

# Financing for Development 2025 Fact Sheet on International Development Co-operation

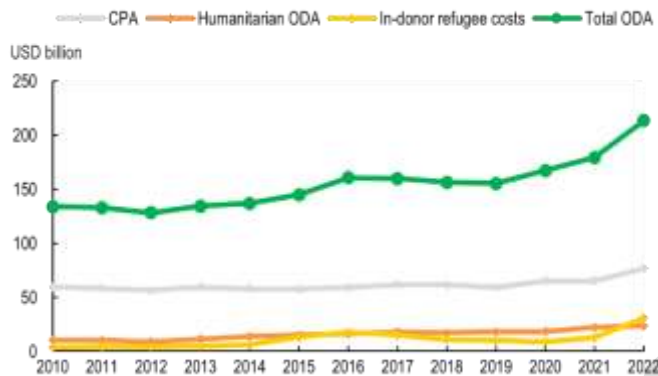
*Confidential - Draft for Consultations*

This document is currently in draft form and is being shared for consultation purposes. Your input is valuable in refining the content. Please submit any comments, feedback, or suggested changes by **18 November** to **[Olivier.cattaneo@oecd.org](mailto:Olivier.cattaneo@oecd.org)** and **[Rachel.morris@oecd.org](mailto:Rachel.morris@oecd.org)**.

## Data dashboard

### Key trends

Since 2015, total official development assistance (ODA) provided by DAC members increased, including cross-border flows (CPA and humanitarian aid) and in-donor refugee costs.



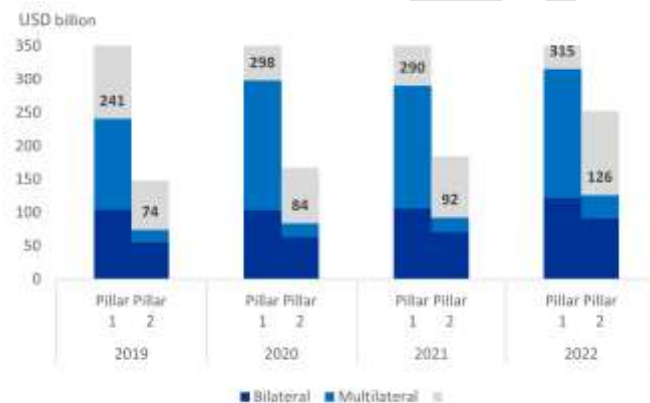
Note: The figure shows gross bilateral disbursements in constant 2020 prices.

Source: OECD Data Explorer.

In 2023, total ODA provided by DAC members rose to an all-time high of USD 224 billion, a 47% increase since 2015.<sup>1</sup> Between 2015 and 2022, disbursements from non-DAC providers to developing countries increased 51% from USD 10.9 billion to USD 16.5 billion.<sup>2</sup>

Country programmable aid (CPA) plus humanitarian assistance, has continued to rise, totalling USD 101 billion in 2022. CPA – a subset of ODA flows to partner countries that are programmable – reached USD 77 billion in 2022, a 34% increase since 2015, though when support to Ukraine is excluded, CPA remained stable over the period.<sup>3</sup>

Data available on the measure of cross-border total official support for sustainable development (TOSSD) has improved.



Note: Country coverage varies by year (92 bilateral and multilateral reporters in 2019, 103 in 2020, 112 in 2021, and 121 in 2022). TOSSD includes reporting by non-DAC countries which do not report to the OECD Creditor Reporting System (CRS) such as Brazil, Chile, Costa Rica, Indonesia, Mexico, Nigeria and Peru. The OECD provides estimates provided by non-DAC countries which do not report to TOSSD, including China, India, and South Africa. Estimates for the latter group are not included in TOSSD. For more information see the [OECD Development Co-operation Report and Profiles 2024](#).

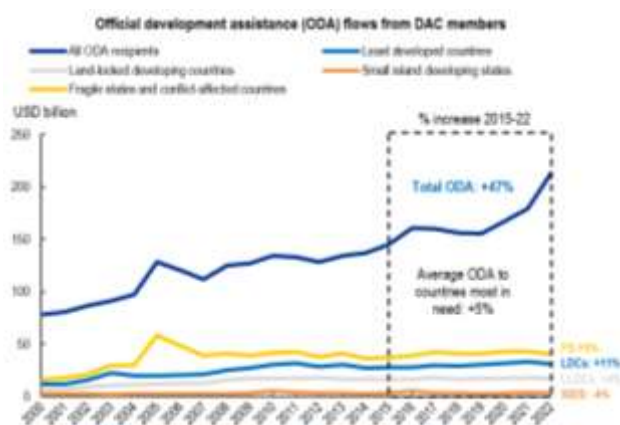
Source: TOSSD, disbursements, 2022 constant prices.

Cross-border TOSSD flows amounted to USD 315 billion in 2022. These flows included bilateral and multilateral grants, concessional loans, non-concessional loans, and in-kind support, including South-South and triangular co-operation.<sup>4</sup>

Multilateral TOSSD cross-border flows increased from 57% of the total in 2019 to 61% of the total in 2022.

Pillar 2 of TOSSD, which tracks global and regional support to international public goods, totalled USD 126 billion in 2022.

Since Addis, ODA from DAC members to countries most in need has flatlined.



Note: Calculations based on disbursements, constant 2022 USD.  
Source: Authors' calculations based on the OECD Data Explorer.

ODA from DAC members to the most vulnerable countries flatlined (+5%) over 2015-22 while total ODA increased (+47%).

Between 2015 and 2022, ODA to countries most in need grew by 5% on average (11% for least developed countries (LDCs), +4% for land-locked developing countries (LLDCs), -4% for small island developing states (SIDS), and 9% for fragile states and conflict-affected countries (FS)).<sup>5</sup>

## Key performance indicators

(full list in statistical annex)

- ↔ In 2023, DAC members provided on average 0.37% of their total gross national income (GNI) in ODA to developing countries up from 0.30% ODA/GNI in 2015, with 27 out of 31 members increasing toward the target since 2018 and 5 members achieving the target in 2023.<sup>6</sup> In 2022, on average, DAC members provided 0.08% of their GNI to LDCs, below the target of 0.15-0.20%.<sup>7</sup>
- ↔ In 2022, developing countries received a total of USD 276.6 billion in official resources, USD 55.3 billion from mobilised private finance and USD 10.2 billion in private grants, according to figures reported by 101 bilateral and multilateral providers.<sup>8</sup>
- ↓ Though most bilateral providers have enhanced their development planning since 2011, the use of country-owned results frameworks and planning tools by bilateral development co-operation providers decreased from 64% in 2011 to 57% in 2018.<sup>9</sup>

## Resource mobilisation potential

- ❖ DAC members alone would have mobilised an additional USD 200 billion in 2023 if they had met the ODA/GNI ratio of 0.7%.<sup>10</sup>
- ❖ Even under the optimistic scenario, additional MDB lending would amount to USD 40 billion per year – substantially less than the target set by the G20 Independent Expert Group (+USD 260 billion).<sup>11</sup>

## Key areas of progress

### **The modernisation of ODA has helped improve the integrity, transparency and accountability of the measure**

The DAC's modernisation of the ODA measure has clarified eligibility rules for peace and security expenditures as well as for hosting refugees and also introduced new debt relief reporting and grant equivalent<sup>12</sup> accounting for financial instruments such as loans, guarantees and equities. These changes and accompanying safeguards, which enhance the accuracy of the data as well as transparency and accountability, reinforce the integrity of ODA and ensure that major changes in development co-operation, such as the diversification of financial instruments, are appropriately reflected in ODA reporting.

### **The creation of the TOSSD measurement framework and the International Forum on TOSSD has significantly advanced data collection**

Open, inclusive and transparent discussions led to the adoption of a new TOSSD measure that includes activity-level data on cross-border resource flows to developing countries (TOSSD Pillar 1), global and regional expenditures (TOSSD Pillar 2), and semi-aggregates on mobilised private finance. The UN Statistical Commission adopted TOSSD Pillar 1 as a data source for SDG indicator 17.3.1. Tracking of support for sustainable development in TOSSD has improved steadily since 2019, with more and better data being captured, with 121 reporters including 19 South-South providers in 2022.<sup>13</sup>

The independent International Forum on TOSSD was established in 2024. Its Steering Group includes a balanced composition of traditional providers, dual providers and recipients, recipient countries and multilateral organisations, and a strong involvement from the civil society and the UN.

The number of South-South co-operation activities reported to TOSSD increased by 64%, from 5 558 to 9 092 between 2019-22. Triangular co-operation activities grew by 268%, from 382 to 1 404 over the same period.<sup>14</sup>

## Persistently challenging areas

### **ODA/GNI commitments including to LDCs remain unmet**

Since 2015, DAC members have made slow progress towards achieving the 0.7% ODA/GNI target, rising on average from 0.30% in 2015 to 0.37% in 2023, just over halfway to the target.<sup>15</sup> While not all DAC members have committed to providing 0.7% of GNI to ODA for developing countries, all members are assessed against the target. Several non-DAC countries have also achieved the 0.7% ODA/GNI target.<sup>16</sup>

Progress on average towards the 0.15-0.20% ODA/GNI target to LDCs has stalled at about 0.08% ODA/GNI in 2022.<sup>17</sup> Additionally, from 2015-22, LDCs received roughly the same volume of ODA, averaging USD 50 billion annually, from 2015 to 2022. Their share of total ODA reached the lowest level since 1996 at 22% in 2022,<sup>18</sup> despite commitments to reverse the decline in ODA share.

## **Development effectiveness, quality and impact accelerate delivery of the SDGs, but progress is mixed**

A focus on quantitative targets alone does not suffice to achieve sustainable development. Proliferation and fragmentation of the aid system persists, with more than 200 international organisations and funds channelling almost half of all ODA.<sup>19</sup> This, coupled with challenges in the use of country systems, trade-offs between country ownership and whole-of-society approaches, lack of donor co-ordination, and challenges in targeting the furthest behind jeopardise the effectiveness, quality and impact of all types of development co-operation. The development co-operation effectiveness principles provide guidance to address these challenges through, among others, evidence from the Global Partnership for Effective Development Co-operation (GPEDC) and its ongoing monitoring exercise.<sup>20</sup> Forthcoming guidance will encourage more effective multilateral partnerships, greater coherence between bilateral and multilateral efforts, and support to reform an increasingly fragmented international development co-operation system. Sharing lessons on the effective use of all types of development co-operation, including South-South and triangular co-operation, are essential for mutual learning, identifying areas of common interest, and strengthening providers' systems.

Further progress to establish more equitable partnerships and increased agency of national and local actors will require policy commitments and institutional reforms. This could include accelerating locally led development so as to give affected people and local actors – from national government to grassroots organisations – more agency in the design and implementation of development co-operation.

## **The mobilisation of private sector resources by official intervention has increased significantly while falling short of expectations**

Since 2015, the volume of private sector resources mobilised<sup>21</sup> has more than doubled from USD 27.7 billion to USD 61.6 billion in 2022.<sup>22</sup> Even this increase, however, falls far short of mobilising the trillions in financing needs in developing countries, and the amounts to date have largely bypassed countries most in need. Most of these resources (77%) are mobilised in middle-income countries.<sup>23</sup> The cumulative issuance of green, social, sustainability and sustainability-linked (GSSS) bonds totalled USD 5.3 trillion in 2023.<sup>24</sup> Yet, only 13% of all GSSS bonds were issued by entities in developing countries in 2022, and their share of the total market dropped to 5% in 2023.<sup>25</sup> (see factsheet on Domestic and International Private Business and Finance for more information on barriers and opportunities to mobilise the private sector).

## **Official development finance in support for gender equality and the empowerment of all women and girls can be improved**

After growing in recent years, the share of ODA with gender equality objectives has now dropped, to 42% in 2021-22 down from 45% in 2019-20.<sup>26</sup> In 2021-22, gender equality was a policy objective in 42% of the programmes funded by DAC members' bilateral allocable ODA, amounting to USD 60.4 billion of the USD 143 billion in bilateral allocable ODA assessed against the OECD gender marker. While the total volume increased from the 2019-20 level of USD 57 billion, the share of such ODA fell from 45% in 2019-20, the first relative drop after a period of growth from 2011 to 2020.<sup>27</sup> The bulk of ODA with gender equality objectives was for programmes that integrate gender equality as one policy objective among others, and only 4% of aid was dedicated to programmes with gender equality as the principal objective.<sup>28</sup> The State of Development Finance for Gender Equality 2024 report will present an unprecedented overview of current international development finance for gender equality and opportunities to increase it.<sup>29</sup>

## New and emerging areas

### ODA increasingly responds to global crises, including health, climate and conflict

Following successive global shocks, it remains unclear whether the increase in ODA is truly new and additional or redirected from existing commitments. The OECD estimates that bilateral aid spending on what could be considered as the provision of global public goods (GPGs) by members of the OECD DAC has grown from an estimated 40% of average bilateral ODA in 2008-12 to around 64% in 2018-22, due in large part to growing expenditure related to climate challenges, costs for refugees in donor countries, food security and infectious diseases.<sup>30</sup> ODA budgets are increasingly stretched to respond both to short-term demands while continuing to finance long-term development in developing countries and poverty reduction goals.<sup>31</sup>

Climate finance provided and mobilised by developed countries, including and beyond ODA, for climate action in developing countries has nearly doubled in the last six years from USD 59 billion in 2016 to USD 116 billion in 2022 in line with the UN Framework Convention on Climate Change target to mobilise USD 100 billion per year by 2020 in developing countries.<sup>32</sup> Climate finance provided and mobilised by developed countries for SIDS tripled since 2016, reaching USD 3.2 billion in 2022.<sup>33</sup> Developed countries also have made progress towards the goal of doubling adaptation finance they provide and mobilise and are on track to achieve the target if current efforts are maintained.<sup>34</sup> Total bilateral climate-related development finance amounted to a two-year average of USD 50 billion in 2021-22 or 40% of total bilateral ODA.<sup>35</sup> In addition, bilateral providers increased their official finance flows for biodiversity, reaching an all-time high in 2022.<sup>36</sup> Finally, ODA to protect oceans is on an upward trend.<sup>37</sup> For more information on climate finance, including private finance mobilisation for climate action, see the factsheet on domestic and international private business and finance.

Increased transparency of climate-related development finance will be needed, including to potentially support assessment of progress toward the New Collective Quantified Goal (NCQG) on climate finance.

### Debt sustainability safeguards for ODA have been strengthened

Since 2015, on average 85% of total ODA is in the form of grants.<sup>38</sup> ODA loans must comply with the World Bank and International Monetary Fund Debt Sustainability Analysis standards to ensure that they do not contribute to debt distress. In addition, they should remain highly concessional, particularly when extended to the most in need. However, the average grant element (measure of concessionality) of DAC members' ODA loans to LDCs declined from 78.4% in 2015 to 70.0% in 2022, due to interest rates which doubled to 0.82% and shorter maturity of loans by 6 years (29.8 in 2022).<sup>39,40</sup>

### Multidimensional vulnerabilities, beyond gross domestic product (GDP) are important to consider for countries approaching the ODA graduation threshold

As world poverty and inequalities shift and climate change and debt increase vulnerabilities, GDP cannot be the only measure of how development finance should be allocated. Small island developing states (SIDS), for example, are mainly middle-income countries with an anticipated annual adaptation gap of USD 7.3 billion on average per year until 2030. The aim of the UN Multidimensional Vulnerability Index, initiated in 2020<sup>41</sup>, is to help assess and raise awareness of vulnerabilities that are not captured by GDP. ODA could

also be better targeted to reduce poverty and inequalities. The DAC is exploring options for more open, inclusive and transparent partnerships in support of a smooth transition to broader sources of financing beyond ODA, particularly for those countries that are approaching the threshold for ODA eligibility and face specific vulnerabilities.

### **Total official development finance for capacity building and technical assistance increasing to facilitate access to innovative finance**

While innovative solutions for sustainable development finance have mushroomed in recent years, their impact and deployment has been limited in developing countries, due to capacity constraints. Capacity building and technical assistance in vulnerable countries seeks to leverage innovations such as sustainable finance instruments and debt management tools. In 2022, total official development finance for capacity building and national planning amounted to USD 54.9 billion, a 50% increase over 2015.<sup>42</sup> Policy reforms carried out through Integrated National Financing Frameworks (INFFs) in 17 countries have leveraged USD 16 billion for SDG investments and offer the potential to align an additional USD 32 billion.<sup>43</sup> The INFF Facility, launched in 2022, provides technical assistance to and supports capacity building to countries preparing or implementing INFFs to enable them to bring innovations to scale and is exploring the creation of new windows (including with South-South and DAC providers to also help respond) in line with growing demand.

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## Endnotes

<sup>1</sup> OECD Data Explorer. The headline total for ODA in 2023 is on a grant equivalent basis. The change in ODA volume since 2015 is based on net ODA figures.

<sup>2</sup> Authors' calculation based on the OECD Data Explorer. The amounts include non-DAC providers that report to the OECD Creditor Reporting System (CRS) and estimates of ODA by non-DAC providers that do not report to the CRS in the [Development Co-Operation Profiles \(OECD, 2024\)](#). Non-DAC providers that report to the CRS include: Azerbaijan, Bulgaria, Chinese Taipei, Croatia, Cyprus, Israel, Kazakhstan, Kuwait, Latvia, Liechtenstein, Malta, Monaco, Qatar, Romania, Saudi Arabia, Thailand, Timor-Leste, Türkiye, and United Arab Emirates. Non-DAC providers for which estimates are made include: South Africa, India, China, and Argentina.

<sup>3</sup> Authors' calculation based on the OECD Data Explorer.

<sup>4</sup> Home | TOSSD Online. (n.d.). <https://tossd.online/>

<sup>5</sup> [E\\_2023\\_64\\_Statistical\\_Annex\\_I\\_and\\_II.pdf \(un.org\)](#)

<sup>6</sup> From 2018, the ODA grant-equivalent methodology is used whereby only the "grant portion" of the loan, i.e. the amount "given" by lending below market rates, counts as ODA. This indicator is measured as a percentage of gross national income and million USD constant prices, using 2021 as the base year.

<sup>7</sup> Author's calculations based on OECD data explorer. Calculations exclude the European Union.

<sup>8</sup> [UN ECOSOC, 2024, Progress towards the Sustainable Development Goals, Report of the Secretary-General Supplementary Information, Statistical Annex](#)

<sup>9</sup> [UN ECOSOC, 2024, Progress towards the Sustainable Development Goals, Report of the Secretary-General Supplementary Information, Statistical Annex](#)

<sup>10</sup> Estimate based on total ODA provided by DAC members and average DAC ODA/GNI in 2023 (0.37%).

<sup>11</sup> [OECD \(2024\), Multilateral Development Finance 2024, OECD Publishing, Paris, .](#)

<sup>12</sup> The grant equivalent accounting has made the measurement of ODA more objective and transparent and corrected previous flaws from the cash flow system. The new discount rates for official loans (between 6 and 9%) are also lower and more realistic than the discount rate (10%) applicable prior to the reform. All details of ODA data are available for public scrutiny. ODA data are still collected and published on a flow basis in addition to the grant equivalent system for the sake of transparency and comparability. See the [OECD temporary archive](#).

<sup>13</sup> [Total Official Support for Sustainable Development \(TOSSD\) - Data visualization tool](#)

<sup>14</sup> Total Official Support for Sustainable Development (TOSSD)'s data visualisation tool: [www.tossd.online](http://www.tossd.online) .

<sup>15</sup> [United Nations \(2024\), Progress towards the Sustainable Development Goals. In General Assembly Economic and Social Council.](#) and OECD Data Explorer.

<sup>16</sup> DAC and non-DAC countries which achieved the 0.7% ODA/GNI target for one year or more since 2015 include: Denmark, Kuwait, Germany, Luxembourg, Netherlands, Norway, Saudi Arabia, Sweden, Turkey, United Arab Emirates and the United Kingdom.

<sup>17</sup> [OECD Data Explorer](#)

<sup>18</sup> Poverty and inequalities focus of ODA: the case for better measurement [Chap Financing.docx \(oecd.org\)](#)

<sup>19</sup> OECD (2024), Multilateral Development Finance 2024, OECD Publishing, Paris

<sup>20</sup> [OECD/UNDP \(2019\), Making Development Co-operation More Effective: 2019 Progress Report, OECD Publishing, Paris.](#)

Beyond 0.7%: measuring ODA effectiveness; [Beyond 0.7%\\_measuring ODA effectiveness\\_SDG Action.pdf](#)

<sup>21</sup> The term "mobilisation" describes the causal link between private finance made available for a specific project and an official intervention.

<sup>22</sup> OECD CRS data-explorer (accessed September 2024)

<sup>23</sup> [OECD \(2023\), "Private finance mobilised by official development finance interventions", OECD Development Perspectives, No. 29, OECD Publishing, Paris.](#)

<sup>24</sup> World Bank (2024), ['Green, Social, Sustainability, and Sustainability-Linked \(GSSS\) Bonds Market Update](#) k

<sup>25</sup> [OECD \(2024\), Sustainability-linked bonds, How to make them work in developing countries, and how donors can help](#)



- <sup>26</sup> [OECD \(n.d.\), Gender and development](#)
- <sup>27</sup> [OECD \(n.d.\), Gender and development](#)
- <sup>28</sup> Development Finance for Gender Equality and Climate Action, [pdf \(oecd.org\)](#)
- <sup>29</sup> OECD (upcoming) State of Development Finance for Gender Equality 2024
- <sup>30</sup> [OECD \(2024\) Development Co-operation and the Provision of Global Public Goods :](#)
- <sup>31</sup> [OECD \(2022\), Global Outlook on Financing for Sustainable Development 2023: No Sustainability Without Equity, OECD Publishing, Paris..](#)
- <sup>32</sup> OECD (2024), Climate Finance Provided and Mobilised by Developed Countries in 2013-2022, Climate Finance and the USD 100 Billion Goal, OECD Publishing, Paris
- <sup>33</sup> OECD (2024), Climate Finance Provided and Mobilised by Developed Countries in 2013-2022, Climate Finance and the USD 100 Billion Goal, OECD Publishing, Paris
- <sup>34</sup> [OECD \(2024\), Climate Finance Provided and Mobilised by Developed Countries in 2013-2022, Climate Finance and the USD 100 Billion Goal, OECD Publishing, Paris.](#)
- <sup>35</sup> [OECD Data Explorer](#)
- <sup>36</sup> [OECD \(2023\), Biodiversity and Development Finance 2015-2022, Progress towards Target 19 of the Kunming-Montreal Global Biodiversity Framework; OECD \(2024\), Biodiversity and Development Finance 2015-2022: Contributing to Target 19 of the Kunming-Montreal Global Biodiversity Framework, OECD Publishing, Paris, <https://doi.org/10.1787/d26526ad-en>.](#)
- <sup>37</sup> [OECD \(2020\), Sustainable Ocean for All: Harnessing the Benefits of Sustainable Ocean Economies for Developing Countries, The Development Dimension, OECD Publishing, Paris.](#)
- <sup>38</sup> [OECD Data Explorer](#)
- <sup>39</sup> The 1978 DAC recommendation called upon adherents to ensure an 86% grant element for all developing countries and 90% for LDCs. However, the recommendation still refers to the definition of ODA as it stood before 2014, including to a discount rate of 10% for calculating the grant element instead of discount rates differentiated by income group.
- <sup>40</sup> [OECD Data Explorer](#) and [OECD \(2024\), DAC Working Party on Development Finance Statistics](#)
- <sup>41</sup> [Office of the High Representative for the least developed Countries, landlocked developing countries and small island developing states. \(n.d.-b\), History of the MVI](#)
- <sup>42</sup> [OECD Data Explorer](#)
- <sup>43</sup> <https://inff.org/news/new-report-reveals-how-country-led-financing-strategies-are-making-finance-work-for-people-and-planet> Integrated National Financing Framework (n.d.) New report reveals how country-led financing strategies are making finance work for people and planet