

Introducing ONE's 2014 DATA Report: Fighting Poverty and Financing Africa's Future

Catherine Blampied, ONE Policy Manager, Research & Publications reports on the findings of the 2014 Data Report.

2015 could mark a historic turning point in global development efforts. As the deadline for the Millennium Development Goals approaches, leaders from every country will agree a new set of Sustainable Development Goals (SDGs), which are likely to include the goal of virtually eliminating extreme poverty by 2030.

As we stand on the brink of this new era in development, the ONE Campaign is launching the 2014 DATA Report: Fighting Poverty and Financing Africa's Future. For the past nine years, ONE has published its annual, flagship DATA Report to hold leaders to account for the commitments they have made to the world's poor.



This year's report analyses whether governments – both in donor and African countries – are meeting their development spending promises and sets out a number of key changes they should make to sustain and enhance public finance for development and lay a firm foundation for meeting the new SDGs.

Ensuring that the poorest and most vulnerable countries (many of which are in sub-Saharan Africa) continue to receive strong aid investments will be critical. But are donor countries living up to their existing aid promises? And are the rules that govern official development assistance (ODA) truly fit-for-purpose in ensuring the quality and credibility of aid?

We know that resources raised by developing countries themselves are the largest slice of the overall pie, and African governments have their own commitments to prioritise domestic spending on key poverty-reducing sectors. But how many of them are actually making good on these commitments?

The 2014 DATA Report explores the above questions and lays out 11 key recommendations. Here's a quick glimpse of the report's main findings:

Governments – in both donor countries and African countries – are breaking their promises to the poor.

- Most donors are far from reaching the ODA target of 0.7% of gross national income, and are not sufficiently targeting their assistance to the poorest and most vulnerable countries. In 2012, donors collectively gave less than a third of their total aid to least developed countries. If all donors had channelled half of their aid (at existing levels) to least developed countries, this would have resulted in \$22 billion extra funding for these countries in 2012 alone.

- Most African governments are not meeting their own targets to direct a certain proportion of their budgets towards health, agriculture and education.

The rules for defining and measuring official development assistance (ODA) are out of date and urgently in need of reform.

- Not all ODA is actually transferred to developing countries. Since 2000, some \$250 billion (a sixth of the total aid reported by governments) did not involve a real transfer of funds to developing countries. ODA levels have been given an artificial boost by including inflated valuations of debt relief, plus money spent by donors at home (e.g. student costs, refugee costs and administrative costs).

- Not all ODA is made up of grants. Some of it comprises loans made on concessional terms that must be repaid. The rules that determine if and how much of a loan can count as ODA are no longer relevant for today's market realities and potentially allow donors to report unsubsidised loans as aid. If tighter rules had been applied, as much as \$19 billion would not have counted as aid in 2012.

Read ONE's 2014 DATA Report to find out more, including our 11 key recommendations

Why does this matter now?

- Less than a year from now, in September 2015, governments of every country will agree a set of ambitious new goals to replace the Millennium Development Goals that will expire at the end of next year.

If we're serious about these goals, we need an equally ambitious plan to finance them.

In July 2015, Addis Ababa, Ethiopia will host the Third International Financing for Development Conference, a major moment bringing together representatives of governments, civil society and the private sector to discuss an effective financing strategy for development.

- There is also a window of opportunity in a process currently underway at the OECD Development Assistance Committee to modernise the concept of ODA itself and the system that measures it. The definition of ODA has not changed since the 1970s and is urgently in need of reform. **Through this process, governments have a real chance to improve the quality and credibility of development assistance beyond 2015.**

Over the coming months, ONE will be following both processes closely and working hard to ensure that governments take up our recommendations to sustain and improve public finance for development, helping us lay the groundwork for the next – and hopefully, final – chapter in the fight against extreme poverty.

Download ONE's 2014 DATA Report

