



Proposals for ODA Reform: A Review of Key Approaches

 Rachael Calleja and Sara Casadevall-Bellés

Introduction

Questions concerning the relevance and reform of official development assistance (ODA), and how ODA and broader development finance could—or *should*—change to better reflect shifting demands are not new, with academics and policymakers suggesting a range of options for reform. In this background note, we briefly review the major reform proposals from 2009 onwards, highlighting the key issues underlying approaches to ODA reforms, and the main “types” of proposals typically put forward. The data presented in this note is sourced from analysis of 15 proposals, which are summarized in Annex 1.¹

What issues do reform proposals aim to address?

Broadly, proposals related to the reform and future of ODA have tended to address two key questions, which respond to major changes in the development landscape over the last two decades.

The first—and most common—question explored in current reform proposals asks *whether ODA should be used to finance global public goods?* Based on the understanding that tackling global challenges—such as climate change, peace and security, and infectious diseases—alongside human and economic development will be critical to achieving the Sustainable Development Goals (SDGs), several proposals offered approaches aimed at overcoming the tension between the *objective* of ODA (i.e. to support the welfare of developing countries) and the non-excludable nature of GPGs, which makes it difficult to ensure that the primary beneficiaries are developing countries. Put simply, at the core of this issue is the question of “who benefits” from ODA spent on GPGs, and whether

¹ We excluded proposals related to reforming specific types of ODA measurement (such as to refining measures of technical assistance); calling for the implementation of grant equivalents, which has now been completed; proposed models for aid allocation, which do not question the measure itself but how it is distributed; and proposals focused exclusively on governance arrangements for development finance.

funding GPGs that also benefit donor countries is an effective use of scarce ODA resources. The issue is further complicated by the understanding that the benefit to developing countries likely differs across different types of GPGs—consider that investment in a malaria vaccine may have a more direct benefit to developing countries than existential asteroid protection—raising questions about *which* GPGs, if any, should receive ODA funding.² At the same time, the limited nature of ODA has sparked concerns that allocating ODA to provide GPGs could involve trade-offs with other developmental priorities, particularly if volumes of ODA are stagnant. While it is broadly recognized that global public goods can exacerbate poverty if left unchecked,³ whether ODA is the right resource for funding GPGs remains a key point of debate.

The second question commonly addressed in ODA reform proposals relates to the continued relevance of ODA as a metric for measuring development effort, or what should replace it, particularly in a landscape where the range of providers, cooperation instruments, and development challenges are rapidly changing. Part of the challenge is undoubtedly linked to the recognition that in the SDG era, “beyond ODA” finance will be necessary to meaningfully tackle the range of global and local development challenges that define the 2030 Agenda, raising questions about the continued relevance of ODA in a context where it accounts for a smaller share of the finance offered and needed. Recognition of ODA’s declining hegemony has already led to the emergence of alternative measures of development finance aimed at capturing flows for sustainable development offered from diverse providers, such as Total Official Support for Sustainable Development (TOSSD). At the same time, however, the debate about ODA’s continued relevance includes voices which highlight ODA’s unique properties—namely, its concessionality and development orientation—and ask how best to harness or target limited ODA resources to support poverty reduction, particularly in poor and fragile states. While opinions vary on whether the challenges facing ODA justify its replacement or necessitate refocusing to strengthen its impact, underlying current ODA reform proposals is an understanding of the need to re-think ODA’s role in a changing development landscape.

What types of proposals have been put forward?

Broadly, the range of proposals for the future and reform of ODA (available in Annex 1) have tended to put forward three main approaches:

1. New “beyond ODA” concept

The majority of the proposals reviewed argued for the establishment of a new development finance concept that included ODA as part of a wider array of financing for development. Often grappling with questions about both the purposes of development finance, as well as which flows, provided by

2 Charles Kenny, “ODA and Global Public Goods: Aid Allocation in a New Era,” *CGD Policy Paper 188*, (Washington DC: Center for Global Development, 2020) <https://www.cgdev.org/sites/default/files/PP188-Kenny-ODA-GPGs-Full.pdf>.

3 By some estimates, climate change alone could push an additional 100 million people into extreme poverty by 2030, see Stephane Hallegatte et al., *Shock Waves: Managing the Impacts of Climate Change on Poverty* (Washington, DC: World Bank, 2016).

which actors, should count towards national budgetary efforts for development, these proposals tend to either broaden or replace the ODA concept directly.⁴ There is little consensus however, on what should be included in any “beyond ODA” metric, with questions about whether a new concept should only cover public flows, or the broader spectrum of public and private finance.

2. Split concepts which separate ODA from GPG spending

These proposals similarly develop new concepts for measuring and conceptualizing the full range of development finance flows needed to support the SDGs yet argue that there is continued value to the ODA concept, particularly for the poorest countries. As a result, these proposals often suggest a two-pronged or tiered approach, where the full vision for development finance includes either separate financing concepts⁵ or differentiated volume targets that separate poverty-focused spending from GPGs.⁶ In these proposals, ODA is typically called upon to support poverty reduction and welfare in poor and fragile states, with some noting the need to refocus and reform ODA to firm-up development orientation and impact.⁷

3. Universal development commitment

Two of the proposals reviewed put forward a universal approach to development finance. Based on the understanding that the SDGs are shared and global goals, these proposals call on all countries—regardless of income level—to contribute finance for sustainable development, either according to their ability,⁸ or based on a target scaled by income level.⁹

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- 4 See: Jean-Michel Severino and Olivier Ray, “The End of ODA: Death and Rebirth of a Global Public Policy,” *CGD Working Paper 167* (London: Center for Global Development, 2009) <https://www.cgdev.org/publication/end-oda-death-and-rebirth-global-public-policy-working-paper-167>; Jan Vanheukelomet et al., “Reporting on Development: ODA and Financing for Development—Final Report for The Netherlands Ministry of Foreign Affairs and the German Federal Ministry for Economic Cooperation and Development,” ECDPM, 2012, <https://ecdpm.org/work/reporting-on-development-oda-and-financing-for-development-final-report-for-the-the-netherlands-ministry-of-foreign-affairs-and>; Andy Sumner and Richard Mallett, *The Future of Foreign Aid: Development Cooperation and the New Geography of Global Poverty* (London: Palgrave Pivot, 2013) <https://doi.org/10.1057/9781137298881>; Yijia Jing, Alvaro Mendez, and Yu Zheng, *New Development Assistance: Emerging Economies and the New Landscape of Development Assistance* (Singapore: Palgrave Macmillan, 2019) <https://doi.org/10.1007/978-981-13-7232-2>.
 - 5 Thomas Melonio, Jean-David Naudet, and Rémy Rioux, “Official Development Assistance at the Age of Consequences,” *AFD Policy Papers* no. 11 (2022): 1–43; Ole Jacob Sending, Dan Banik et al., “Investing in a common future: A new framework for development policy” (Oslo: The Norwegian Ministry of Foreign Affairs, 2023), <https://www.regjeringen.no/en/dokumenter/investing-in-a-common-future/id2977341/>.
 - 6 See: Age Bakker, “How Can Development Co-operation Address Global Challenges” in *Development Co-operation Report 2014: Mobilising Resources for Sustainable Development* (Paris: OECD Publishing, 2014), <https://doi.org/10.1787/dcr-2014-21-en>; Euan Ritchie and Andrew Rogerson, “ODA in Turmoil: A Challenge for a New Development Cooperation Landscape?” *CGD Policy Paper 198* (London: Center for Global Development, 2020) <https://www.cgdev.org/sites/default/files/PP198-Ritchie-Rogerson-ODA-Turmoil.pdf>.
 - 7 Melonio, Naudet and Rioux, “Official Development Assistance at the Age of Consequences”; Sending, et al., “Investing in a common future: A new framework for development policy.”
 - 8 Jonathan Glennie, *The Future of Aid: Global Public Investment*, 1st ed. (London: Routledge, 2020), eBook, DOI: 10.4324/9780429356384.
 - 9 Andy Sumner, Nilima Gulrajani, Myles Wickstead, and Jonathan Glennie, “A Proposal for a New Universal Development Commitment,” *Global Policy* 11 (2020): 478–485, <https://doi.org/10.1111/1758-5899.12844>.

Re-focus or re-think ODA? Practical implications of major reform proposals

The range of reform proposals presented highlights a spectrum of ambition for the future of ODA based on the degree to which options require new financing or governance structures for managing resources for sustainable development. On one hand, approaches that start from efforts to refocus ODA and clarify its role vis-à-vis GPGs are necessarily simpler, as they fundamentally rely on the ODA measurement and governance systems that are currently in place. In these cases, reforms seemingly work within the current ODA system to improve quality through refocusing on the comparative advantage of ODA, while seeking to better leverage and enable non-ODA flows to support GPG provision. A key question, however, is whether reforms designed to bring clarity to ODA go far enough towards solving the incentive-based problems that have led to concerns over a dilution in ODA quality (i.e. need to increase what “counts” and the donor-only governance of ODA), as well as towards broadening the inclusivity of development finance governance in line with a shifting global order. How and whether these issues are addressed could affect buy-in and uptake of proposed approaches. At the same time, the emphasis on re-focusing ODA raises questions about how and whether such reforms intend to affect the quantity of finance for sustainable development, alongside efforts to improve overall quality. While calls to increase development finance through public budgets could be difficult to mobilize at a time when many DAC members are announcing budgetary cuts,¹⁰ it may be helpful to clarify whether and how these proposals enable a more effective utilization of ODA, and other finance, to advance the SDGs.

On the other hand, approaches that call for a more ambitious reform agenda—including creating a new financing concept or agreeing to a universal commitment, both of which will require broad consensus and presumably an investment in creating new governance structures—will likely involve a much greater political effort. Not only will such approaches require achieving technical consensus on accounting approaches across a diverse range of actors—including on flows like South-South cooperation which currently lack systematic measurement standards¹¹—but will also require re-thinking or inventing inclusive governance structures to facilitate norm and standard setting and to measure finance volumes over the longer term. This will be no small feat, with current spaces for collaboration across DAC and non-DAC actors—namely the Global Partnership for Effective Development Cooperation and Development Cooperation Forum—routinely struggling to

10 See examples from France, Germany, and Sweden, for instance: Focus 2030, “France Reneges on its Official Development Assistance Commitments,” News, February 2024. <https://focus2030.org/France-reneges-on-its-Official-Development-Assistance-commitments>; <https://www.devex.com/news/how-germany-is-cutting-billions-from-foreign-aid-107055>; Burton Bollag, “How Germany is cutting billions from foreign aid,” *Devex*, February 2024, <https://www.devex.com/news/how-germany-is-cutting-billions-from-foreign-aid-107055>; Anne-Françoise Hivert, “Sweden lowers its targets for development aid,” *Le Monde*, March 2023. https://www.lemonde.fr/en/international/article/2023/03/17/sweden-lowers-its-targets-for-development-aid_6019762_4.html

11 Though, we understand efforts are underway to develop a methodology for South-South measurement. See: UNCTAD, International Expert Meeting on the Framework to Measure South-South Cooperation, July 11–13, 2023, Brazil. https://unctad.org/system/files/non-official-document/20230711-13_SSCBrazil_FinalReport.pdf

maintain engagement and foster meaningful cooperation.¹² At the same time, beyond the complex political realities of building inclusive development structures and reaching broad consensus on the future of development finance, the emphasis on generating new finance through several proposals—particularly universal commitments—raises serious questions about the political incentives for uptake. Indeed, it may be difficult to incentivize low-income countries to contribute to sustainable development finance when DAC members have routinely fallen short of past commitments, including on 0.7% ODA/GNI and climate finance.¹³ Yet despite such challenges, these ambitious reform proposals offer approaches that may meaningfully break from the “North-South” development paradigm through concerted attempts to build shared development finance standards that better reflect diverse perspectives and the differentiated approaches that exist in today’s development system.

Towards a new development consensus?

While there is no shortage of ideas for how ODA could be reformed—or replaced—to help raise and target funding for sustainable development, the big challenge ahead involves finding an approach that generates broad agreement and can encourage collective action to advance the SDGs. At this juncture, it will be critical that any path forward tries to correct for the challenges and lessons learned through the experience of ODA, including by developing a more inclusive approach to governance and negotiation that accounts for the perspectives of recipient countries. In a rapidly changing world order, there is no uncertainty that a new approach to development finance is needed to clarify the conceptual and financial ambiguity around achieving the broad-based SDGs, the challenge however, will be building consensus in a complex political landscape.

12 Rachael Calleja, Sara Casadevall Bellés, and Beata Cichočka, “Exploring Barriers and Opportunities for Deepening Cooperation across DAC and Non-DAC Providers,” *CGD Policy Paper 321* (London: Center for Global Development, 2024). <https://www.cgdev.org/sites/default/files/exploring-barriers-and-opportunities-deepening-cooperation-across-dac-and-non-dac.pdf>

13 Indeed, we find evidence that such failures have eroded cross-country trust, reducing the likelihood of shared action towards future commitments. See: Calleja, Casadevall Bellés, and Cichočka, “Exploring Barriers and Opportunities for Deepening Cooperation across DAC and Non-DAC Providers.”

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Annex 1. Table of ODA reform proposals

| YEAR | AUTHOR | TITLE | PROPOSAL SUMMARY | DETAILED PROPOSAL | |
|------|--------|--------------------------------------|---|--|---|
| 1 | 2009 | Jean-Michel Severino and Olivier Ray | The End of ODA: Death and Rebirth of a Global Public Policy | New “beyond ODA” concept | <p>Replace ODA with a new concept of “Global Policy Finance,” which would include funding related to three core components of sustainable development:</p> <ol style="list-style-type: none"> 1. Promotion of economic growth in developing countries 2. Promotion of human welfare and reduction of inequalities in developing world 3. Provision of global public goods <p>The goal would be to better measure a broader range of useful development expenditures which cannot all be reasonably considered development assistance.</p> <p>Within this, “official global public finance” could measure national budgetary efforts towards agreed global causes, measured as “the amounts of public resources destined to finance global policies—whatever the instruments they are channeled through.”</p> |
| 2 | 2011 | Hudson Institute | The Index of Global Philanthropy and Remittances | New “beyond ODA” concept | <p>Proposes measuring “Net Economic Commitment to Developing Countries” instead of ODA, as a “more complete way of measuring donor involvement with the developing world.” This measure includes:</p> <ol style="list-style-type: none"> 1. Official aid 2. Philanthropy 3. Remittances 4. Private capital flows |
| 3 | 2011 | Richard Manning | OECD Development Cooperation Report (Chapter 8): The future of international concessional flows | Broaden the ODA concept to include some GPGs | <p>Proposes revisiting the definition and scope of ODA to ensure its relevance in a changing global context, by addressing three key issues:</p> <ol style="list-style-type: none"> 1. Who Pays? Suggests that there should be agreement on core definitions between DAC members and South-South Cooperation providers. 2. Purpose of ODA: Proposes that the purposes of ODA move beyond “economic development and welfare” to include “sustainable management of the planet” and “mutual interest considerations.” 3. Concessionalality: Suggests that the current discount rate is “set at an outdated level” and proposes aligning the definition of concessionality with the International Monetary Fund (IMF) or OECD’s measure for tied aid credits. |

| YEAR | AUTHOR | TITLE | PROPOSAL SUMMARY | DETAILED PROPOSAL | |
|------|--------|---|--|---|---|
| 4 | 2012 | Jan Vanheukelom, Stefano Migliorisi, Alisa Herrero Cangas, Niels Keijzer and Eunike Spierings | Reporting on Development: ODA and Financing for Development | New “beyond ODA” concept or substantial broadening of ODA definition | Proposes two options for reform: <i>Option 1:</i> Would maintain the current ODA definition and create a supplementary measure of “External Financing for Development” (EFFD) which includes concessional and non-concessional flows (both private and public) from all provider countries (including beyond the OECD). What counts as EFFD would be defined by: specific flows (equity, grants, loans, and technical cooperation); that flows are allocated to countries on the DAC’s ODA eligibility list; and that the transaction has a development/welfare purpose. <i>Option 2:</i> Involves fundamental changes to the ODA definition so that it includes Official Security Assistance, Official Climate assistance, and Official Support for Private Flows. |
| 5 | 2014 | Andy Sumner and Richard Mallett | The Future of Foreign Aid: Development Cooperation and the New Geography of Global Poverty | New “beyond ODA” concept | Proposes a shift from “Aid 1.0” (aid as a resource transfer) to “Aid 2.0” (aid as global development cooperation). The authors propose that Aid 2.0 would be based on four principles for global development cooperation: <ul style="list-style-type: none"> • Is catalytic and aims to build internally driven processes so that Aid 2.0 works as “aid to end aid.” • Focuses on risks, shocks, stressors, and the provision of GPGs to deal with these risks. • Is based on research and multidirectional knowledge transfer. • Encourages policy coherence across development-related policy areas, such as trade and migration. |
| 6 | 2014 | Age Bakker | How can Development Co-operation Address Global Challenges? | New “beyond ODA” concept with separate ODA target for LDCs and fragile states | Proposes moving from ODA to a new concept of “ international cooperation ,” the aim of which is to incentivize international solidarity among all countries for development. The author proposes building a new “target for international cooperation” that is based on the following factors: <ul style="list-style-type: none"> • Goal: aim is to provide GPGs and promote global sustainable development and welfare • Target: either results or GDP-based, with a concrete target for ODA volumes to least developed countries and fragile states (e.g. 0.25% of GDP, or 50% of national ODA flows to LDCs and fragile states) • Instrument: Financial flows, guarantees, leverage mechanisms, and knowledge transfer • Cost: Concessional and non-concessional flows • Sources: Official and private finance sources • Recipients: developing countries and multilateral institutions |

| YEAR | AUTHOR | TITLE | PROPOSAL SUMMARY | DETAILED PROPOSAL |
|------|--------|---------------------------------|--|--|
| 7 | 2016 | Homi Kharas and Andrew Rogerson | Why and How Might a New Measure of Development Cooperation be Helpful? | <p>New “beyond ODA” concept</p> <p>Proposes “International Development Contributions,” which is similar to TOSSD. Key features include:</p> <ul style="list-style-type: none"> • That it is a recipient-centric metric (i.e. measures funds received rather than funds supplied) • Excludes remittances and FDI, as neither represent resources that can spent in the public interest (both are privately held) • Includes mobilized private finance used in public investments and loans from private markets made to governments. • Includes private philanthropy for social services, and humanitarian assistance. • Excludes all in-donor spending (which necessarily does not reach recipient countries) <p>Bottom line: the authors propose including “all sources, instruments and funding channels that contribute to investments in the public interest,” where the “test” of what counts relates to whether the funding support public-interest investments to achieve the SDGs.</p> |
| 8 | 2020 | Inge Kaul | Redesigning International Cooperation Finance for Global Resilience | <p>New international architecture for cooperation finance that separates ODA from GPG and crisis funding</p> <p>Proposes a modernized architecture for international cooperation finance rather than a measure to replace ODA. Based on the understanding that funding GPGs cannot be adequately dealt with through the current ODA accounting rules, the author proposes a tripod-shaped approach to international co-operation finance architecture based around three pillars, each with their own properties, methods and sources of finance:</p> <ol style="list-style-type: none"> 1. Development assistance 2. Provision of GPGs 3. Global crisis response and stabilization capacity <p>Suggests that current approach where all rely on ODA does not work, and will require separate organizational criterion, where the three pillars aim to mutually reinforce each other.</p> |

| YEAR | AUTHOR | TITLE | PROPOSAL SUMMARY | DETAILED PROPOSAL |
|------|--------|---|--|--|
| 9 | 2020 | Andrew Rogerson and Euan Ritchie | ODA in Turmoil: Why Aid Definitions and Targets Will Come Under Pressure in the Pandemic Age, and What Might Be Done About it? | <p>Create supplementary GNI target for GPG-related spending</p> <p>Proposes creating a separate “tier” of the ODA/GNI volume target focused on GPG-related spending. This tier could be structured either within an existing donor target (i.e. a donor providing 0.4% ODA.GNI could commit to a further 0.3% of GNI for GPGs) or framed externally in relation to the 0.7% target (i.e. retain 0.7% ODA/GNI for development and add a new target of 0.3% GNI for GPGs), increasing the current overall target to 1% of GNI. GPG-related finance would include beyond-ODA spend.</p> <p>The authors acknowledge that this approach could lead to questions about where the line between ODA and GPG spending targets should be drawn (i.e. which finance contributes to which target) and would require investigation to identify a “test” for where finance qualifies (such as whether the project delivers considerable economic benefit to the recipient country in which it takes place).</p> |
| 10 | 2020 | Yijia Jing, Alvaro Mendez, and Yu Zheng | New Development Assistance | <p>New “beyond ODA” concept</p> <p>Proposes “New Development Assistance” (NDA) as a more inclusive measure of development cooperation that measures a wider variety of finance, types of assistance, and degrees of concessionality, in alignment with the types of cooperation offered by emerging providers. NDA would cover:</p> <ul style="list-style-type: none"> • Multiple sources of development finance, including public finance, and private expenditures subsidized or guaranteed by government. • A wider array of cooperation instruments including non-monetary support (such as technical assistance or knowledge exchange) and innovative mechanisms that fall outside of ODA. • Relaxes concessionality requirements to capture loans not covered by ODA. <p>NDA aims to be free of conditionalities and to encourage links between aid, trade, and investment.</p> |

| YEAR | AUTHOR | TITLE | PROPOSAL SUMMARY | DETAILED PROPOSAL | |
|------|--------|--|---|----------------------------------|---|
| 11 | 2020 | Andy Sumner, Nilima Gulrajani, Myles Wickstead, and Jonathan Glennie | A Proposal for a New Universal Development Commitment | Universal development commitment | <p>Proposes a new “universal development commitment” to fund the SDGs, where all countries would contribute resources. The goal is not to “distract from the historic responsibility of wealthier countries to contribute vastly more to meet their 0.7% ODA/GNI target where they are not doing so,” but rather to source global financing, for the globally focused SDG agenda.</p> <p>They propose a scaled contribution, where:</p> <ul style="list-style-type: none"> • high-income countries would keep their commitment to 0.7% ODA/GNI, • upper-middle income countries would contribute 0.35% of GNI, • lower-middle income countries would contribute 0.2% of GNI, • and low-income countries would contribute 0.1% of GNI. <p>(For non-DAC countries, this spending could include south-south cooperation or technical/knowledge exchange, which would need to be costed).</p> |
| 12 | 2021 | Jonathan Glennie | Global Public Investment | Universal development commitment | <p>Proposes “Global Public Investment” (GPI) to replace ODA or “aid.” GPI is a statutory, contributory system to which all countries regularly contribute funds for sustainable development action and crisis response. This approach aims to:</p> <ul style="list-style-type: none"> • Shift the ambition from poverty reduction to sustainable development. • Mobilize public finance, which the author argues has unique “qualities” for supporting development. • Encourage all countries to contribute funds for sustainable development according to their ability to do so (and note that even the richest should receive funds, according to their need). • Encourage democratic decision-making concerning the “size, purpose and accountability of contributions” to move towards more horizontal partnerships “with all countries and other stakeholders (including civil society) sat at the decision-making table.” |

| YEAR | AUTHOR | TITLE | PROPOSAL SUMMARY | DETAILED PROPOSAL |
|------|--------|---|--|--|
| 13 | 2022 | Thomas Melonio, Jean-David Naudet, Remy Rioux | Official Development Assistance at the Age of Consequences | <p>Two-tier approach that separates reformed ODA for poverty from leveraged finance for GPG funding</p> <p>Proposes that the future of international financing should move towards two distinct global policies:</p> <ol style="list-style-type: none"> International Development Investment—aims to address global vulnerabilities and is based on two financing mechanisms—“a financial instrument for international solidarity—reformed and refocused ODA—and an international insurance mechanism for managing the consequences of climate change.” The international solidarity component is designed to support poverty reduction in LDCs and fragile countries. Sustainable Development Investment: to finance global commitments towards low-carbon transition through leverage and mobilization of public action. |
| 14 | 2023 | Jean-Michel Severino and Sylviane Guillaumont Jeanneney | Financing global policies: but why? | <p>Proposes three-pronged approach for financing economic development, poverty reduction and crisis response, and GPGs through different sources and criteria</p> <p>Proposes organizing development finance flows under the public policy banner of “Financing Common Global Objectives.” In this approach, each country could declare spending related to:</p> <ul style="list-style-type: none"> International Development Finance—includes financial contributions to promote international income convergence. International Solidarity Funding—including funding for poverty reduction, post-conflict and reconstruction, and humanitarian crisis management. International Financing of Collective Goods—including resources for financial stability, adaptation to climate change, carbon transition, biodiversity, health, food, research etc. <p>The authors note that “each category could have its own set of contributors and beneficiaries and different allocation criteria” with amounts allocated either at the country discretion or based on set international treaties or targets.</p> |

| YEAR | AUTHOR | TITLE | PROPOSAL SUMMARY | DETAILED PROPOSAL | |
|------|--------|-------------------------------------|--|--|---|
| 15 | 2023 | Ole Jacob Sending, Dan Banik et al. | Investing in a common future A new framework for development policy | Two-tier approach that separates reformed ODA for poverty from leveraged finance for GPG funding | Proposes a new financing framework for Norwegian aid that aims to distinguish between two main categories of Norway’s international efforts: 1. Investments in development (re-focused ODA) —aims to support lasting poverty reduction, sustainable development, and support livelihoods through financing investments in basic needs, human and economic development, governance and resilience, as well as immediate crisis relief/response and stabilization. This finance is envisioned to focus on low-income countries and fragile states and retains the properties and spending targets associated with ODA. 2. Investments in global public goods for development —aims to “prevent and manage global development challenges that cannot primarily be resolved by or exclusively in developing countries, but disproportionately affects them.” This includes finance for key thematic issues such as climate and environmental protection, global health security, peace and stability, and research and innovation. This funding will be primarily targeted towards ODA-eligible countries, from ODA and other TOSSD sources. The authors propose a tiered target, with 0.3% of GNI allocated to this category, with the intention to step-up such funding to 0.7% of GNI over time. |

RACHAEL CALLEJA is a research fellow at the Center for Global Development.

SARA CASADEVALL-BELLÉS is a research assistant at the Center for Global Development.

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