

# Global aid up in 2021, but Australia still lagging

by Cameron Hill

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Sharing of Australian COVID-19 vaccination doses with Solomon Islands

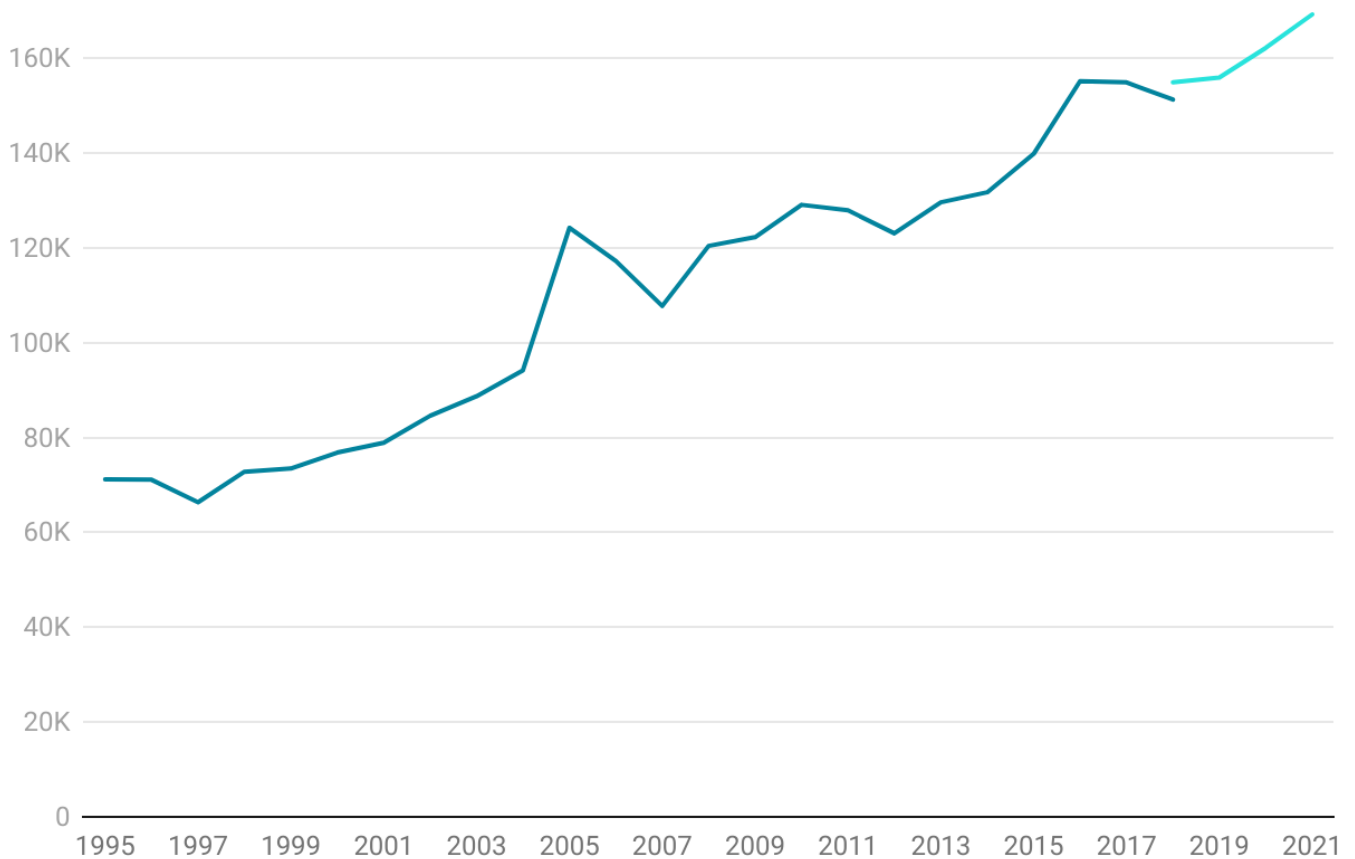
*Photo Credit: DFAT*

The 12 April [release](#) of the preliminary 2021 Official Development Assistance (ODA) statistics from the OECD's Development Assistance Committee (DAC) showed that global aid grew for a second consecutive year. OECD ODA (or aid) reached a new record high of USD 179 billion with 23 of the 29 DAC country donors, including Australia, increasing aid in real terms in 2021.

The increase translates into a 4.4% real increase on 2020 DAC aid levels. The average DAC contribution (total DAC net aid divided by total DAC Gross National Income, GNI) was 0.33%, unchanged from 2020.

**Figure 1. Net ODA: OECD DAC donors, 1995-2021**

Inflation adjusted using 2020 prices, in USD '000



Data on a net flow basis for 1995-2017; from 2018 on a grant equivalent basis.

Source: Australian Aid Tracker • Created with Datawrapper

While these figures do not include aid from non-traditional donors such as China and the Gulf states, they do give an indication of the extent to which global aid flows are holding up against the backdrop of COVID-19 and rising poverty.

The OECD reports that 3.8% of the 4.4% real increase came from DAC members support for COVID-19 vaccines, including vaccine donations from domestic supply (USD 2.3 billion), vaccine donations purchased specifically for developing countries (USD 3.5 billion) and ancillary vaccine support (USD 0.5 billion). The DAC estimates that donors spent around USD 18.7 billion on broader COVID-19 support in 2021, around 10.5% of combined aid.

Contributions to international organisations rose by 9.4% and humanitarian assistance increased by 3.5%, still well short of **assessed** global needs, in real terms. Aid through bilateral sovereign loans decreased by 4.6%.

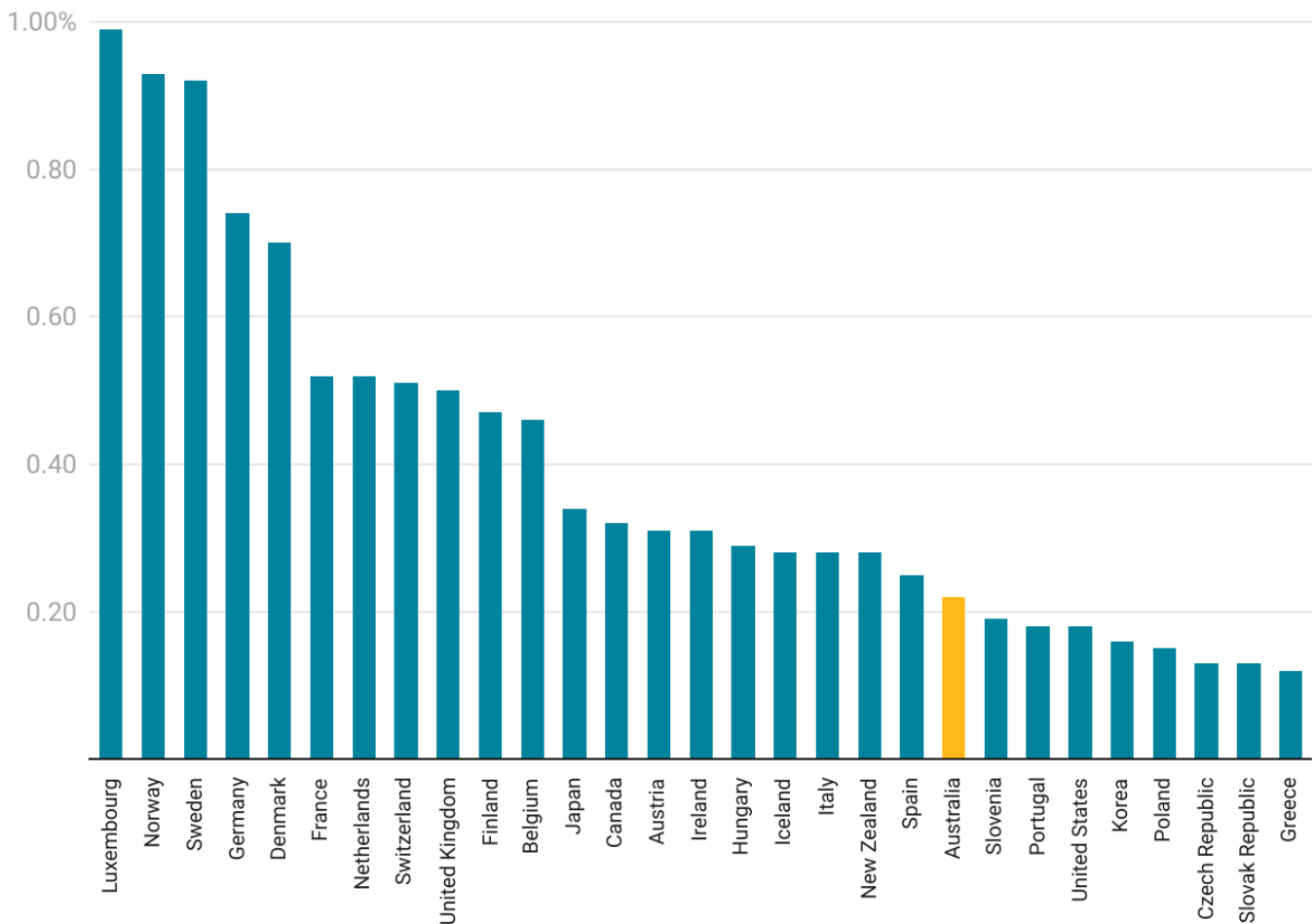
Nearly all of the increase in DAC aid came from the G7 members, with increases from Italy, Japan and the US more than offsetting the very large cut in aid (-21%) by

the UK. The US remains the DAC’s largest donor in volume terms (USD 42 billion), followed by Germany (USD 32 billion), Japan (USD 18 billion), the United Kingdom (USD 16 billion), and France (USD 15 billion).

The OECD reports that Australia increased aid by 4.5% in real terms in 2021 (OECD reporting uses a calendar year). This reflects the Morrison Government’s decision to boost aid in the 2020-21 budget through a series of “temporary and targeted measures” focused on COVID-19 response in the Pacific and Southeast Asia. Reflecting these aid increases, as well as slower growth last year, Australia’s ODA/GNI increased to 0.22%, up from 0.21% in 2020. However, the latest budget figures show that for the Australian 2022-23 financial year, ODA/GNI will fall to 0.20%.

Although Australia’s ODA/GNI ratio recorded an increase in 2021, we remained at 21st out of 29 DAC country donors in terms of aid generosity — behind less affluent countries such as Hungary (0.29%) and Spain (0.25%) and behind other regional donors such as New Zealand (0.28%) and Japan (0.34%).

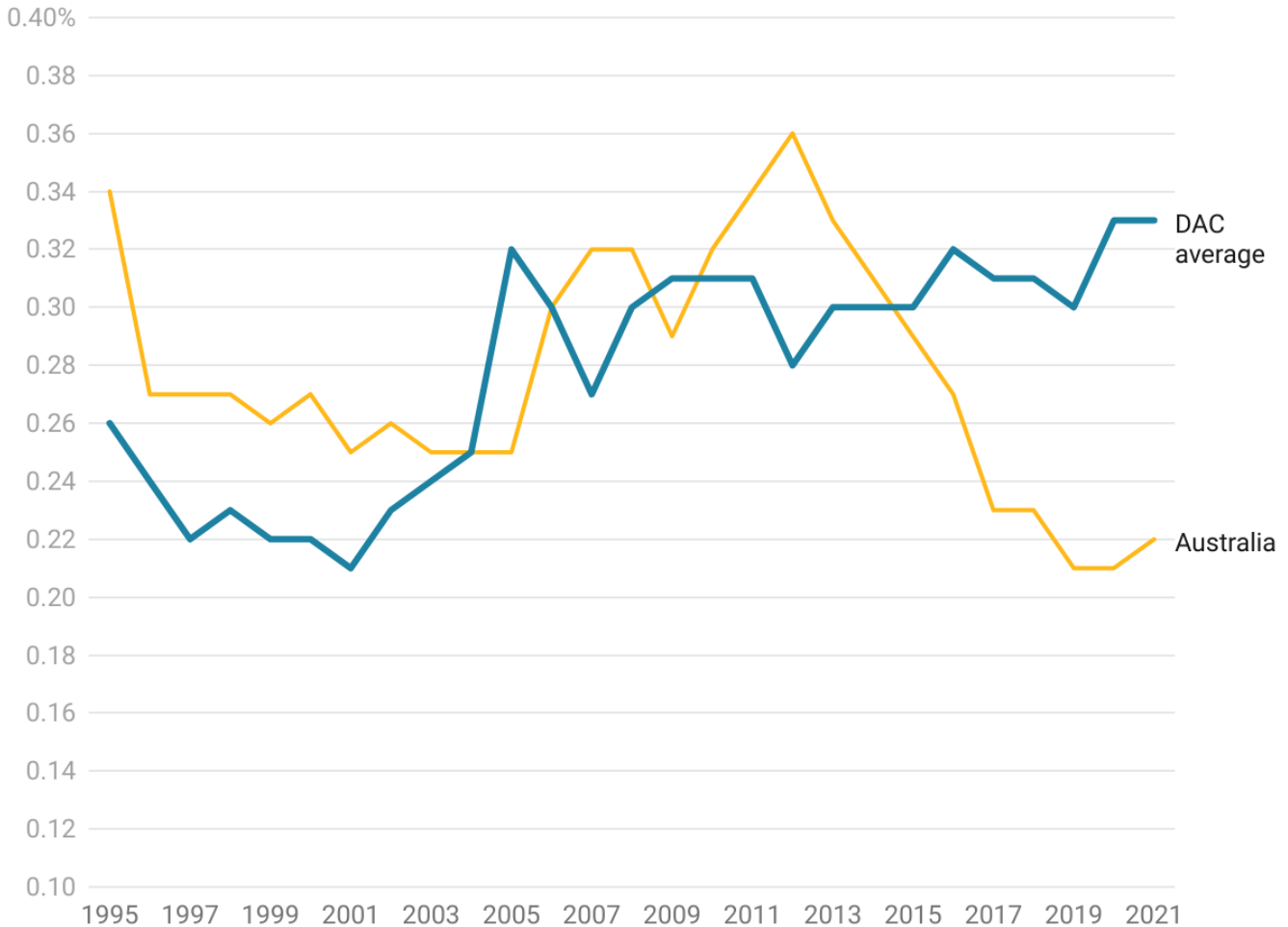
**Figure 2. OECD DAC Donors: ODA/GNI, 2021**



Source: Australian Aid Tracker • Created with Datawrapper

Australia has now spent its longest consecutive period below the DAC donor average since 1995 – seven years. Just getting back to the donor average would require significant (and successive) increases in aid spending.

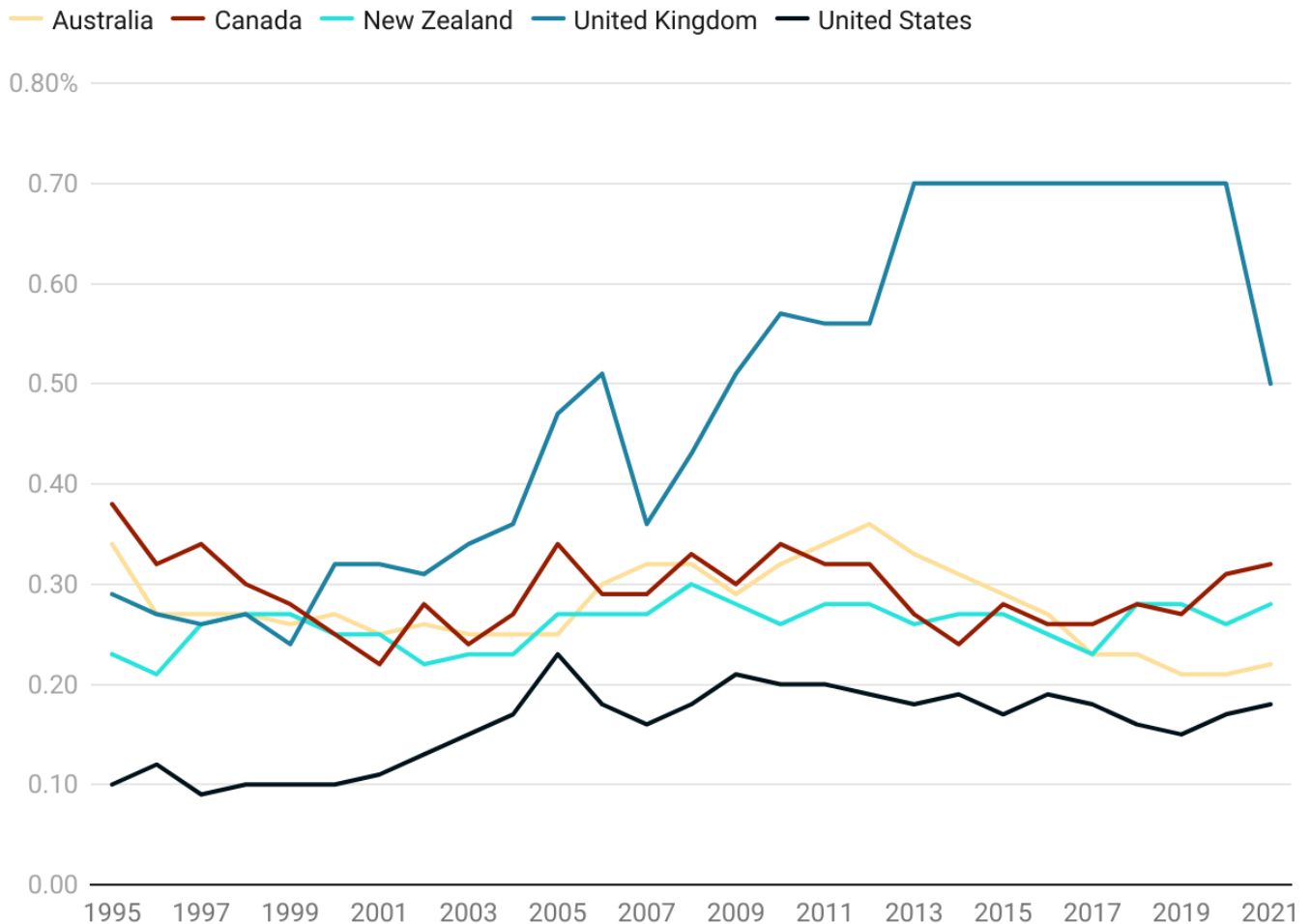
**Figure 3. Australia vs DAC average: ODA/GNI, 1995-2021**



Source: Australian Aid Tracker • Created with Datawrapper

In terms of the 'Five Eyes' group of countries (Australia, US, UK, Canada and New Zealand), Australia has fallen from a close second (behind Canada) in 1995 to a more distant fourth. Even with the large temporary aid cut implemented by the Johnson Government, the UK still has an ODA/GNI ratio more than twice that of Australia.

Figure 4. ‘Five Eyes’: ODA/GNI, 1995-2021



Source: Australian Aid Tracker • Created with Datawrapper

Australia risks having an ODA/GNI below that of the US for the first time if the future aid cuts included in the 2022-23 budget are enacted. These cuts are projected to see Australia fall to a new record low of 0.17% ODA/GNI in 2025-26.

As I have argued [elsewhere](#), these figures are at odds with the current, stark assessments of Australia’s strategic circumstances. The world was arguably a more benign place in 1995 — still dominated by post-Cold War talk of the ‘East Asian Economic Miracle’, seemingly inexorable poverty reduction and inevitable globalisation. While Australia’s aid program has temporarily adjusted to the contemporary environment through its COVID-19 response, much bigger increases over a longer time horizon will be needed in the face of rising poverty, climate change and conflict.

*The 2021 OECD aid data and background information can be found at:*

- [2021 ODA statistics in detail](#)
- [Interactive charts showing ODA trends over time](#)

## DEVPOLICYBLOG

- *More information on ODA (including frequently asked questions, eligible countries, and all OECD aid data including charts on donors and recipients since 1960)*

*The latest data has been uploaded onto the relevant sections of the Development Policy Centre's [Australian Aid Tracker](#).*

### **Disclosures:**

*This research was undertaken with the support of The Bill & Melinda Gates Foundation. The views represent those of the author only.*

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Link: <https://devpolicy.org/global-aid-up-in-2021-but-australia-still-lagging-20220414/>