



**CIVIL SOCIETY  
FINANCING FOR  
DEVELOPMENT**  
Mechanism

# Thematic Briefing



## OFFICIAL DEVELOPMENT ASSISTANCE

# Why this Briefing and What is it About?

*This is the time for civil society organizations (CSOs) and social movements from all over the world to unite under a strong call for a systemic transformation of the global trade and financial architecture and global division of labor, towards a just, green, and feminist recovery post-COVID-19. And the UN, as the only global institution mandated to address economic and social challenges where developing countries have an equal say, is the space to do so. This is where the UN Financing for Development (FfD) process comes in - as a space to advance on the systemic changes we urgently need to see.*

This briefing on Official Development Assistance (ODA) is part of a broader toolkit introducing the FfD process and the Civil Society FfD Mechanism's role in it, being built towards helping civil society organisations and social movements navigate the FfD process, its interrelated domains, and the issues at stake. In this briefing we explore the challenges with regards to ODA flows and their effectiveness in supporting the development needs of the Global South. We also highlight several recommendations that governments can take to ensure developed countries' commitments on ODA are met and contribute to making development effective.

## **Box 1. The Civil Society Financing for Development Mechanism**

The CS FfD Mechanism is civil society's coordination body for collective engagement in the FfD process. The Mechanism has been active in its present format (Global Social Economy Group - GSEG listserv) since the Doha FfD Review Conference in 2008, though many of its members are engaged since the Monterrey FfD Conference in 2002. It is an open virtual list containing several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Mechanism's core principle is ensuring that civil society can speak with one collective voice.

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# The Challenges

Official development assistance (ODA) remains important in meeting sustainable development objectives of some developing countries, particularly least developed countries. Developing countries are still reeling from the impacts of the COVID-19 pandemic and yet, have to face additional challenges of increasing debt levels, the energy and food prices increases as the result of the Russian war on Ukraine, and the ongoing climate crisis. ODA plays an important role in this context in helping developing countries address the challenges of compounding effects of the multiple crises that resulted in setbacks in achieving sustainable development,<sup>1</sup> as well as threaten efforts to avert the climate chaos and the just recovery from the pandemic.

## Box 2. What is ODA?

Official Development Assistance or ODA is official financing or aid given by governments to developing countries to promote and implement development.<sup>2</sup> Within the Organisation for Economic Co-operation and Development (OECD), ODA is provided by the 31-member Development Assistance Committee (DAC) plus the European Union (see Box 3 on the OECD and DAC). The DAC set the following criteria for aid to be considered as ODA: the primary objective must be the welfare and economic development of developing countries; and assistance must be concessional either through the provision of grants or soft loans.<sup>3</sup> ODA can be in the form of grants, which are financial resources which do not require repayment; or soft loans, which require repayment with interest but at concessional rates which are lower than market standards.

The emergence of ODA can be traced back to the post-World War II Marshall Plan for re-building Europe. In 1970, the United Nations General Assembly (UNGA) adopted the resolution to raise ODA to 0.7% of donor country GNP by 1975 and in no case later than 1980.

The prevailing view then was that development would naturally occur in lower income countries through the injection of initial amounts of capital in combination with the provision and teaching of technical skills needed to develop. However, theories on how best to provide and implement ODA initiatives have changed and evolved over time in accordance with both domestic and international political and economic climates. During the process of globalisation, ODA became a tool to promote the Washington Consensus which adhered to trade liberalization, the opening up of domestic industry investment to free-market forces, privatization and deregulation.<sup>4</sup> Aid was to be disbursed efficiently to achieve development goals. Movements and civil society have fought against neoliberal ODA and pushed for the development effectiveness agenda wherein ODA delivery is guided by a rights-based approach.

ODA provides concessional funding that enables developing country governments spend on development and public social infrastructure. It is also important to point out that more than just mobilizing finance, ODA is, and must be treated as, a tool to achieve redistributive justice, wherein wealth acquired by rich countries through historical colonization and exploitation through neoliberal policies is rechanneled to developing countries.<sup>5</sup> As a tool for justice, ODA should contribute to correcting historical wrongs and dismantling poverty and inequality. And yet, numerous challenges emerge from the current practices by DAC members that treat ODA otherwise, including maintaining the status quo that, in the first place, produces and entrenches the poverty and inequality that aid is supposed to help address.

### Unmet commitment by donor countries

During the United Nations General Assembly (GA) in 1970, member countries adopted the resolution that came out from the result of the Pearson Commission of the World Bank that recommended aid 'be raised to 0.7% of donor country GNP by 1975, and in no case later than 1980'. Since then, this commitment has been violated by the majority of DAC members by not allocating sufficient amounts for ODA, and by inflating the ODA levels they report.

ODA data released by the Organisation for Economic Cooperation and Development (OECD)<sup>6</sup> for 2022 shows that aid levels continued to rise since 2019 (see Figure 1). According to the OECD, the rise in aid levels in 2022 is due mostly due to in-donor refugee costs as well as net ODA to Ukraine.<sup>7</sup> Despite the increase in ODA levels, the amount is not enough to meet the 0.7% of GNI commitment of donor countries. The promise has been repeatedly broken by the majority of DAC member countries since the 1970s as ODA levels remained at an average of 0.3% of their GNI<sup>8</sup> (see Figure 2). In 2022, only Denmark, Germany, Luxembourg, Norway and Sweden were able to meet the 0.7% target (see Figure 2).<sup>9</sup>

#### Box 3. What is the OECD? What is the DAC?

The Organisation for Economic Co-operation and Development (OECD) was established in 1961 as a forum for governments to share experiences and seek solutions to common economic and social problems. Today, approximately 50 industrialised and emerging-economy countries have joined the OECD as members or adherents. The OECD acts on behalf of and in collaboration with its member governments claiming "to promote policies that will improve the economic and social well-being of people around the world." In practice, the OECD promotes free market policies and trade.

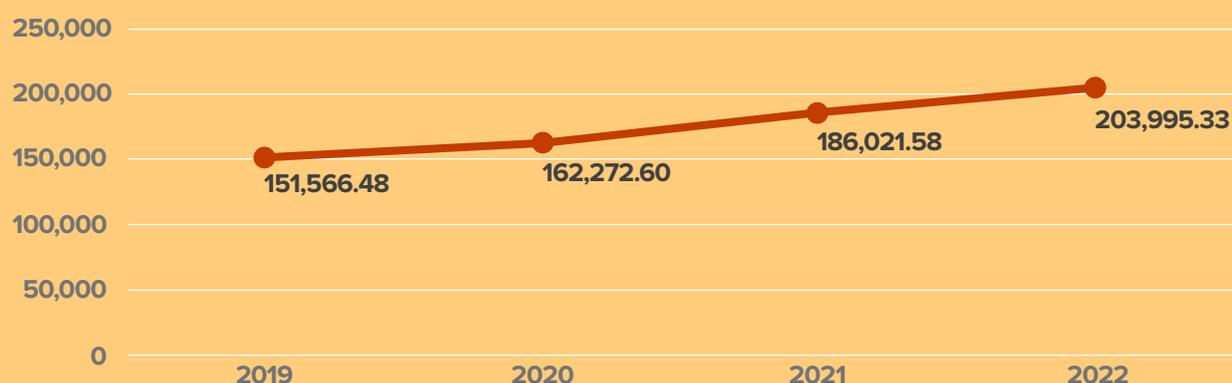
The Development Assistance Committee (DAC) is a forum for bilateral providers of development co-operation. Its main objective is to promote development co-operation and other policies to contribute to sustainable development. The Committee monitors development finance flows; reviews and provides guidance on development co-operation policies; promotes sharing of good practices; and helps shape the global development architecture. Each year, the DAC reports data of many of the largest providers of aid, including its 31 members. It also provides guidance on the methods of ODA reporting, which includes how and what can be reported as ODA.

Source: OECD Watch. <https://www.oecdwatch.org/oecd-ncps/about-the-oecd/>

Aside from not meeting the commitment to set aside 0.7% of donor countries' GNI to ODA, the amount reported by the OECD is also severely inflated. Included in their ODA reports are recycled in-country refugee costs and debt relief, all of which do not add actual amounts of aid flows to be used in developing countries. If the in-country refugee costs were deducted, ODA rose by only 4.6% compared to 2021 in real terms.<sup>10</sup> Further deducting recycled Covid-19 vaccine donations and net debt relief show that reported ODA figures are inflated by as much as USD 30.9 billion or almost 15% of the total ODA in 2022.<sup>11</sup>

Even climate finance mobilised by donor countries is both insufficient and bloated. According to the OECD, climate finance in 2020 reached only USD 83.3 billion, which is USD 16.7 billion short of the USD 100 billion commitment by DAC member countries.<sup>12</sup> According to Oxfam, climate finance figures are most likely bloated by reporting loans and costs of projects that have little to do with climate adaption and mitigation. Instead of providing new and additional financing, these flows are only relabelled funds that are reported towards ODA commitments.<sup>13</sup>

Figure 1. ODA Values from 2019 to 2022 (current, million USD, OECD Stats DAC1 a/o 22 July 2023)



Source: OECD DAC

Figure 2. ODA as percentage of collective donor country GNI. Lifted from Craviotto, 2022.<sup>15</sup>

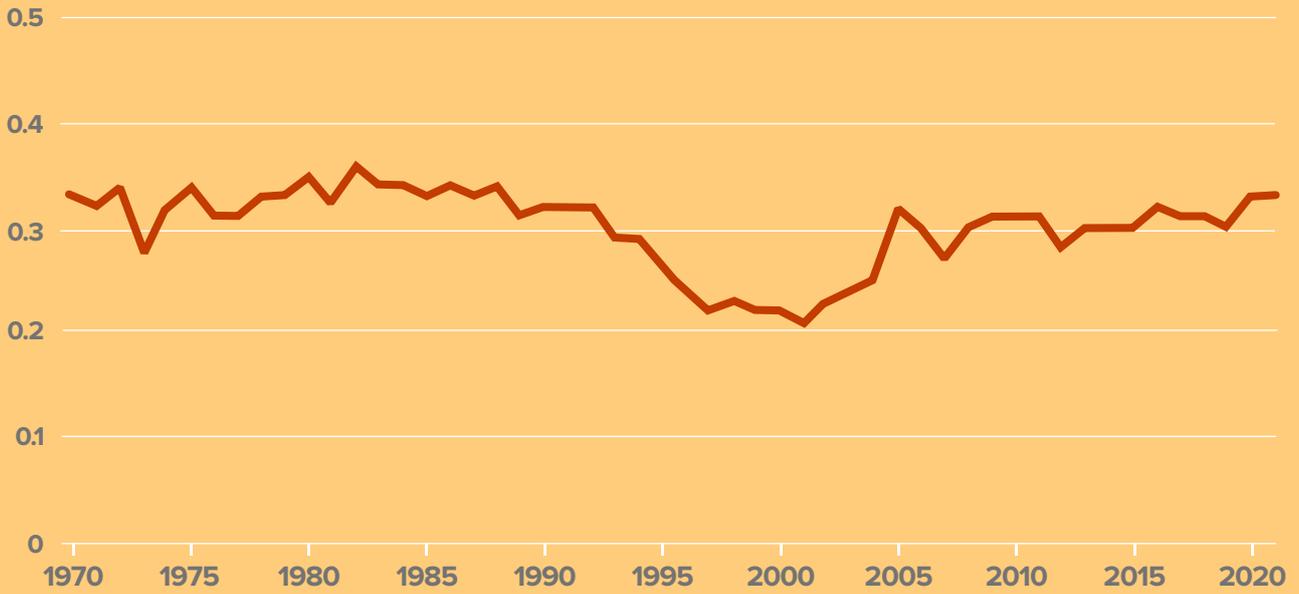


Figure 3. ODA as percentage of GNI. Lifted from OECD website.<sup>14</sup>

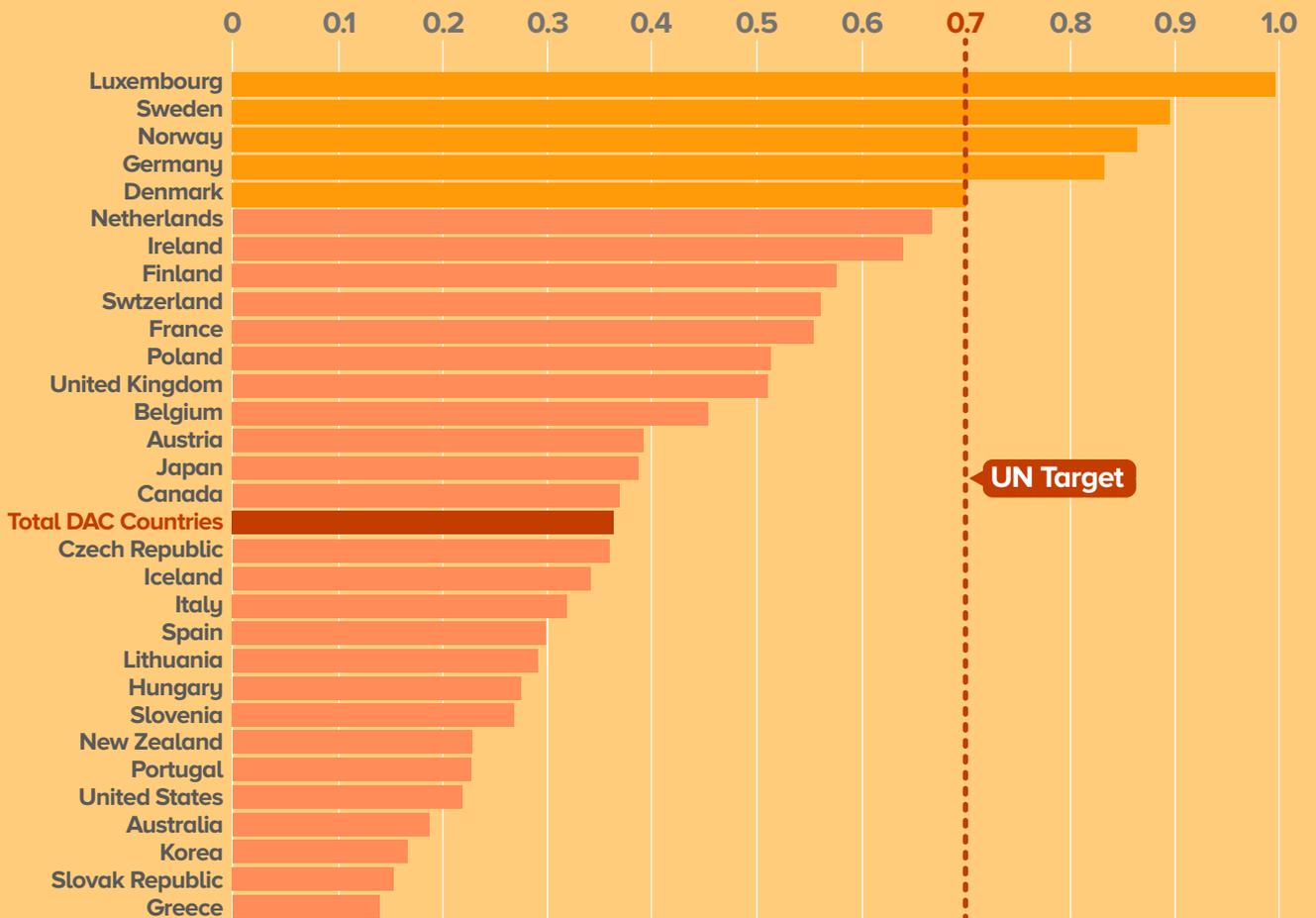


Table 1. ODA Composition (constant 2021, million USD)

	2018	%	2019	%	2020	%	2021	%	2022	%
<b>Bilateral Grants</b>	105,040.95	63.8%	104,097.03	62.9%	105,214.89	61.1%	114,410.95	61.5%	137,615.95	65.1%
<b>Bilateral Loans</b>	9,369.95	5.7%	10,108.15	6.1%	12,635.66	7.3%	12,053.27	6.5%	16,398.49	7.8%
<b>Multilateral</b>	47,420.11	28.8%	47,013.15	28.4%	49,426.21	28.7%	54,468.37	29.3%	54,452.99	25.8%
<b>Private sector instruments</b>	2,688.05	1.6%	4,209.05	2.5%	4,259.52	2.5%	4,537.01	2.4%	2728.61982	1.3%
<b>Debt relief</b>	–	–	–	–	780.60	0.5%	551.98	0.3%	123.67	0.1%

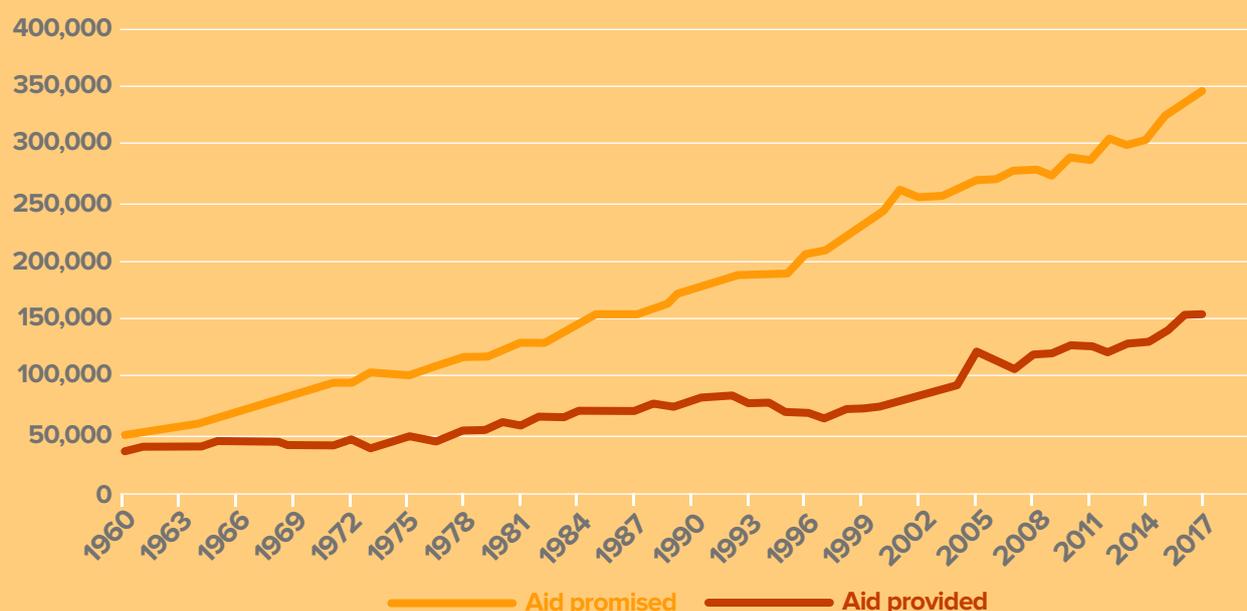
Source: OECD Stat DAC1 (a/o 22, July 2023)

#### Box 4. Just how much do DAC member countries ‘owe’ in terms of ODA?

Since 50 years ago, when the commitment to allot 0.7% of donor countries’ GNI was made, most countries have failed to deliver their historic promise. Just how much do DAC member countries owe lower income countries in terms of ODA?

According to the United Nations Conference on Trade and Development (UNCTAD), developing countries would have received an additional USD 2 trillion in ODA within the 10 years after the financial crisis had the 0.7% commitment been kept. Oxfam on the other hand estimates that donor countries failed to deliver more than USD 6.5 trillion in ODA between 1970 and 2021.<sup>16</sup> Oxfam further commented that “this is a substantial debt owed to the world’s poorest people, and it is nine times more than Sub-Saharan Africa’s stock of external debt at the end of 2019 (\$625 billion)”<sup>17</sup>.

Political will among donor countries is necessary to pay this ODA debt, which, if made available, (per UNCTAD estimates) could cover almost half the USD 3.3-4.5 trillion per year financing that needs to be mobilized to achieve the 2030 Agenda for Sustainable Development<sup>18</sup>. It is also six times the needed USD 330.1 billion financing gap to realize SDGs related to economic development, poverty, health, education, social protection, and biodiversity in least developed countries (LDCs).<sup>19</sup>

Figure 4. Aid promised (0.7% GNI) vs aid provided (Total ODA). Lifted from Seery, 2020<sup>20</sup>

## Increasing Preference for Loans Over Grants

The quantity of development assistance as well as its development impact are also affected by the substantial amounts of loans included in what is reported as ODA. Bilateral sovereign loans increased both in real terms and as share of total ODA composition between 2018 to 2022 (see Tables 1 and 2).

France, Japan, and South Korea are the top three countries who provided the highest shares of bilateral ODA as sovereign loans.<sup>21</sup> Sovereign lending by EU institutions on the other hand more than doubled (+110%) and represented almost a quarter of its bilateral ODA.<sup>22</sup> Bilateral sovereign loans to developing countries increased between 2018 and 2021 (see Table 3).

The increase in loans as ODA is a worrying trend in the context of increasing pressures on government budgets as countries reel from the effects of COVID-19 and the impacts of the Russia-Ukraine war.<sup>23</sup> These loans add to the debt portfolios, especially of Least Developed Countries (LDCs) and Other Low Income Countries (OLICS), who are either on the verge of or already in the middle of a debt crisis, and further decrease their capacity to spend on social services. As of June 2023, eleven countries are already in debt distress while 51 are in either moderate or high risk of debt distress.<sup>24</sup>

Table 2. Share of Sovereign Loans and Grants in Bilateral ODA (constant 2021, million USD)

	2018	%	2019	%	2020	%	2021	%	2022	%
<b>Total Bilateral ODA</b>	117,349.27	100%	118,518.92	100%	122,890.12	100%	131,553.21	100%	156,866.73	100%
<b>Bilateral Grants</b>	105,040.95	89.5%	104,097.03	87.8%	105,214.89	85.6%	114,410.95	87.0%	137,615.95	87.7%
<b>Grant Equivalents of Bilateral Loans</b>	9,369.95	8.0%	10,108.15	8.5%	12,635.66	10.3%	12,053.27	9.2%	16,398.49	10.5%

Source: OECD Stat DAC 1 (a/o 22 July 2023)

Table 3. Sovereign Bilateral Loans to Developing Countries (constant 2021, million USD)

	2018	2019	2020	2021	2021 % increase from 2018
<b>Least Developed Countries and Other Low Income Countries</b>	2,227.77	2,529.63	3,434.89	3,080.76	38.3%
<b>Lower Middle Income Countries</b>	5,575.62	6,299.88	6,680.99	7,228.26	29.6%
<b>Upper Middle Income Countries</b>	1,368.15	1,115.39	1,999.75	1,537.61	12.4%

## Diversion of ODA to Support Profit-Driven Actors

While levels of ODA are already below commitments, these scarce resources are further channelled away from development objectives through profit-driven actors. Two main channels this is being done is through private sector instruments and blended finance.

### Private Sector Instruments

ODA channeled through private sector instruments (PSIs) still represent a small percentage of total ODA from 2018 to 2022 (Table 1), but the amount in real terms has increased between 2018 to 2021. Data for 2022 are still preliminary and will be finalized by end of year 2023.

#### Box 5. What are Private Sector Instruments (PSIs)?

PSIs are financing instruments that DAC members can use to make direct investments in private enterprises or in 'PSI vehicles' – such as development finance institutions (DFIs), investment funds, or other special purpose vehicles – which in turn invest in private entities (e.g. enterprises or investment funds) in developing countries. They consist of loans to private sector entities, equity investments, mezzanine finance instruments (such as subordinated loans, preferred equity, and convertible debt/ equity) and guarantees. Capital contributions to DFIs are also considered PSIs – whether they are provided as grants or equity investments. ODA flows through PSIs can be disbursed on non-concessional terms which does not align the with the concessionality requirement of ODA.

PSIs should not be confused with ODA channeled through private sector institutions, which is a specific channel of delivery in the DAC Creditor Reporting System (CRS).

*Source: Caio, C. & Craviotto, N. (2021). Time for action: How private sector instruments are undermining aid budgets.*

Civil society has raised various concerns on the use of PSIs in ODA. PSIs do not have the capacity to reach those most in need and in fact, channel away ODA from low income countries<sup>25</sup>. Instead of providing support to vulnerable populations in developing countries, PSI flows go to most profitable countries. OECD data for PSI in 2021 show<sup>26</sup> that none of the top 10 country recipients were LDCs where achieving SDGs are more challenging (see Table 4).

CSOs are of the view that enhancing public financing, including aid, is required to meet the needs of our time.<sup>27</sup> Civil society has criticized DAC member countries for leveraging ODA to catalyze private sector growth instead of channeling more resources towards grants that directly target poverty and address inequalities. Support for private sector using public

funds is being increased without adequate transparency and accountability measures, as well as safeguards that ensure that public interests are protected from profit motives.<sup>28</sup> Past experiences on private sector capture of public services offer valuable lessons on why PSIs in ODA risk worsening poverty and can lead to violations of the rights to health and water.

Table 4. Top 10 PSI Recipients in 2021

Country	Amount Received (USD, millions, constant 2021)	Income Classification
Brazil	496.026	UMIC
Colombia	108.368	UMIC
South Africa	101.786	UMIC
Serbia	61.805	UMIC
Côte d'Ivoire	49.767	LMIC
Senegal	39.784	LMIC
Cameroon	37.438	LMIC
China (People's Republic of)	32.570	UMIC
Paraguay	29.374	UMIC
India	27.327	LMIC

### Blended Finance

According to the OECD, blended finance is the strategic use of development finance for the mobilisation of additional finance towards sustainable development in developing countries.<sup>29</sup> The practice combines ODA with other private or public resources, in order to 'leverage' additional funds from other actors. Blending is, in effect, a kind of subsidy for commercial actors engaged in development-related work.

The use of public finance to de-risk private finance is being promoted by international organizations such as the OECD and multilateral institutions such as the World Bank Group and the International Monetary Fund. It has been criticized by civil society as this practice pulls away already scarce ODA money from being directly spent on public sector projects, especially in low income countries, into support for private sector initiatives whose development impacts are not clear.<sup>30</sup> So far, private finance mobilised through blending instruments has failed to scale-up investments in countries and communities where they are needed the most. Blended finance is currently concentrated in areas with the potential for financial profit, i.e. in lower-risk developing countries, particularly in middle income countries which received USD 35.2 billion or 87% of mobilised private finance from 2018 to 2020. On the other hand, low income countries only received USD 5 billion or 12% of mobilised private finance within the same period.<sup>31</sup>

## Limited Development Effectiveness of ODA

Development effectiveness goes beyond the efficient disbursement procedures of aid and is focused on a rights-based approach to aid delivery and development cooperation. It is underpinned by four principles: ownership of development priorities by developing countries, focus on results, inclusive partnerships, and transparency and mutual accountability.<sup>32</sup> Unfortunately, the actual application of these principles remains limited.

The Global Partnership for Effective Development Cooperation (GPEDC) was launched in late 2011 at the 4th High Level Forum (HLF) in Busan, Korea, to shift donors from the aid agenda to a broader concept of development effectiveness.

Different from the OECD, the GPEDC is a multistakeholder platform. Its four co-chairs consist of one representative each from donor countries, recipient countries, dual provider countries, and a non-executive co-chair from civil society. The steering committee also provides seats for representatives from civil society, as well as from trade unions, parliaments, sub-national governments, the UNDP/UN System, multilateral development banks, the OECD/DAC, and the business sector, among others.

The GPEDC was hoped to replace the donor-driven approach in delivering development aid. Its structure is reflective of that aspiration. However, one of the main challenges that the GPEDC faces is the lack of buy-in from large providers of South-South Cooperation (SSC) such as China, India, and Brazil. These countries have maintained that the GPEDC is “DAC-led process that could not be legitimated by actors outside DAC structures”<sup>33</sup>. While the members of the partnership have de jure equality, some point out that there are risks for de facto inequalities in influence over outcomes because of the different capacities between the members to engage and provide resources.<sup>34</sup>

CSOs have previously pointed out, for instance, that “greater spaces were provided for the private sector’s involvement in policy, partnerships and programs that undermine CSOs, including women’s rights organisations and other development actors,” with the GPEDC “promoting the challenge of ‘leaving no one behind’ as an opportunity for private capital to develop markets.”<sup>35</sup>

## ODA Governance Still Led by Rich Countries’ Club

Many of the problems associated with ODA in terms of volume and quality are directly attributable to the fact that the governance of the aid system is led by a handful of rich countries. The OECD’s Development Assistance Committee is currently composed of 31 advanced/high-income economies<sup>36</sup> from North America, Europe, and Asia Pacific, with the notable exception of China. These countries make decisions on what can be reported as ODA and otherwise, based on consensus; however, the DAC’s membership is too narrow and

its decision making processes lack transparency and accountability to those who will be most affected by their decisions, i.e., developing countries and their communities.

This exclusive membership and lack of transparency and accountability has resulted in a series of questionable decisions that have eroded the integrity of ODA and its development impact. Two recent examples of decisions, which civil society finds totally unacceptable, are keeping debt relief in the picture after the decisions to report sovereign ODA loans in grant equivalents from 2019<sup>37</sup>, and allowing the donation of excess, nearly expired, vaccines to be reported as ODA. While the need to address power imbalances and colonial legacies in aid relations were acknowledged in the OECD-DAC's (Development Assistance Committee) Development Cooperation Report 2023, fundamental issues of tying aid with donor-countries' political and economic interests as well as the neoliberal roots of unequal power relations between donor and recipient countries have been sidestepped.<sup>38</sup>

CSOs have instead called for a strong UN leadership in the governance of aid to allow for a more democratic decision-making process on aid.<sup>39</sup> The UN has a Development Cooperation Forum (DCF) that brings together representatives from governments, civil society, and the private sector to discuss and promote effective development cooperation. However, it has been plagued by issues that limit its effectiveness to lead the governance of aid. These issues include lack of enforcement mechanisms for commitments that have been made, and limited resources which ultimately limit the DCF's impact on development outcomes. Crucially, the DCF is not a norm-setting body as there is no member-state led negotiated outcome document and is only a discussion forum. With the recent decision to align the DCF with the FfD process, it is an opportunity to revisit modalities on substance and process, to ensure UN is leading on norm-setting on ODA.

### **Tied aid, conditionalities, and leveraging ODA towards foreign policy outcomes**

Donors are regularly responsible for providing tied aid, linking their aid to certain types of conditionalities and/or using ODA to advance their own foreign policy objectives, whether economic, geopolitical or both. These tactics benefit donor countries while sacrificing development needs in developing countries and reflect the top-down nature of ODA which circumvents or entirely ignores country-ownership.

Tied aid describes official grants or loans that limit procurement to companies in the DAC member country or in a small group of countries. This means that money that is supposed to be spent in developing countries 'goes back' to donor countries through their domestic companies or operations. This practice, although greatly reduced, remains, and may increase in the years to come by the increasing use of private sector instruments in development cooperation (see Section 2.4).<sup>40</sup> Eurodad's study in 2021 revealed that in 2018, DAC reported some USD 26.9 billion of tied ODA which is equivalent to 21 per cent of bilateral aid for

that year. The OECD's own report in 2022 on the overall untying aid revealed that 52% of the value of the contracts for ODA disbursed between 2019 to 2020 were awarded to companies from donor countries.<sup>41</sup> Where aid is not formally tied, procurement rules also affect where governments can purchase goods and services to implement a project facilitate the awarding of contracts to companies from donor countries.<sup>42</sup>

Aid conditionalities also prevent countries from addressing their own national development priorities. These conditionalities often come in the form of policy reforms that DAC members impose on recipient countries in exchange for channeling aid, and sometimes are in direct conflict with a country's own development priorities. While some argue that conditionalities can be positive, such as reforms to reduce corruption and promote human rights, aid conditionalities have historically been used by donor governments to promote their own interests. Leveraging ODA to achieve donor governments' foreign policy and economic objectives also prevents the democratic ownership of ODA as addressing developing countries' needs come secondary (for examples, see Box 5).

## Box 6. Examples of Tying of Aid

### *Procurement contracts designed to exclude local suppliers*

Informal tying of aid can happen when procurement guidelines for projects funded by ODA are designed (deliberately or not) in a manner that effectively excludes local suppliers from participating in the projects. For example, when the European Commission funded the Northern Corridor Road reconstruction project in Uganda, the procurement guidelines set financial and experience standards that eliminated most Ugandan firms from competing for the project. The tender specifications also did not include provisions that would require foreign contractors to subcontract to Ugandan companies, which would facilitate knowledge and technology transfer and the use of available local inputs.<sup>43</sup>

### *Tying aid to donors' economic and corporate interests*

The New Alliance for Food Security and Nutrition was launched in 2012 by the G7/G8 countries and Benin, Malawi, Nigeria, Burkina Faso, Cote d'Ivoire, Ethiopia, Ghana, Mozambique, and Tanzania, with the aim of lift 50 million people out of poverty by 2022. Aid from the G7/G8 countries supported partnerships between them, the African country-members of the alliance, and the private sector on investment in African agriculture and on commitments to good governance and coordinated policy reforms. In exchange for aid, African countries had to commit to reforms which include facilitating corporate investments in Africa, policy commitments to privatize seeds which takes seed sovereignty away from small farmers, and the promotion of genetically modified organisms (GMOs).<sup>44</sup>

### ***Tying aid to foreign policy objectives***

ODA has been used to promote DAC members countries' political-security interests in recipient countries. For example, USAID has helped enhance the US military presence in the Philippines, amid a 21st century strategy of subsuming development work under counter-insurgency.<sup>45</sup> Post-9/11, USAID funding – covering DA, Economic Support Funds (ESF) and Child Survival and Health (CSH) – has become concentrated in local community projects in the Mindanao region, which was a re-entry point for US military forces in the country in 2002.<sup>46</sup> Another example is Spain and the EU's aid to Morocco for migration control. Both donors disbursed a combined total of more than EUR 400 million between 2019 and 2022 to Morocco to stem the number of migrants entering the EU through the Spanish-Moroccan border. This amount is set to increase by EUR 500 million up to 2027 despite the grave human rights violations perpetrated by both the Spanish and Moroccan authorities against migrants trying to cross the border.<sup>47</sup>

# Our Recommendations: Review of the ODA architecture

The development challenges exarabated by the multiple crises resulting from COVID-19, the Russian war on Ukraine, and global heating make the fulfillment of ODA commitments ever more important. Likewise, practices that erode the quality and quantity of ODA should be dismantled in order to ensure that aid serves the needs of developing countries. The CS FfD Mechanism:

- Calls on UN member states to build on the UN's Development Cooperation Forum (DCF) process and establish a UN intergovernmental process on development cooperation that can protect the integrity of ODA, and the credibility of ODA statistics and ensure the impact of ODA in eradicating poverty and addressing inequalities. This will allow all countries, especially from the Global South, to be part of decision-making on issues related to ODA.
- Calls on DAC members to honor their collective commitment and deliver USD 6.5 trillion of unmet ODA debt owed to Global South countries over decades in full and unconditionally.
- Calls for partnerships for sustainable development that should be aligned with the principle of democratic local ownership of development processes, whereby all relevant stakeholders, including local communities and CSOs are actively involved. We also call on DAC member countries to uphold the integrity of ODA and of the effectiveness agenda.
- Calls on DAC members to fulfill and exceed the 0.7% target for ODA, as well as the 0.15% to 0.2% target for Least Developed Countries (LDCs), prioritizing unconditional grants and technical support.
- Calls for an internationally agreed definition of climate finance additionality with a view to ensuring climate action without diverting scarce resources from standing poverty challenges that should be addressed by ODA
- Calls on all DAC members to ensure that development aid is not diverted from long term development objectives. It should reinforce both humanitarian/emergency response to crises and long terms goals of addressing structural barriers (e.g. implementing short-term pandemic measures while strengthening health care systems) and should be aligned with developing country priorities without conditionalities.
- Calls on all governments to deliver on their effectiveness commitments to make development more inclusive, aid more transparent and accountable, country ownership a prerequisite, and results more just and people centred.

## How to engage?

The CS FfD Mechanism has been campaigning and advocating for trade and investment that will facilitate genuine sustainable development through multiple entry points. Examples include: direct engagement on trade and investment issues in the FfD process by providing inputs to the yearly Financing for Sustainable Development Reports and to the FfD Forum negotiations. To join the CS FfD Mechanism, please fill the google form at this [link](#).

## Acknowledgements

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## Endnotes

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