



**Preparatory Committee (PrepCom) for the Fourth International Conference on Financing
for Development (FfD4) First session, Addis Ababa, 22-26 July 2024**

***Intervention by Alex Farley, Bond-UK on behalf of the CS FfD Mechanism
during the Multi-stakeholder round table 5: International Development Cooperation,
July 25***

I'd like to start by challenging some of the data presented by the panel and add some nuance to what we are seeing with aid flows.

Official Development Assistance did reach a record high in 2023, with support to Ukraine, humanitarian aid and contributions to international organisations making up much of this contribution.

- However, Aid fell in more than half of the countries that are members of the OECD's Development Assistance Committee and several countries have announced cuts to ODA budgets for 2024 and beyond.
- Beyond that, the inflated figure is primarily the result of an ever expanding definition of what can and should be counted as ODA.
- 13.8% of DAC member countries' total ODA was counted as 'in-donor refugee costs' in 2023. This is money that doesn't leave donor countries.
- Country programmable aid, which is a much more realistic measure of ODA, was historically low as a share of total ODA in 2023.
- Tied aid remains at unacceptable levels at nearly 20%.
- With the ODA modernisation process, funding channelled through Private Sector Instruments can now be counted as ODA eligible. While improvements in the disclosure of these investments are welcome, the positive development impact is still to be proved.
- The gap between aid committed to African LDCs alone and what was delivered between 2000 and 2020 totals £1.2trillion. These are resources that amount to an aid debt owed to the south that should have supported development in LDC countries.

We've lost sight of the poverty focus that is foundational to ODA. ODA is increasingly used to respond to other motivations, in line with DAC members priorities and national interests, at the expense of addressing poverty and global inequality. And these decisions are taken in fora inaccessible to developing countries.

The persistent promotion of blended finance is perplexing in the face the mounting evidence showing limited development impact.

With the ODA modernisation process, funding channelled through Private Sector Instruments can now be counted as ODA eligible, further risking the inflation of ODA.

In response we are calling for an initiative to agree on a definition of development cooperation that guarantees, or ringfences, ODA and other forms of development cooperation for addressing poverty and inequality consistent with human rights goals.

We want to promote the primacy of public finance, especially in the deployment of development cooperation, as the tried and tested means to meet the demands of developing sustainably and to secure the developmental role of the state for ensuring access to quality public services, decent work, universal social protection and dignified livelihoods.