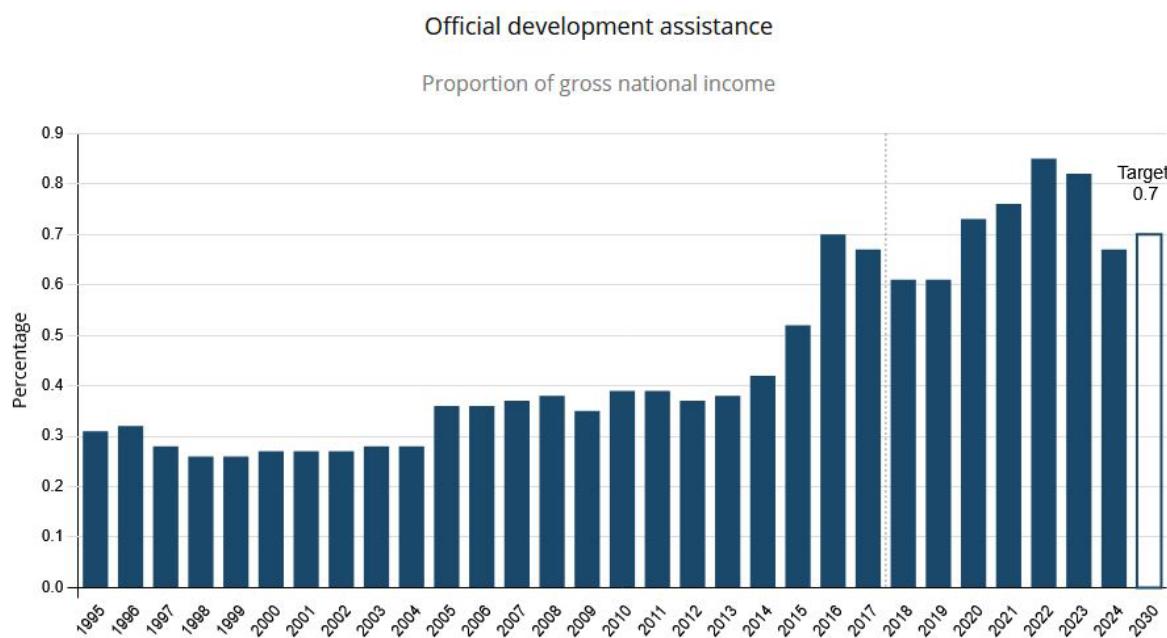




Development cooperation – *Supporting sustainable development*

17.1 Official development assistance as a proportion of gross national income



Note(s):

Due to methodological changes, the results from 2018 are only comparable with previous years to a limited extent. Up to 2017, the calculation was based on the gross-net principle; from 2018, the grant-equivalent method was used. – 2022 revised data. – 2023 provisional data.

Data source(s):

Federal Statistical Office, Federal Ministry of Economic Cooperation and Development, Organisation for Economic Co-operation and Development

Definition

The indicator represents public development expenditure in relation to gross national income, the so-called ODA ratio (in %). This comprises the share of official development assistance (ODA) in relation to gross national income (GNI). Since 2018, the calculation has been based on the grant equivalent method.

Intention

Through their development cooperation, donors contribute to reducing global poverty, alleviating humanitarian emergencies, securing peace, realising democracy, making globalisation fair and protecting the environment. In order to fulfil this responsibility, the German government is committed to the goal originally set by the United Nations General Assembly (UN) in 1970 of increasing the share of official development assistance (ODA) in gross national income (GNI) (ODA ratio) to 0.7%.

Target

Increase the proportion to 0.7% of gross national income (GNI) by 2030



17 PARTNERSHIPS FOR THE GOALS

Content and progress

On behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), the Federal Statistical Office compiles the development cooperation statistics from which Official Development Assistance (ODA) is derived. Whether an expenditure can be classified as ODA is governed by the directives of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

ODA includes public flows provided on concessional terms with the primary objective of promoting the economic and social development of developing countries. This includes, in particular, expenditure for financial and technical cooperation, humanitarian assistance, as well as contributions to development cooperation activities of multilateral institutions such as the United Nations (UN), the European Union (EU), the World Bank Group, or regional development banks.

In addition, under certain conditions, expenditures for peace missions, debt relief, or specific in-donor country costs – such as tuition costs for students from developing countries, in-country refugee costs, or spending on development-related research – may also be recognised as ODA. Gross National Income (GNI) is a measure of the primary distribution of income generated by the economic activities of all residents before government redistribution through taxes, social contributions, and transfers. GNI captures all income of residents and resident economic entities, regardless of whether the income is generated domestically or from abroad. This is the key distinction from Gross Domestic Product (GDP), which is based on the location of production and thus follows the domestic production principle.

The list of countries eligible to receive ODA is determined by the OECD-DAC. It includes the Least Developed Countries (LDCs) as well as other countries with low and middle per capita GNI. This list is regularly reviewed and updated; countries may be added or removed. In 2018, the valuation method for debt instruments (loans, bonds, and debt relief) was revised: the previous net disbursement approach was replaced by the grant equivalent method. Under this method, only the grant element of an instrument – calculated based on factors such as interest rate and maturity – is counted as ODA. One objective of this change is to enhance the comparability of loans and grants. Since 2020, the grant equivalent method has also applied to debt cancellations and reschedulings, and since 2023, to equity investments.

According to preliminary results, German ODA in 2024 amounted to 32.4 billion euros, which was below the 2023 figure of 35.1 billion euros. The share of ODA in Germany's GNI in 2024 stood at 0.67% (2023: 0.82%). The politically set target of 0.70% was exceeded in the years 2020 to 2023, but slightly underachieved in 2024. While GNI has more than doubled since 2010, ODA has more than tripled over the same period.

In international comparison, Germany was again the second-largest donor in absolute terms in 2024 – behind the United States and ahead of Japan. However, the US ODA-to-GNI ratio stood at 0.22%, which was below the DAC average of 0.33%. Germany ranked fifth among the 32 DAC member countries with a ratio of 0.67%. According to preliminary figures, the international target of 0.70% was achieved in 2024 by the DAC countries Norway (1.02%), Luxembourg (1.00%), Sweden (0.79%), and Denmark (0.71%).



17 PARTNERSHIPS FOR THE GOALS

In addition to public development cooperation, private actors – such as churches, foundations, and associations – also deploy own resources for development purposes. These include own funds (including membership fees) as well as donations. This private, non-ODA-relevant development cooperation amounted to 1.5 billion euros in 2023. Private direct investments in developing countries stood at 18.4 billion euros in 2023 (according to the status prior to Bundesbank revision).

Type of target

Target with specific target value

Assessment

The share of official development assistance in gross national income should be increased to at least 0.7% by 2030.

According to the target formulation, the politically defined target for indicator 17.1 was first exceeded in 2021. Since then, the target is to be maintained each year, with no deterioration on average over the past six years. Both conditions were met in 2024, and indicator 17.1 is therefore assessed as sun for 2024.

