



# LUXEMBOURG

**“ Despite the challenges, ODA remains faithful to its commitments and principles ”**

By Cercle de Coopération

## Main trends

In 2022, Luxembourg's ODA amounted to EUR 503.87 million (10.5% more than in 2021) and continued to represent 1% of GNI.

Luxembourg has diversified its cooperation partnership in Africa and Central America. New framework cooperation agreements have been signed with Rwanda, Benin and Costa Rica. Luxembourg continues to meet its commitment to devote at least 0.2% of its GNI to LDCs and more than six of the 10 partner countries are LDCs. 2022 saw an increase in the budget allocated to multilateral organisations, including the signing of a first multi-year framework agreement for the period 2023 - 2025 with UN Women. The Directorate for Development Cooperation has published a new strategy for humanitarian action in 2022. This strategy commits Luxembourg to devoting at least 15% of ODA resources to humanitarian purposes. Humanitarian aid, which is included in bilateral cooperation, accounted for 17.39% of ODA in 2022, an increase of almost 4% compared with 2021.

Luxembourg remains faithful to its commitment to dedicate 1% of its GNI to ODA and focus on key areas such as climate finance and in-donor refugee costs, grant-based ODA, CSO financing and LDC financing). National elections will be held in October 2023, following which we will know ODA commitments will be made and whether Luxembourg will remain a leading donor in Europe in the coming years.

## Government's relationship with civil society

The relations between the Ministry of Foreign and European Affairs (MFEA) and NGOs are open and frank. A working group comprising NGOs and the MFEA meets

Reported ODA: EUR 476 million  
**1%** GNI (↑ from 0.99% in 2021)

Non-inflated ODA: EUR 476 million  
**1%** GNI (↑ from 0.99% in 2021)

Total inflated ODA:  
**not reported**



regularly and provides a forum for discussion. NGOs are invited to table issues on the meeting-agenda. NGOs are consulted when new strategies or tools are devised by the MFEA. However, participation processes could be optimised and information shared in a timely manner in order to allow a more meaningful and substantive NGO participation.

Similarly, the consultation processes for Indicative Cooperation Programmes and country strategies should be more inclusive in the future, so that CSOs from partner countries and Luxembourg NGOs can participate in a constructive manner during the aid programming process.

## The Luxembourg government should:

- **Continue to reflect on the localisation of aid and develop new financial instruments to support the core funding of local CSOs in the Global South, in particular women's rights organisations (WROs).**
- **Open a framework for multi-actor reflection on the financialisation of international development.**
- **Improve the debate and assessment of policy coherence issues within the government and enable greater civil society contribution to current debates; these include the discussion how the Luxembourg financial centre impacts domestic resources mobilisation in Global South countries.**
- **Remain committed to the quantity and quality of ODA under the new government that will be formed after the 2023 national elections.**