

# 10. Towards Purpose-Driven Official Development Assistance

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Since 1969, ODA (official development assistance) has been defined as “government aid that is intended to promote the economic development and welfare of developing countries.”<sup>2</sup> For most of this time, ODA has been a useful concept. Collectively, rich country members of the Development Assistance Committee (DAC) of the OECD provided US\$190.2 billion in aid in 2022, compared with US\$36.5 billion in 1970 – a 3.2 percent real growth over this 52-year period.<sup>3</sup> Thanks to mutually agreed definitions, ODA has provided DAC members with a measure of their contributions to a shared goal of advancing economic development in the poorest countries. The DAC forum has also served to promote best practices for aid effectiveness and to encourage new members to show solidarity with poorer developing countries by also establishing their own aid agencies.

However, in recent years, ODA seems to have lost its way. Consider the following:

- ▶ Despite undeniable success in raising aid volumes, there is no longer much attention paid to the long-standing target set in 1970 that rich countries should give 0.7 percent of gross national income (GNI) in the form of ODA. Very few countries have achieved this target. Most have

not, and some do not even recognise it as a commitment. On average, ODA now languishes at half the politically agreed level. For the last decade, the target has only been sporadically used. It was referenced in 2005 by European Union countries, endorsed at the UN World Summit in 2005, and highlighted at the G8 Gleneagles Summit. The UK did set out a duty to meet the target in its International Development (Official Development Assistance Target) Act 2015,<sup>4</sup> but the only remedy for falling short is an official explanation to Parliament. After meeting the target in each year between 2013 and 2020, the UK fell below it and established a new target to provide 0.5 percent of GNI in ODA until domestic economic conditions improved.<sup>5</sup> The 0.7 percent target has become an ever-weaker force in influencing the domestic politics of aid in rich countries (the sub-target of 0.15 percent to least-developed countries is even less recognizable in public discourse), and it appears destined to remain as an objective for the long term, but one without any teeth in medium-term budget frames.

- ▶ There are few clear narratives of how ODA has systematically solved, or accelerated progress on, a priority global development problem (perhaps with the exception of

1 The author thanks Charlotte Rivard for preparing the graphs and empirical material.

2 “Official Development Assistance (ODA),” OECD, accessed October 2024, [www.oecd.org/en/topics/official-development-assistance-oda.html#:~:text=Official%20development%20assistance%20\(ODA\)%20is,and%20complete%20statistics%20on%20ODA](http://www.oecd.org/en/topics/official-development-assistance-oda.html#:~:text=Official%20development%20assistance%20(ODA)%20is,and%20complete%20statistics%20on%20ODA).

3 OECD Data Explorer, “DAC2A: Aid (ODA) Disbursements to Countries and Regions,” accessed October 2024, [https://data-explorer.oecd.org/vis/?lc=en&df\[ds\]=DisseminateFinalDMZ&df\[id\]=DSD\\_DAC2%40DF\\_DAC2A&df\[ag\]=OECD.DCD.FSD&av=true&pd=2019%2C2022&dq=DAC\\_EC%2B4EU001%2BDAC.UKR%2BDPGC.206.USD.Q&to\[TIME\\_PERIOD\]=false&vw=tb](https://data-explorer.oecd.org/vis/?lc=en&df[ds]=DisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&av=true&pd=2019%2C2022&dq=DAC_EC%2B4EU001%2BDAC.UKR%2BDPGC.206.USD.Q&to[TIME_PERIOD]=false&vw=tb).

4 International Development (Official Development Assistance Target) Act 2015, c. 12 (United Kingdom), [www.legislation.gov.uk/ukpga/2015/12/contents/enacted](http://www.legislation.gov.uk/ukpga/2015/12/contents/enacted).

5 This text reflects a correction to the version of this report originally posted.

targeted health interventions), either on its own or in combination with others. For example, despite ODA, low-income countries have fallen further behind others during the COVID-19-induced global recession, and their governments have emerged with higher debt and reduced fiscal space to jump-start growth. As another example, the number of stunted children in Africa is higher today than in 2000. There are, to be sure, many ODA contributions on individual projects, but it is difficult to find a tangible positive story about ODA's role in resolving a global-scaled problem of poverty, governance, hunger, education, or jobs, let alone the global challenges of climate, pandemic surveillance, or biodiversity preservation.

- ▶ Trust in government programs as the engine for economic development has fallen, yet the potential for ODA to help leverage private development solutions has gone unfilled. Development advocates in rich and poor countries alike remain sceptical that “blended finance” – ODA mixed with other forms of development finance – can avoid becoming a corporate subsidy.
- ▶ ODA is being increasingly used as a tool of foreign policy by rich countries,<sup>6</sup> rather than as a vehicle for global economic development, following the populist “roar” and national interest first movements that brought about Brexit and the election of Donald Trump in 2016.<sup>7</sup> Bilateral aid, the main channel for ODA, has long been volatile – a tap to be turned on and off depending on a range of non-development related issues, from votes in the UN, to trade reform, to support for wars or for bilateral trade and investment agreements – but quid-pro-quo deals have become more overt in a world with stronger geopolitical rivalries.

The remainder of this chapter outlines why reform of ODA is needed; what reform is needed, with an emphasis on allocation mechanisms across competing priorities, upgrading instruments, and strengthening accountability; and ends with an example of a “big bet” – a global fund to eradicate extreme poverty – that could garner political support by allocating significant amounts of money to extreme poverty eradication, deploying the resources through a new institutional mechanism, and holding the administrators of this mechanism accountable for impact.

## WHY ODA REFORM IS NEEDED

ODA is the single most important economic expression of global solidarity among nations. For all its defects, ODA plays a central role in international relationships and in the economic survival of many of the world's poorest countries.

### An expectations gap

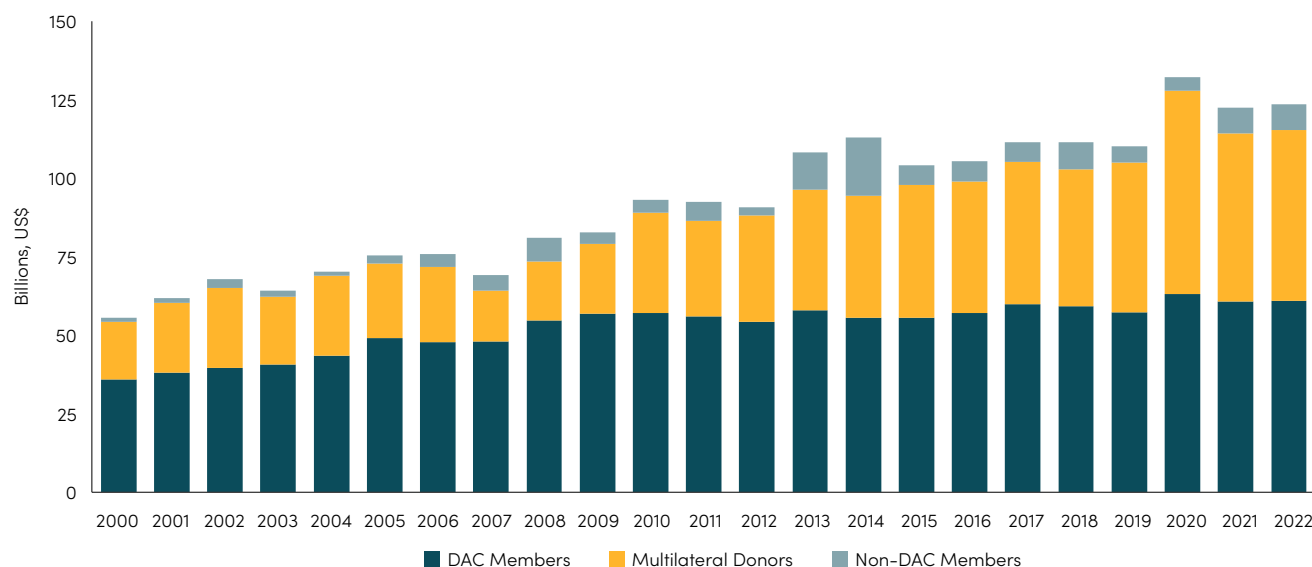
The problem is that the expectations gap between what ODA can and should do and what recipients and donors hope it will do has grown to enormous proportions as the range of issues that ODA is used for has expanded. Because of this gap, the public discourse on ODA is contentious. Rather than building solidarity across countries, ODA debates have ended up pitting one group of countries against another.

For example, after strong growth between 2000 and 2010 in the amount of ODA available to finance economic development in recipient countries (so-called country programmable aid, or CPA), CPA volumes from bilateral DAC members have stalled over the last decade (Figure 10.1). From the donors' perspective, ODA has risen to record levels in 2023, driven by large increases of humanitarian aid to Ukraine and Gaza. But most low-income and African countries see their ODA

6 Clair Apodaca, “Foreign Aid as Foreign Policy Tool,” *Oxford Research Encyclopedia of Politics*, April 26, 2017, <https://oxfordre.com/politics/view/10.1093/acrefore/9780190228637.001.0001/acrefore-9780190228637-e-332>.

7 Homi Kharas and Andrew Rogerson, “Global Development Trends and Challenges: Horizon 2025 Revisited,” ODI Report (Overseas Development Institute, 2017), <https://odi.org/en/publications/global-development-trends-and-challenges-horizon-2025-revisited/>.

**FIGURE 10.1** Country programmable aid over time, in US\$ billions



Source: Author. Data is from OECD Data Explorer.

Note: Excludes high-income countries and Ukraine. Values in US\$ billions of constant 2022 prices.

receipts shrinking. Their expectations for expanded ODA to help resolve growing crises are not being met.<sup>8</sup>

Even when the outliers of Ukraine, Gaza, and other crises are excluded, donors are not responding to the changing pattern of development needs. The share of bilateral DAC donor country programmable aid that is oriented towards Africa – the region most at risk of being left behind and where structural poverty is most entrenched – has held steady, averaging 37 percent in 2000 and 41 percent in 2022.

The same issue of an expectations gap between donors and recipients has emerged in climate finance. Developing countries have called for more attention to adaptation rather than mitigation, and for more aid to build resilience and reduce the impact of loss and damage, while donors have emphasised mitigation. But a focus on mitigation means more aid for middle-income countries, causing low-income countries to resist the integration of climate and development finance. The spirit of solidarity that was at the heart of ODA in its early stages

has given way to a competition among developing countries for ODA.

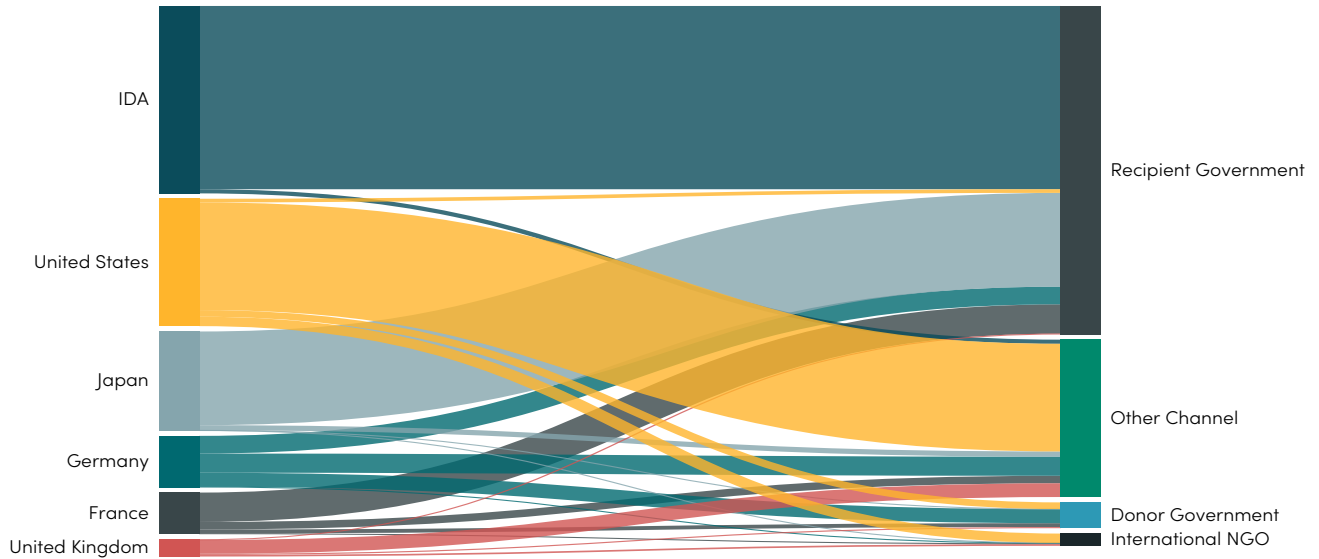
## An ownership gap

Bilateral ODA often circumvents recipient country budgets, potentially undermining national processes. One long-standing principle for aid effectiveness – that recipient country governments should be in the driver’s seat in setting priorities and implementing aid programs – has not been adhered to in practice. When ODA is channelled through intermediaries outside recipient governments, these authorities have less ability to promote their own priorities.

Empirical practice on this varies considerably across donors. Figure 10.2 shows that some donors, such as the World Bank’s International Development Association (IDA) and Japan, channel the bulk of their funds through recipient governments, but this is not the case for most other donors: the United States uses private contractors, Germany implements projects

8 OECD Data Explorer, “DAC2A: Aid (ODA) Disbursements to Countries and Regions,” accessed October 2024, [https://data-explorer.oecd.org/vis?lc=en&df\[ds\]=DisseminateFinalDMZ&df\[id\]=DSD\\_DAC2%40DF\\_DAC2A&df\[ag\]=OECD.DCD.FSD&av=true&pd=2019%2C2022&dq=DAC\\_EC%2B4EU001%2BDAC\\_UKR%2BDPGC.206.USD.Q&to\[TIME\\_PERIOD\]=false&vw=tb](https://data-explorer.oecd.org/vis?lc=en&df[ds]=DisseminateFinalDMZ&df[id]=DSD_DAC2%40DF_DAC2A&df[ag]=OECD.DCD.FSD&av=true&pd=2019%2C2022&dq=DAC_EC%2B4EU001%2BDAC_UKR%2BDPGC.206.USD.Q&to[TIME_PERIOD]=false&vw=tb); OECD Data Explorer, “Country Programmable Aid (CPA v1),” accessed October 2024, [https://data-explorer.oecd.org/vis?lc=en&fs\[0\]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV\\_ODA%23&pg=0&fc=Topic&bp=true&snb=19&df\[ds\]=dsDisseminateFinalDMZ&df\[id\]=DSD\\_CRS%40DF\\_CRS\\_CPA&df\[ag\]=OECD.DCD.FSD&df\[vs\]=1.0](https://data-explorer.oecd.org/vis?lc=en&fs[0]=Topic%2C1%7CDevelopment%23DEV%23%7COfficial%20Development%20Assistance%20%28ODA%29%23DEV_ODA%23&pg=0&fc=Topic&bp=true&snb=19&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_CRS%40DF_CRS_CPA&df[ag]=OECD.DCD.FSD&df[vs]=1.0).

**FIGURE 10.2** Channels used by selected donors for CPA disbursements, 2022



Source: Author. Data from OECD Creditor Reporting System.

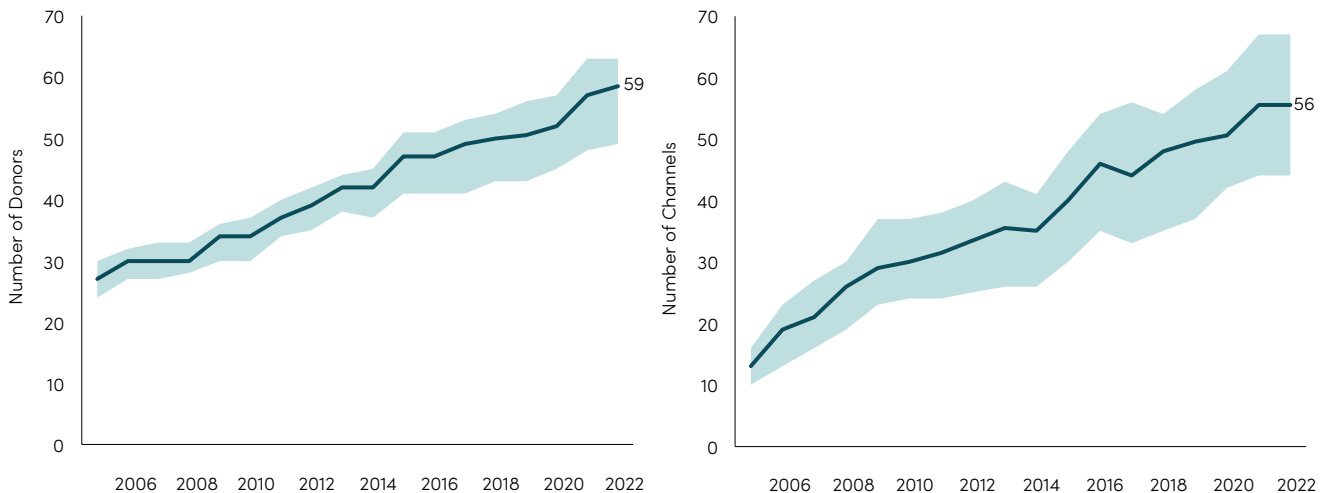
through its own governmental organizations, and France and the UK use multiple channels.

### A coordination gap

Over time, as more donors provide ODA through more channels, the challenges of coordination have grown. As Figure 10.3 shows, a typical low- or middle-income country dealt with 59 donors providing support through 56 different

channels in 2022. Both the median number of donors and the median number of channels have risen steeply in the last 15 years, despite promises to streamline aid delivery made in the Paris Declaration on Aid Effectiveness in 2005. With stagnating total ODA volumes, this proliferation of channels also means small average project size – for bilateral country programmable aid, each project only disbursed an average of US\$1.6 million over time.

**FIGURE 10.3** Median number of donors/channels per low or lower middle-income country



Source: Author. Data from Creditor Reporting System.

Note: For both graphs upper line is quartile 3, lower line is quartile 1.

## A trust gap

ODA's limitations are perhaps best illustrated by the sharp criticism levelled at its efforts to support climate action. An Oxfam report in 2022 concluded:

*Never again should an international climate finance “commitment” be made on such a slapdash basis, with no clarity on what counts and who is committing what, or even a plan to agree such matters. The fallout has been a free-for-all in which developed countries alone have been left to count the money, and most have used that free hand liberally to exaggerate their own generosity.<sup>9</sup>*

The frustration in aid circles is that the DAC has shifted its definition of ODA to reflect recipient country capital market conditions rather than donor country capital market conditions: “A concessional loan is extended to a borrower on more preferential terms than those available on the market.”<sup>10</sup> With this definition in hand, the DAC has moved to a new measure of “grant equivalent” ODA to reflect the fact that grants are more valuable to recipients than loans. It is a subtle conceptual shift from using ODA to estimate the cost to the donor budget to recalibrating it to reflect the benefit to donors.

However, the measure depends on arbitrary choices of discount rates for different types of developing countries. Analysts have found that some donors actually make a profit on their ODA. Others have commented on double-counting that is implicit in using high discount rates to assess ODA present value, which builds in a probability of default, but then counting debt relief as additional ODA if a default actually happens.<sup>11</sup>

Against this backdrop, trust has eroded that estimates of ODA are constructed with a clear definition and measurement.

ODA reform must restore this trust by clarification and disaggregation of what ODA is actually doing.

## A mandate creep

ODA's mandate has spread across humanitarian assistance, support to refugees, promoting economic development, providing global public goods, building resilience to more frequent and larger shocks, addressing fragility and conflict, and indirectly compensating for loss and damage. In each area, there are multiple worthy recipients. With limited expansion in the total volume of ODA, the mandate creep implies trade-offs between countries and across priorities, which require accurate measurement to assess. Further, by spreading itself so thin, ODA has also become less efficient in delivering impact.

Three big advocacy groups had come together to support ODA in recent years: those pushing for peace and strengthened governance and institutions in developing countries, those pushing for environmental sustainability, and those pushing economic development and inclusion. All supported the Sustainable Development Goals (SDGs), agreed in 2015, and encouraged the alignment of donors and recipients to these goals. But with rising demand for ODA in all areas far outstripping the supply of ODA, the SDGs are lagging badly, and each advocacy group is now pushing to increase its share of the ODA pie to accelerate progress in its particular domain.

ODA is not having much success in either of its two central purposes: to leave no country and no people behind in the world economy. Economic growth in low-income countries is lagging, in what the World Bank has termed the Great Reversal.<sup>12</sup> And the number of people living in extreme poverty in Africa is higher than it was in 2015 (numbers on multidimensional poverty including access to health, education,

9 Tracy Carty and Jan Kowalzig, “Climate Finance Short-Changed: The Real Value of the \$100 Billion Commitment in 2019–20 (Oxfam International, 2022), <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621426/bn-climate-finance-short-changed-191022-en.pdf>

10 Stephen Cutts, “The US\$100 Billion Climate Finance Goal and Official Development Assistance: Lessons for Future Funding Commitments,” ODA Reform, 2024, [www.odareform.org/post/climate-finance-what-needs-to-be-done](http://www.odareform.org/post/climate-finance-what-needs-to-be-done).

11 Cutts, “The US\$100 Billion Climate Finance Goal and Official Development Assistance”; Simon Scott, “Your Pocket Guide to Measurements of ‘Climate Finance,’” ODA Reform, 2024, [www.odareform.org/post/climate-finance-what-needs-to-be-done](http://www.odareform.org/post/climate-finance-what-needs-to-be-done).

12 Tommy Chrimes, Bram Gootjes, M. Ayhan Kose, and Collette Wheeler, *The Great Reversal: Prospects, Risks, and Policies in International Development Association (IDA) Countries* (World Bank, 2024), [www.worldbank.org/en/research/publication/prospects-risks-and-policies-in-IDA-countries](http://www.worldbank.org/en/research/publication/prospects-risks-and-policies-in-IDA-countries).

water, nutrition, and other basic needs have also stagnated or reversed in some cases).<sup>13</sup> The inability to clearly describe success on these and other core metrics has diluted political support for ODA as a whole in major donor countries.

## WHAT REFORM IS NEEDED

ODA needs a strategy – a general plan to inform what it should do and what it should not do. While the DAC continues to count ODA, it is silent on how ODA should be allocated, either across themes, sectors, or countries (although loans to low-income countries with high default risk are counted as higher levels of ODA compared to loans to more creditworthy countries). It has little to say on the choice of instruments – grants versus concessional loans, bilateral versus multilateral channels, on-budget versus off-budget support. And it has no overall impact assessment or real-time learning to improve effectiveness.

### Allocation mechanisms

An ODA strategy should start with an identification of what can be accomplished by providing ODA.

It would be useful to distinguish distinct purposes, although there will inevitably be overlaps in the boundaries between these. Broadly, the purposes of ODA could be subdivided into

- ▶ support to vulnerable people for humanitarian assistance.
- ▶ support to selected countries for achieving the SDGs (with multi-dimensional poverty reduction in low- and lower middle-income countries as a central core).
- ▶ support to all countries (or global and regional institutions) for provision of global goods, with climate mitigation, nature conservation, and pandemic surveillance as prominent examples; and

- ▶ support to fragile and conflict-affected states to enable peace to take hold.

The DAC as a whole, and individual member countries of the DAC, should make non-binding indicative pledges for a five-year period for each of these activities. In this way, aid recipients can scale plans to be consistent with available resources. This does not remove the trade-offs but would make them more transparent.

There is a precedent. In 2011, the DAC recommended its members adopt principles for Good Pledging Practice.<sup>14</sup> The intent was to drive clarity and consistency to make it possible to aggregate commitments and disbursements across donors. The mechanisms put in place have been used to derive how much concessional aid DAC donors provide each year, as part of the climate action pledge that donors made at the Paris Agreement. Although that agreement did not have a target for concessional aid per se (a more nebulous pledge of US\$100 billion per year in total financing was made), it marked the first time that donors agreed on an aggregate purpose for ODA and other sources of financial support.

This approach could now be extended to all global public goods, to an SDG stimulus plan, to humanitarian assistance, and to support for fragile states. If explicit quantitative indicative targets were set for each sub-group, it would deter the current practice of simply reallocating ODA across these groups – for example, there is little justification for practices that take ODA away from SDG programs in Africa in order to fund humanitarian assistance in Ukraine and Gaza, yet this is what is currently happening.

In making indicative pledges, DAC members should consider independent assessments of needs and clarify their own judgments in each area. However, it is probable that gaps will emerge in each area between amounts pledged and overall needs. The ODA strategy should then identify how these gaps

13 Poverty in sub-Saharan Africa has risen from 385 million in 2015 to 425 million estimated in 2024. Estimates derived by multiplying poverty incidence and population figures from the World Bank. See R. Andres Castaneda Aguilar et al., "September 2024 Global Poverty Update from the World Bank: Revised Estimates up to 2024," *World Bank Blogs*, September 20, 2024, <https://blogs.worldbank.org/en/opendata/september-2024-global-poverty-update-from-the-world-bank--revise>.

14 OECD, *DAC Recommendation on Good Pledging Practice*, OECD/LEGAL/5018 (Paris: OECD, 2024), <https://legalinstruments.oecd.org/public/doc/269/269.en.pdf>.

might be narrowed (for example, through mobilizing non-ODA sources of finance) or else how to narrow the scope of ODA activities to achieve explicit outcomes within each topic area.

## Instruments

Current accounting practices at the DAC have inadvertently introduced a bias on the instruments and channels used by donors.

The first issue is that most ODA is channelled through bilateral programs rather than multilateral programs. Multilateral programs are believed to be more effective. The average size of each activity in a multilateral program is six times larger than the size of a bilateral activity, so fragmentation and coordination costs are reduced in multilateral programs. But less than half of ODA is channelled through multilaterals. Bilateral programs, which can more easily reflect national foreign policy interests, account for the majority of aid. This is in strict contrast to non-concessional official lending, which is dominated by multilateral development banks and institutions.

The second issue is that ODA is now being used to encourage private sector activity. The accounting of instruments such as loans and equity subscriptions to the private sector, guarantees, and mezzanine finance has been contentious, and an agreement on methods was only reached in October 2023 after seven and a half years of discussion. The new measures will only be available in two years' time.

## Impact and accountability

ODA is implicitly the financing instrument of choice for implementation of many global agreements – the SDGs, the Paris agreement, and the Kunming Montreal global biodiversity framework to name a few. None of these agreements, however, have explicit pledges of ODA within them, so ODA's role and impact is left unaddressed.

The best ODA-giving institutions have evaluations and assessments of the impact of their projects. These inform what has been achieved thanks to ODA. However, no institution bears

any accountability for impact. As one commentator famously remarked, shouldn't someone be fired as a result of the dismal progress on the SDGs at their half-way mark?<sup>15</sup> The call for an accountability revolution rests on the ability of institutions to correct course when data shows that progress is off-track.

ODA needs an institutional mechanism to identify what its collective responsibilities are and how it will respond to evidence on progress in each of the four areas described above. There is an opportunity to do this in the area of the SDGs at the time of the Finance for Development Summit in June 2025. Similarly, the DAC could make an indicative pledge for ODA for climate action in the context of the new collective quantified goal for climate finance that is being negotiated next year. It should do the same for other public goods, and for its commitments to fragile and conflict-affected countries.

In each of the four areas, the DAC should issue an annual assessment of progress, gaps and opportunities.

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## A “BIG BET” EXAMPLE TO RECAST ODA AS ACCOUNTABLE AND IMPACTFUL

ODA needs a story of success on a global scale to regain its attractiveness and support from taxpayers in rich countries. It has an opportunity. The UN has agreed on a Pact for the Future in September 2024. The Pact reaffirms many of the global commitments countries have made to promote sustainable development, peace and security, and human rights. It recognises the slow progress on many of the essential components of such a vision and proposes 58 actions moving forward. Although ODA could have a valuable role in almost all these actions, at its current scale it cannot fund everything. It must choose.

Action 2 of the Pact reads: “Place the eradication of poverty at the center of our efforts to achieve the 2030 Agenda.”<sup>16</sup> ODA can make a material contribution to eradicating poverty.

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15 Dhananjayan Srisankarajah, “Should Not Meeting the Sustainable Development Goals Get You Fired?” *The Brookings Institution*, July 17, 2018, [www.brookings.edu/articles/should-not-meeting-the-sustainable-development-goals-get-you-fired/](http://www.brookings.edu/articles/should-not-meeting-the-sustainable-development-goals-get-you-fired/)

16 UN, *Pact for the Future*, July 17, 2024. [www.un.org/sites/un2.un.org/files/pact\\_for\\_the\\_future\\_-\\_rev.2\\_-\\_17\\_july.pdf](http://www.un.org/sites/un2.un.org/files/pact_for_the_future_-_rev.2_-_17_july.pdf).

The core idea of how ODA could be best used for poverty reduction was spelled out by a Working Group (Room 1) convened in the context of the Brookings-Rockefeller Foundation 17 Rooms exercise in 2023.<sup>17</sup> The group set out principles for establishment of a new global fund to eradicate extreme poverty through cash transfers, recognizing that most poverty today is concentrated in countries with very low economic growth and with few medium-term prospects for rapid growth acceleration. There is now a significant body of evidence that cash transfers are effective in eradicating poverty, and that a single lump-sum transfer of US\$550 per adult can help most households to permanently lift themselves out of poverty by providing them with opportunities to buy productive assets.<sup>18</sup>

The policy paper notes that all the ingredients for a successful fund are now present. There is rigorous evidence that cash transfers work, a widely applicable technology for delivery based on digital infrastructure and beneficiary data,<sup>19</sup> and sufficient fiscal space to tackle the job. During the COVID-19 crisis, an estimated 1.36 billion people received cash transfers through 1,023 measures in 203 countries, causing the World Bank to speculate that these experiences could become a game changer for the use of unconditional cash transfers for social assistance.<sup>20</sup> Technical implementation hurdles were quickly overcome, as in the Togo Novissi example, and, perhaps more significantly, long-held beliefs about cash transfers – such as disincentives to work or waste of funds on sin goods like alcohol – were revealed to be myths.

Is ODA large enough to have a significant impact on such a big global problem? To provide an estimate of the needed fiscal resources for a major global poverty-reduction effort,

consider that just under 600 million people are likely to still live in households experiencing extreme poverty in 2030.<sup>21</sup> Slightly less than half, perhaps 250–300 million people will be adults. The NGO GiveDirectly has demonstrated through a randomised control trial that a lump-sum payment of US\$550 per adult in a poor household is generally enough to allow families to escape extreme poverty forever by investing in income-generating assets and businesses.<sup>22</sup> Some households may require a second round of assistance, but this should be rare. A total of US\$150–200 billion is therefore required to eradicate extreme poverty. If phased over 10 years, this implies US\$15–20 billion per year, a significant amount but small compared with global GDP that exceeds US\$100 trillion or even compared with total net annual ODA of US\$200 billion. By asking for matching funds from recipient governments, leveraging from foundations and high net-worth individuals, and other charitable sources, the fiscal impact on ODA could be reduced even further.

This example illustrates the elements of a new political economy of ODA reform. There should be a “big bet” in terms of easy-to-understand and measured impact, with a transparent process for sound quantitative metrics put in place. Innovative technology should be used to quieten sceptics who may ask why it should be different now. The resource envelope should be commensurate with the size of the problem to be tackled, although some phasing overtime is to be expected. And the funds should be channelled through an institution whose management can be held accountable for results.

The old idea that ODA should be used to do some good as an expression of solidarity between a rich country and a

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17 Cina Lawson and Rory Steward, “A Purpose-Driven Global Fund for Scaling Digital Cash Transfers to Accelerate Progress on Ending Extreme Poverty by 2030: Room 1 Concept Note” in *17 Rooms Global Flagship* (The Brookings Institution, 2023), [www.brookings.edu/wp-content/uploads/2023/12/2023-Room-1-Concept-Note.pdf](http://www.brookings.edu/wp-content/uploads/2023/12/2023-Room-1-Concept-Note.pdf).

18 Abhijit Banerjee et al., “Universal Basic Income: Short-Term Results from a Long-Term Experiment in Kenya,” *National Bureau of Economic Research* (NBER), September 15, 2023, [https://conference.nber.org/conf\\_papers/f192616.pdf](https://conference.nber.org/conf_papers/f192616.pdf).

19 A verifiable ID and/or a social registry is required to identify and target beneficiaries, high rates of mobile phone ownership and coverage are needed to deliver payments, and an interoperable payment system or widespread mobile wallet and cooperative Mobile Network Operators are needed for seamless implementation.

20 Ugo Gentilini, *Cash Transfers in Pandemic Times: Evidence, Practices, and Implications from the Largest Scale Up in History*, (World Bank, 2022). <http://hdl.handle.net/10986/37700>.

21 Arief Anshory Yusuf et al., “Will economic growth be sufficient to end global poverty? New Projections of the UN Sustainable Development Goals,” *WIDER Working Paper* 2023/123 (UNU-WIDER, 2023), <https://doi.org/10.35188/UNU-WIDER/2023/431-1>.

22 GiveDirectly has moved from small, randomized control trials to trials of large-scale programs in Malawi and Rwanda. See: “Help accelerate the end of poverty for families in Malawi with cash transfers,” *GiveDirectly*, November 2024, [www.givedirectly.org/malawi/#:~:text=Large%20transfer,Basic%20Income](http://www.givedirectly.org/malawi/#:~:text=Large%20transfer,Basic%20Income).



developing country is no longer useful. The answer to almost any problem in the world today is to try to attract more ODA. But the numbers do not add up. ODA cannot do everything. It needs a strategy, it needs new instruments for effective implementation, and it needs to be accountable for pre-determined results on global priorities.

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