Society Platform for Peacebuilding and Statebuilding (CSPPS)	Global/Netherlands
20	Council for People's Development and Governance (CPDG)	Philippines
21	KCOC Policy Center	Korea
22	CNCD-11.11.11	Belgium
23	ACT Alliance EU	Belgium
24	Inter Pares	Canada
25	Concord	Belgium
26	Bond	United Kingdom
27	Caritas Europa	Belgium/ Europe