Official development assistance rose to its highest level in 2021 but is not enough

- In 2021, official development assistance (ODA) increased by 4.4 per cent in real terms over 2020, as calculated by the grant-equivalent measure, underpinned by an increase in COVID-19 assistance.
- ODA as a share of donor country gross national income (GNI) was 0.33 per cent on average, the same as 2020.
- The Inter-agency Task Force on Financing for Development (IATF) commends the continued support by donors but stresses in the 2022 Financing for Sustainable Development Report that ODA providers must scale up and meet their ODA commitments with new and additional resources. Support for refugees, while important, must not come at the expense of cross-border ODA flows to countries in need.

In 2021, ODA rose by 4.4 per cent in real terms compared to 2020 to an all-time high of $179 billion despite fiscal pressures in all countries but at 0.33 per cent of GNI, this was still below the United Nations target of 0.7 per cent of GNI. Five donors met or exceeded the target: Denmark, Germany, Luxembourg, Norway and Sweden. Most donors increased their ODA, with declines noted in only six countries. The increase was mostly due to donors’ support for COVID-19 vaccines to developing countries, equivalent to 3.5 per cent of total ODA.

The Organization for Economic Cooperation and Development (OECD) also continues to publish data according to the previous cash flow basis. Under this methodology, net ODA was $177.6 billion in 2021, recording an increase of 3.3 per cent in real terms. Consistent with the overall trend, bilateral ODA by OECD Development Assistance Committee members to least developed countries and Africa increased in real terms, by 2.5 per cent to $33 billion, and 3.4 per cent to $35 billion, respectively.

The IATF looks forward to the more detailed data that will be published in December 2022.

Official development assistance, 2018–2021 (Billions of United States dollars, 2020 constant prices)

Source: OECD DAC statistics.

1 See OECD, “COVID-19 Assistance to Developing Countries Lifts Foreign Aid in 2021,” 12 April, 2022.