

No more business as usual - this is the moment to transform the aid system.

Preliminary aid figures for 2024 are a wake-up call for rich countries

Civil Society Organisations (CSOs) have already been warning about the drastic effects of the aid cuts announced by many donors since last year. However, the slashing of US' aid earlier this year has escalated a worsening situation. Yesterday, the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) reported a total of 212.1 billion USD in Official Development Assistance (ODA) for 2024 – 11.4 billion USD less (-7.1% in real terms) than what was reported the previous year.

While donor countries have committed since 1970 to spending 0.7% of their Gross National Income (GNI) on aid, they have repeatedly failed to meet this minimum target, reaching only 0.33% of OECD DAC members' collective GNI last year (down from 0.37% the previous year). Only four DAC members allocated 0.7% or more of their GNI to aid: Denmark, Luxembourg, Norway and Sweden. In a world facing conflicts, rising poverty and inequality, and the climate crisis, the 0.7% of GNI target should be treated as the bare minimum rich countries must do in support of those paying the highest price for these crises.

ODA has become a contested measure of aid, as the OECD DAC has been diluting the definition of ODA and counting contributions that were outside of the intended scope – poverty eradication and economic welfare. CSOs have long been critical of the donor community single-handedly changing the ways in which aid is being counted and of the stark power imbalance the aid governance structure leads to vis-à-vis the global South, where the effects of these policies are felt the most. ODA to least developed countries (LDCs) has meanwhile only reached 35 billion USD (an estimated 0.05% of GNI) – far below the donor commitment of minimum 0.15% to 0.2% of donor Gross National Income (GNI). Aid to sub-Saharan Africa has decreased by 2%, down to 36 billion USD.

The tectonic shift in the aid landscape we are witnessing is an unprecedented catastrophe for millions of people around the world who rely on aid. The blatant disregard the donor community's actions have shown to the world's poor and vulnerable is inexcusable. The DAC countries' inability to adhere to their own commitments only confirms the loss of legitimacy that CSOs have been pointing out for years.

With armed conflicts raging around the world, the need for an increase in both aid quantity and quality could not be greater. Whereas aid to Ukraine continues to account for a significant part of the DAC's ODA (7.4% overall and rising in 19 member states compared to 2023), increased support to people facing conflicts is needed around the world.

And yet the statistics for 2024 reveal what announcements by the largest aid donors in the world have continued to predict for the current year: this is not only a downward trend, but an attack on the entire aid sector and everyone relying on it.

Once again, the latest aid statistics reflect that donors follow their own priorities in reporting expenses as ODA that do not fall within the scope of it. Reporting the cost of hosting refugees as ODA - also known as in-donor refugee costs (IDRC) – has been accounting for a large part of the inflated ODA. While it has decreased from the previous year, DAC members still reported 27.8 billion USD (13.1% of total ODA) in IDRC in 2024.

While the DAC would like to move on from this disastrous press moment, the people who rely on aid for their livelihoods do not have that privilege. We cannot continue to let global North countries get away with their reckless actions.

In the spirit of the aid effectiveness principles, country ownership and alignment with their development priorities and objectives are key in the global aid governance. For a long time, civil society has been calling for much-needed reforms of the current system. These reforms need to be discussed and agreed upon well beyond the DAC, in a space where both donor and recipient countries are present on equal footing. The Fourth International Conference on Financing for Development (FfD4) taking place this summer (30 June to 3 July in Sevilla) is a once-in-a-decade opportunity. The Conference is also a key test for multilateralism and cooperation, which are now under attack in an increasingly volatile and conflict-ridden world.

In view of the magnitude of the current crisis, we urge the DAC and its members to raise the ambition towards FfD4 and to support a profound transformation of the international development cooperation system, listening to the longstanding demands of partners in the Global South. These changes include increasing the concessional financing available for partner countries' own development paths, broadening the decision-making on aid and prioritising aid that does not exacerbate the debt burden of partner countries. This is the moment for wealthy countries to do their part and end their futile opposition to sustainable change.

The current aid system is in upheaval. But civil society will continue to rally for a human rights-based and transparent aid regime that adheres to international commitments, serves the most vulnerable and leaves no one behind. This is the moment for the DAC to wake up to the global calls for change.

Signatories:

- The People's Fund for Global Health and Development, Denmark
- Oxfam, Global
- CNCD-11.11.11, Belgium
- Alliance Sud, Switzerland
- Caritas Europa, Belgium/Europe
- Coastal Development Partnership (CDP), Bangladesh
- Civil Society Platform for Peacebuilding and Statebuilding (CSPPS), Global/The Netherlands
- Cordaid, The Netherlands
- AG Globale Verantwortung, Austria
- Pacific Islands Association of Non Governmental Organisations (PIANGO), Fiji/ Pacific Region
- AKÜ - Estonian Roundtable for Development Cooperation, Estonia
- AidWatch Canada, Canada
- Croatian Platform for International Citizen Solidarity (CROSOL), Croatia
- JANIC (Japan NGO Center for International Cooperation), Japan
- European Network on Debt and Development (Eurodad), Belgium/Europe