

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



Aid at the crossroads

Trends in official
development assistance





Introduction

For millions of people, official development assistance (ODA) is both a source of emergency relief and a promise of a better future through education, healthcare, and economic opportunities.

However, geopolitical challenges are straining these financial flows, which are vital for the poorest and most fragile countries.

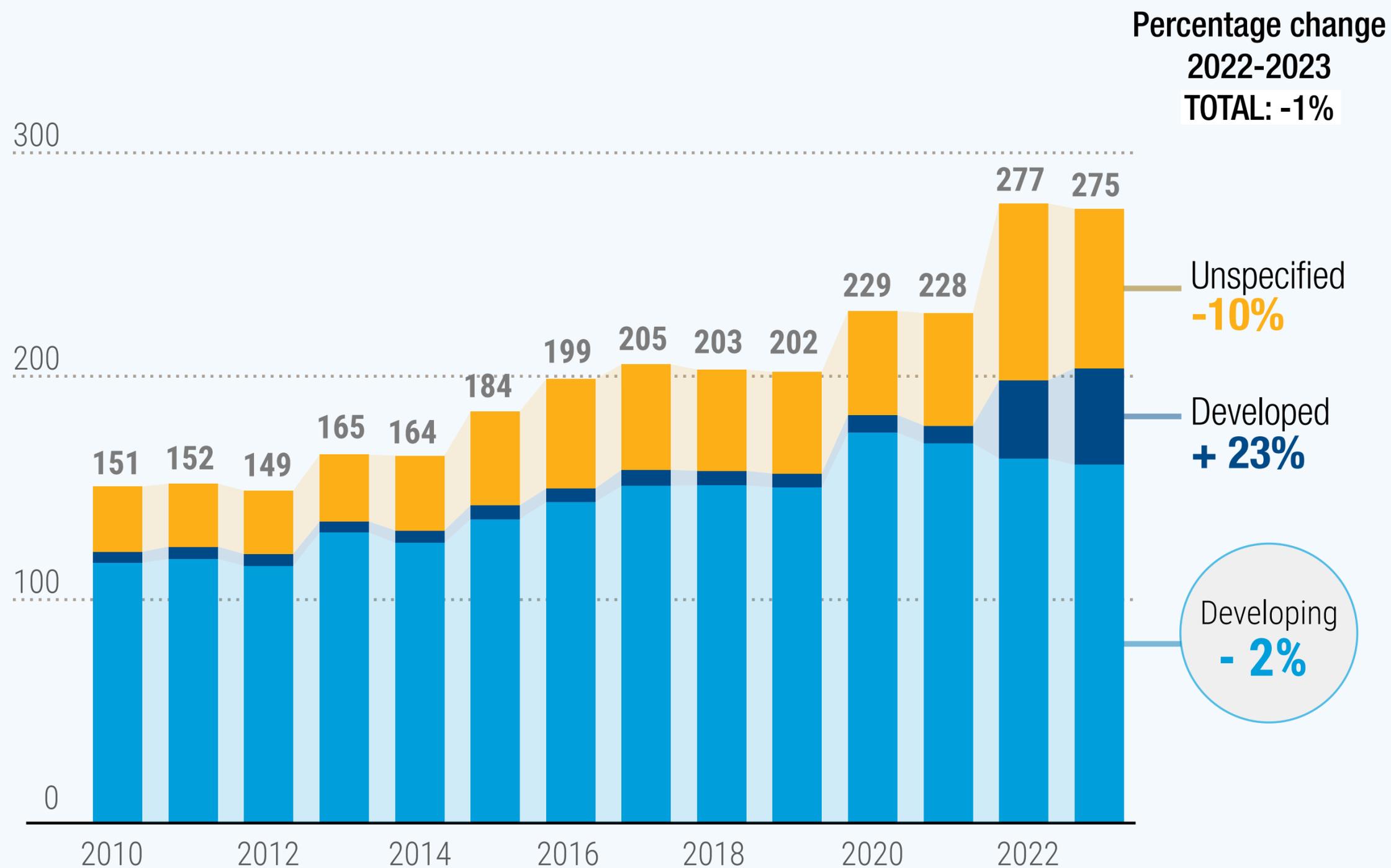
In 2023, aid to developing countries declined for the third consecutive year, affecting sectors crucial for sustainable development.

International cooperation is vital to tackle global challenges. ODA must continue to flow to mitigate instability and contribute toward a more equitable, sustainable, and resilient world.



Aid remains high but has declined for developing countries since 2020.

ODA disbursements in US\$ billion at constant 2022 prices

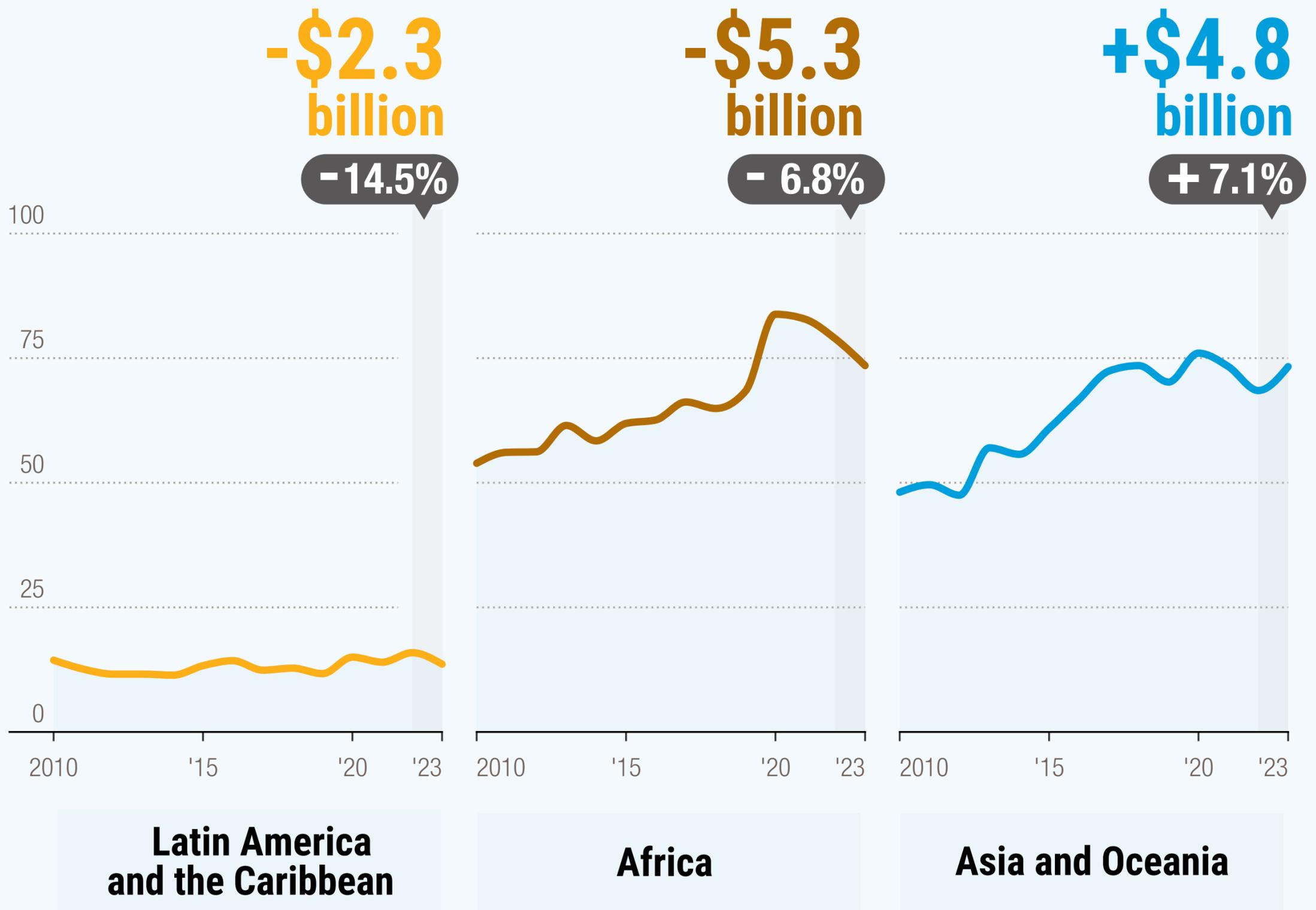


Source: UNCTAD Secretariat, based on OECD (Jan. 2025)



Africa sees the biggest decrease in aid.

ODA disbursements toward developing regions in US\$ billion at constant 2022 prices



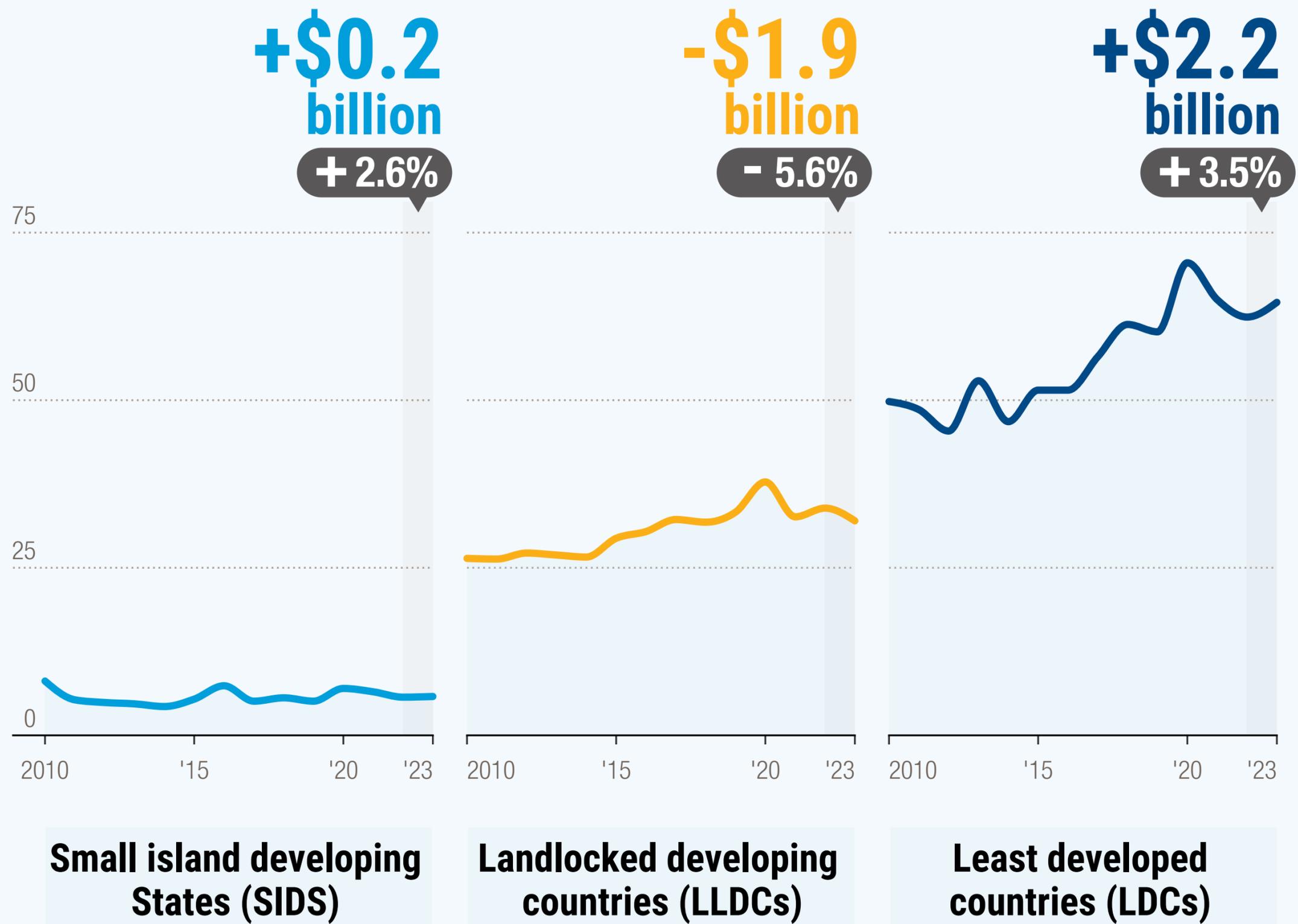
Source: UNCTAD Secretariat, based on OECD (Jan. 2025)

Note: Countries are classified by region and development status according to the UN M49 standard.



In 2023, aid increased for LDCs and SIDS but declined for LLDCs.

ODA disbursements toward developing country groups in US\$ billion at constant 2022 prices



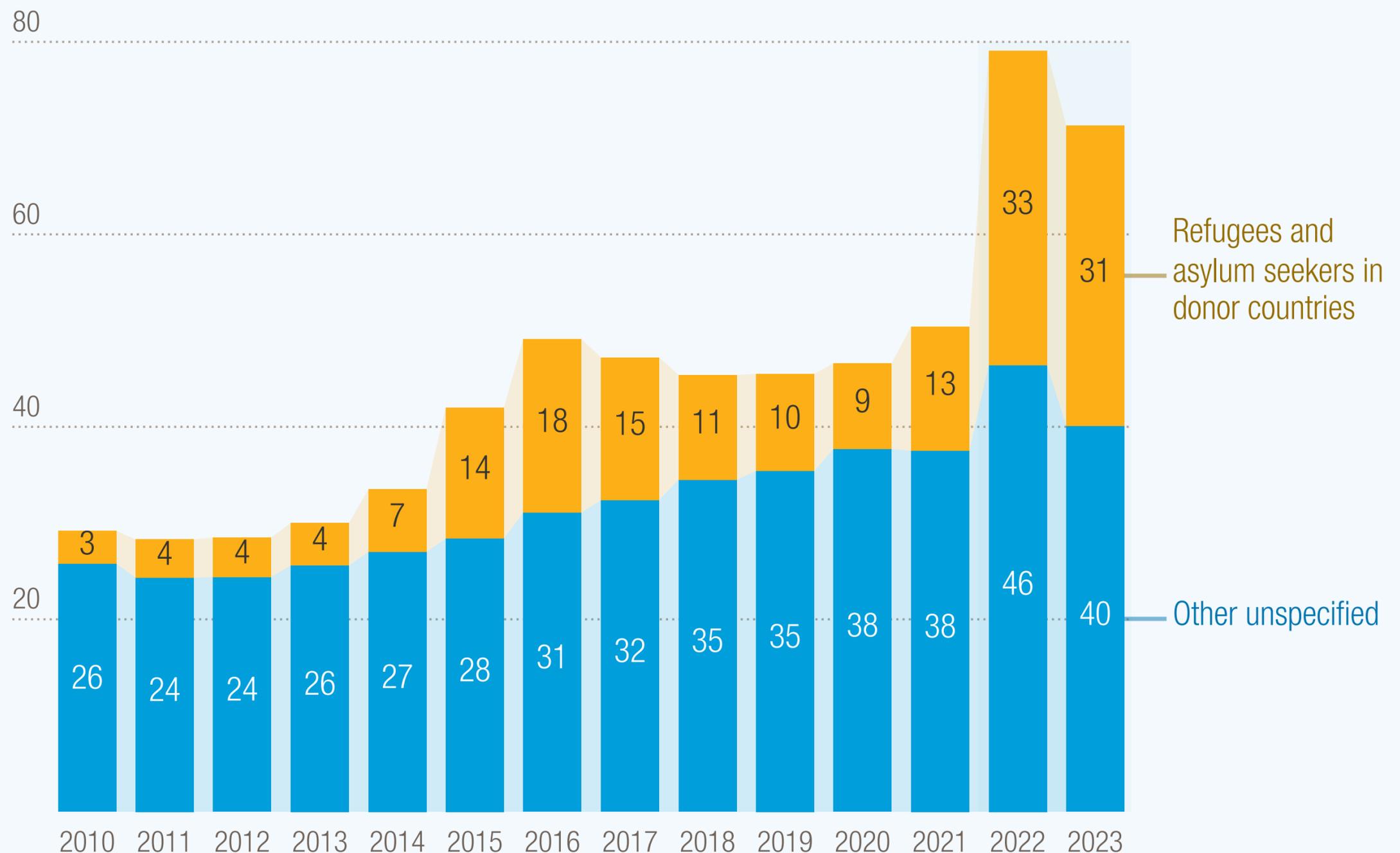
Source: UNCTAD Secretariat, based on OECD (Jan. 2025)

Note: LDC includes Sao Tome and Principe, which graduated from the LDC category in December 2024.



Aid for refugees in donor countries remains at unprecedented levels.

ODA disbursements to “unspecified” recipients by purpose in US\$ billion at constant 2022 prices



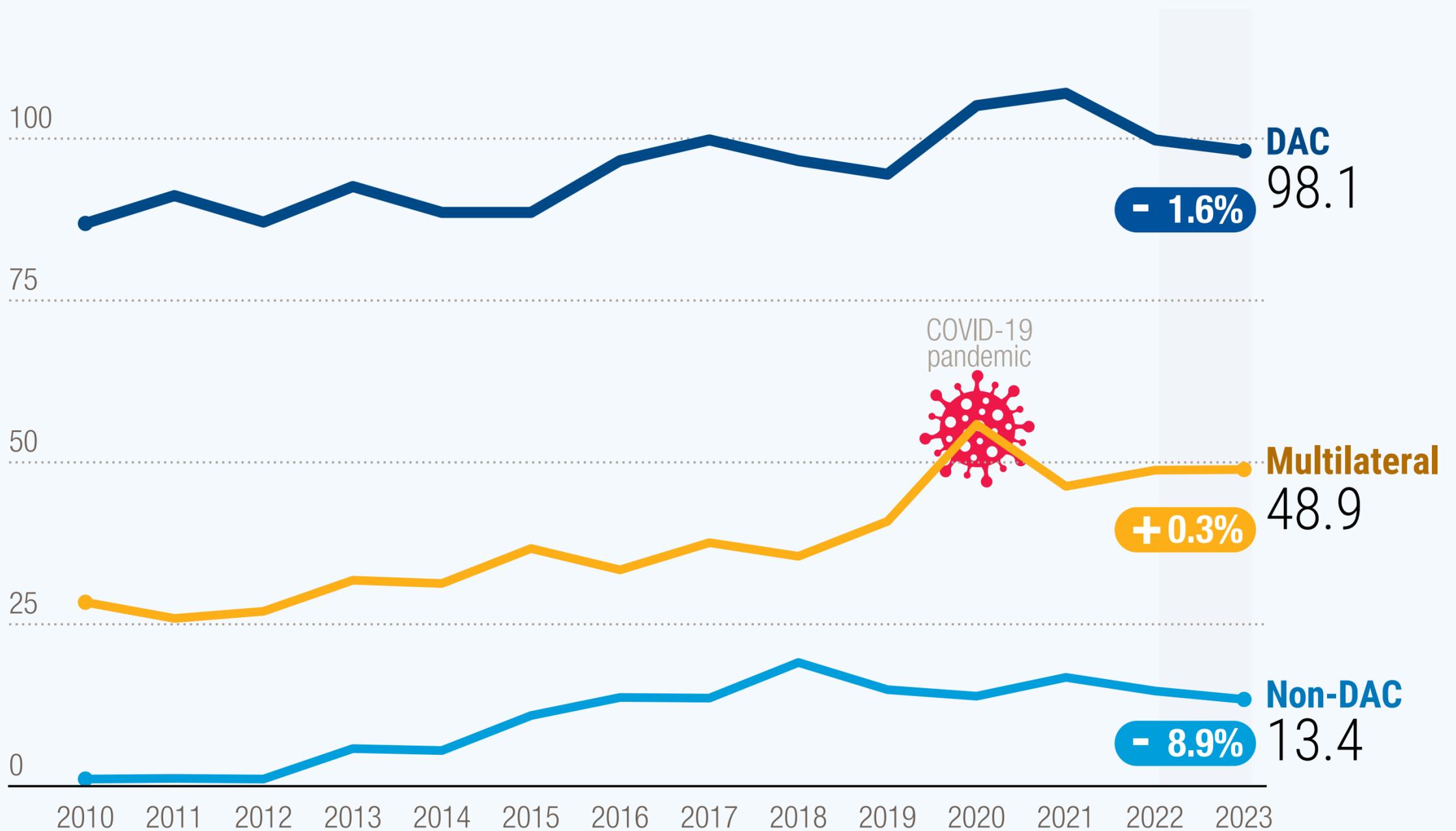
Source: UNCTAD Secretariat, based on OECD (Jan. 2025)

Note: ODA to unspecified recipients can benefit several regions or cannot be assigned to specific recipient countries or regions, such as ODA for refugees in donor countries, infectious disease control, research institutions, or administrative costs.



Decreases in bilateral aid outweigh increases in multilateral aid.

ODA disbursements to developing regions by donor type in US\$ billion at constant 2022 prices



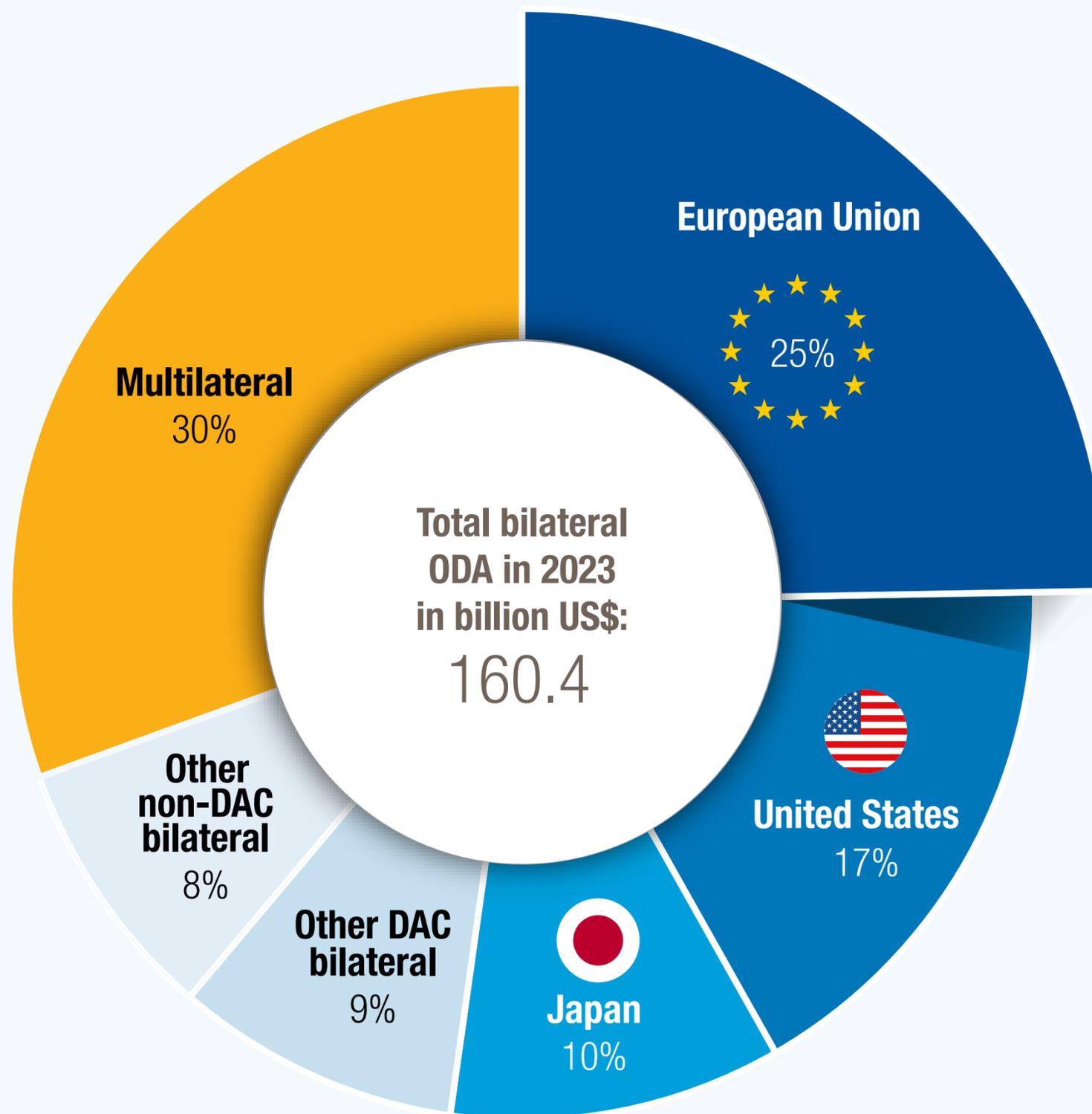
Source: UNCTAD Secretariat, based on OECD (Jan. 2025)

Note: European Union institutions are contained in DAC.



Europe remains the main bilateral donor.

Calculations based on ODA disbursements toward developing regions in US\$ billion at constant 2022 prices



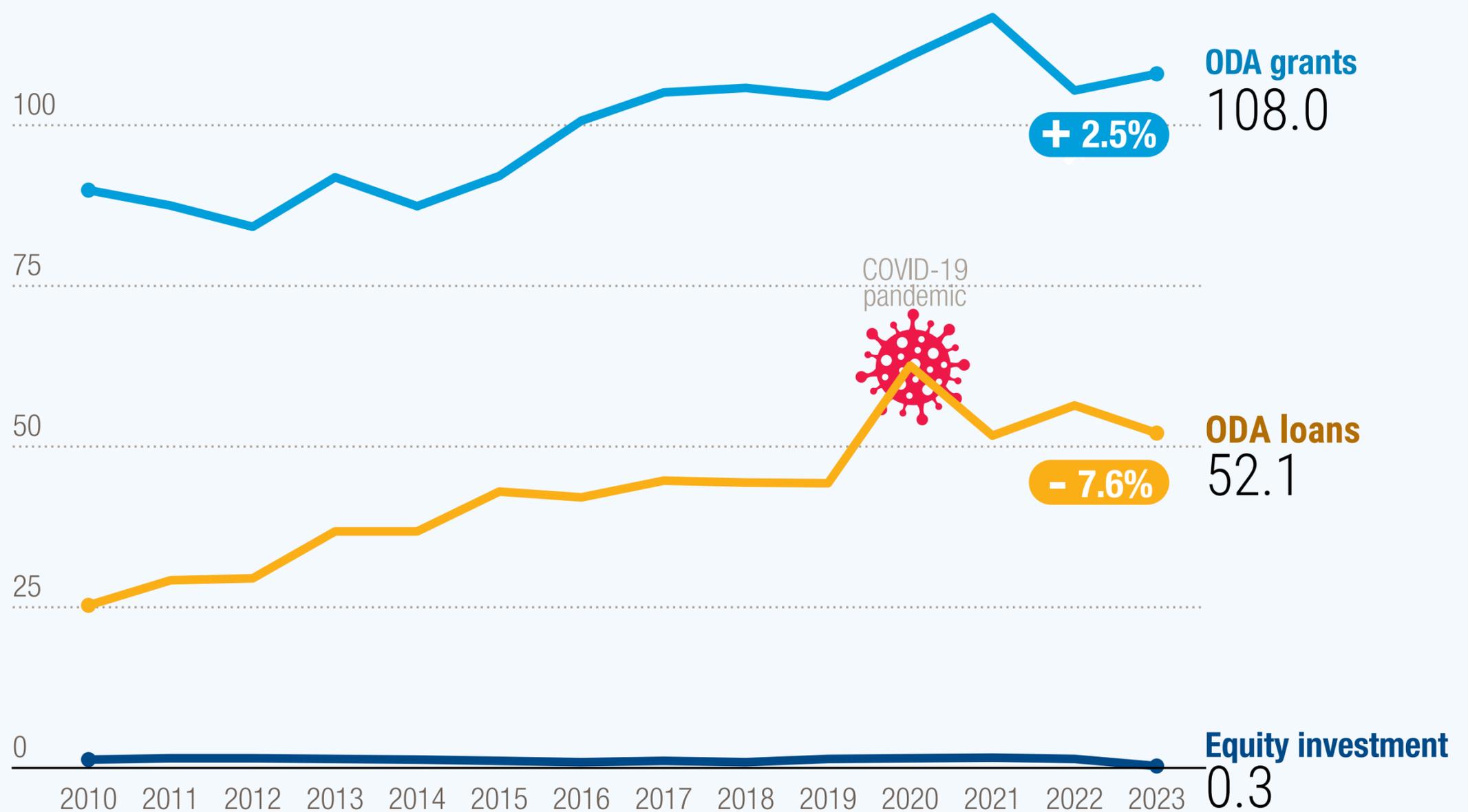
Source: UNCTAD Secretariat, based on OECD (Jan. 2025)

Note: European Union including DAC and Non-DAC bilateral donors and EU institutions.



ODA grants have expanded compared to 2022.

ODA disbursements to developing regions by instrument in US\$ billion at constant 2022 prices



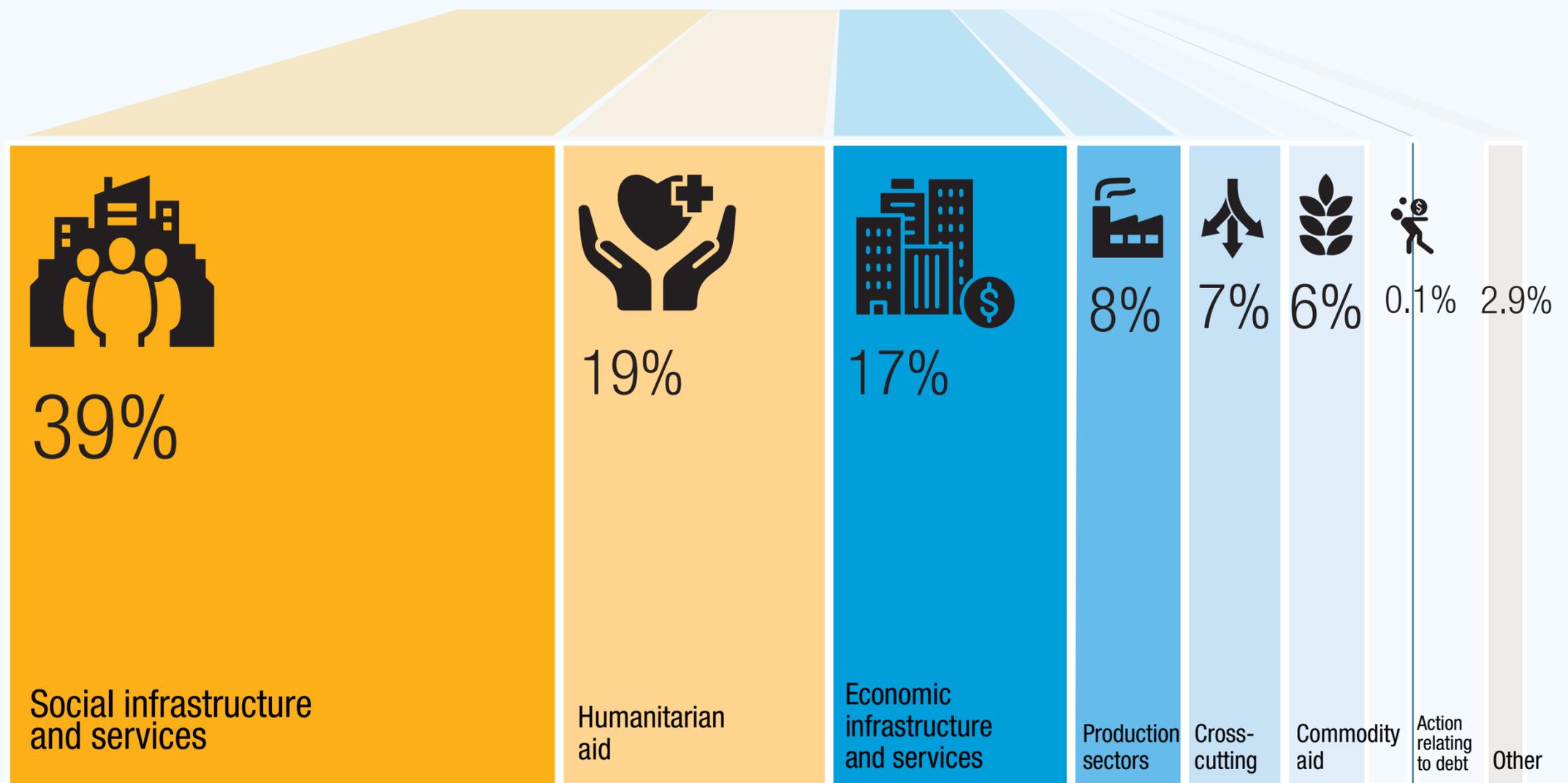
Source: UNCTAD Secretariat, based on OECD (Jan. 2025)



Social infrastructure constitutes the bulk of aid.

ODA disbursements to developing countries by purpose in US\$ billion at constant 2022 prices

160.4
US\$ billion



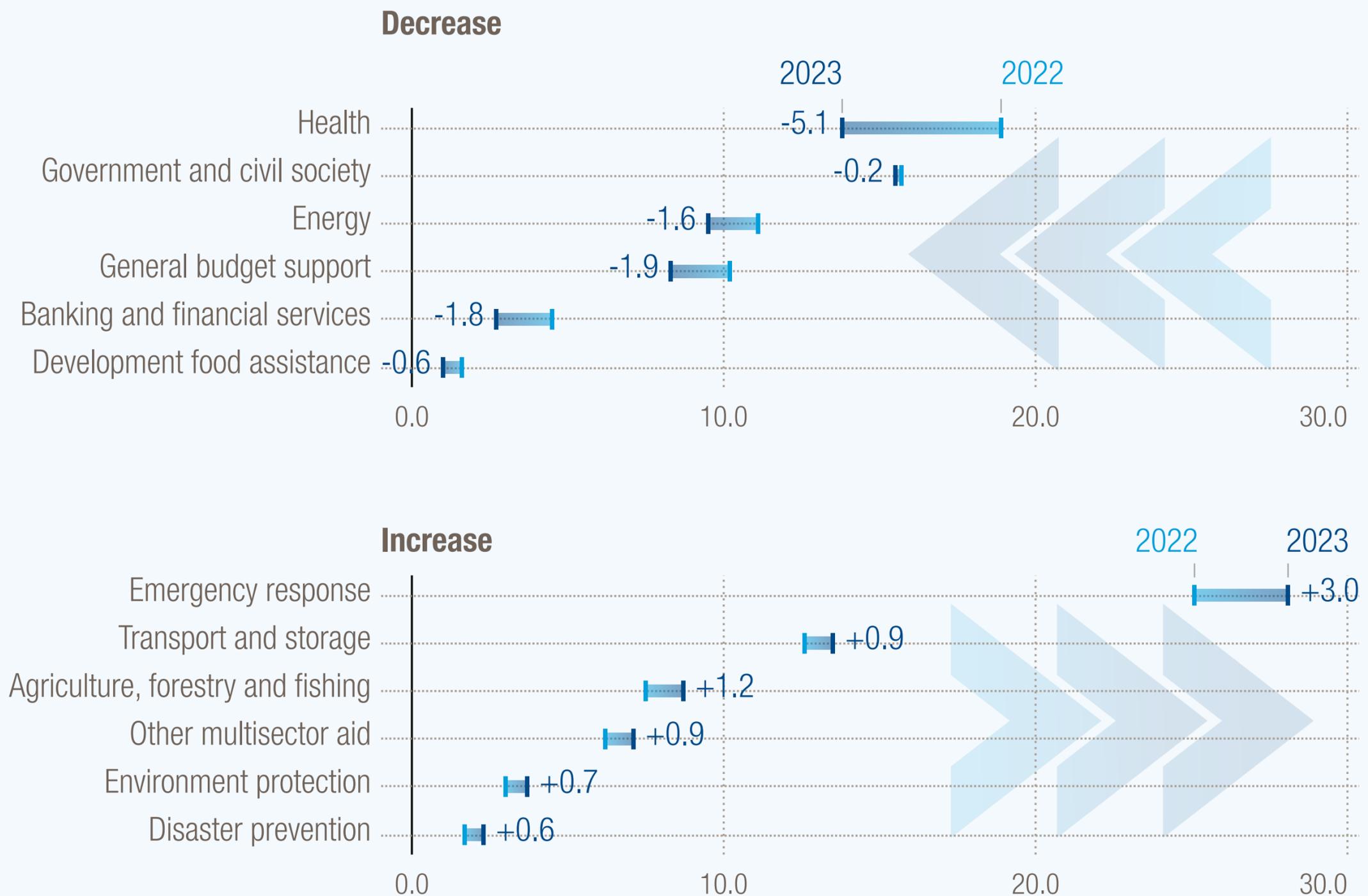
Source: UNCTAD Secretariat, based on OECD (Jan. 2025)

Note: The sectoral breakdown follows the OECD-DAC classification. "Other" includes ODA used for asylum seekers and refugees in donor countries, administrative costs, and unallocated or unspecified ODA.



Aid grew sharply for emergency response but fell for health and energy.

ODA disbursements to developing countries by purpose in US\$ billion at constant 2022 prices



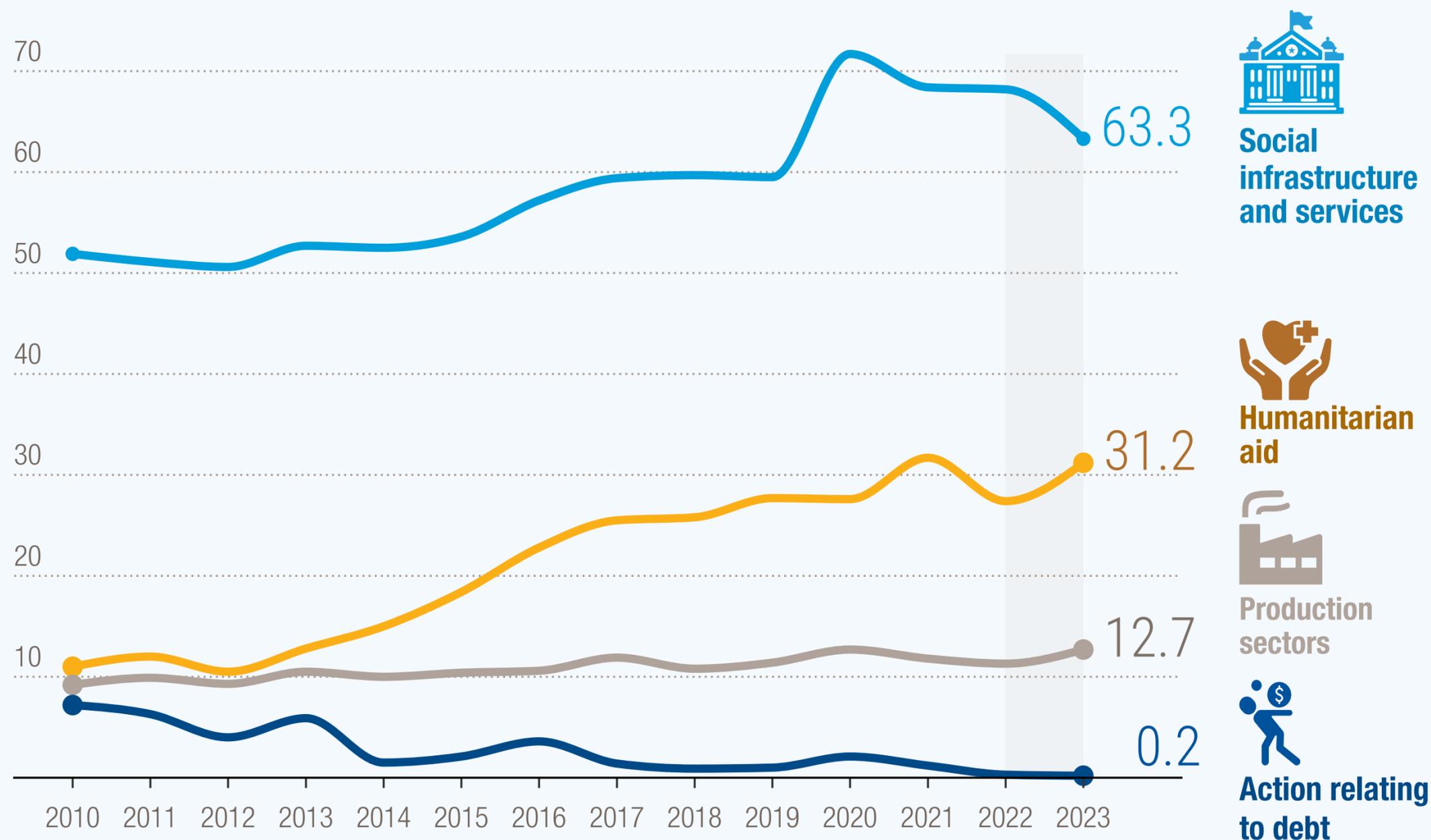
Source: UNCTAD Secretariat, based on OECD (Jan. 2025)

Note: The sectoral breakdown follows the OECD-DAC classification. Selection of subsectors with strongest growth/decrease between 2022 and 2023, sorted by their 2022 value.



The need for response to crises strains sustainable development financing.

ODA disbursements to developing countries by purpose in US\$ billion at constant 2022 prices



Source: UNCTAD Secretariat, based on OECD (Jan. 2025).

Note: The sectoral breakdown follows the OECD-DAC classification.



Aid at the crossroads

Official development assistance
could shrink by:



This estimation is based on public information on aid budgets from governments, research institutes, and international media, as available at the time of writing.



Four priorities stand out:

- 1** **Recommitting to fulfilling long-standing goals related to aid and additional climate finance flows** could go a long way in rebuilding trust in the multilateral system and mobilizing resources to address competing humanitarian and development priorities.
- 2** **Rethinking aid effectiveness** is critical to provide better value proposition and strengthen the synergies between aid and other financial flows, notably from the private sector, taking into account that not all aid sectors can benefit from blending instruments or private sector interventions.
- 3** **Enhancing the agency of developing countries in international cooperation** remains key to striking a better balance between their long-term sustainable development needs and the interest of development partners.
- 4** **Reforming the international financial architecture to scale-up affordable long-term finance** in developing countries is as important as ever. In light of dwindling aid resources, supporting domestic resource mobilization, curbing illicit financial flows and providing debt relief are key priorities.

Report prepared by the
Office of the Secretary-General of UNCTAD

