

## Methodology note

### **(1) Less than 3% of G7 military spending could end global hunger and help solve debt crisis in Global South**

	USD Bn
G7 GDP, 2023, \$bn	46,800
Spending, 2023, \$bn	19,274
Military, 2023, \$bn	1,232
Hunger and food finance needs	31.7
Share of Debt Cancellation for poorest countries	4
Total Food and Debt	35.7
Hunger, food and debt financing need as a share of G7 /military spending	2.90%

GDP figures [IMF](#)

Military Spending Figures [SIPRI](#)

### **(2) Cost of ending hunger and cancelling share of debts for poorest countries**

Oxfam estimates that the G7's fair share of debt relief efforts for the world's poorest countries is equivalent to \$4 billion. The World Bank and IMF conduct [debt sustainability analyses](#) for 69 countries eligible for concessional loans. Oxfam estimates that \$41 billion in debt relief is needed to bring all countries currently rated "at high risk of debt distress" or "in debt distress" down to a "moderate risk of debt distress". For each country, the sustainability benchmark that demands the most debt relief was chosen, and the debt service benchmarks were converted into debt stock using net present value through 2030 with a 5% discount rate. The analysis excludes Eritrea and Yemen due to a lack of data, as well as Ghana, Sudan and Zambia because they have already been offered debt relief (Sudan is in the framework of the Highly Indebted Poor Countries Initiative, which it has not yet implemented). Of the \$41 billion, \$4 billion is owed to G7 governments. It should be noted that the IMF and World Bank's methodology to assess how much debt countries can take on may be too optimistic, and it is currently under review.

Oxfam has calculated that \$31.7 billion more is needed annually to end global hunger, based on estimates to end acute and chronic hunger, respectively. The estimated \$17.7 billion is based on the 2024 critical funding requirements for food security, nutrition and agriculture in [OCHA's Financial Tracking System](#). Midway through 2024, donors have pledged only \$2.8 billion, leaving a funding gap of \$14.9 billion. According to [CERES2030](#), \$14 billion more was required from donors in 2021 to end chronic hunger. It is likely that this figure has increased, due to conflicts and the intensifying impacts of climate change.

**(3) If a wealth tax was applied on the wealthiest people in G7 countries (2% for those with 5 million USD in wealth, 3% for those with 50 million USD in wealth and 5% for those with \$1 billion in wealth) it would give a total revenue of 1 tn. USD.**

The data source for this calculation is for +5 mio. and +50 mio. from the global Wealth X database.

Wealth-X, a private company producing net-wealth (assets minus liabilities) data for different markets such as research, market analysis and charities. The Wealth-X database contains around 150,000 dossiers on ultra-high-net-worth individuals (people with more than \$30m in net wealth). These individual data are combined with public information from the various countries such as GDP, stock market value, levels of taxation, levels of income, savings, etc. Valuations of shares are based on stock market value, and for unlisted companies (privately owned by individuals or families, etc.), valuations are calculated by comparing them with similar companies (for example, stock market companies with a clear market value).

The model of taxation applied in our analysis is a three-tier model:

1. No net wealth below a threshold of \$5m is taxed. Net wealth from \$5m up to \$50m is taxed at 2%.
2. Net wealth from \$50m up to \$1bn is taxed at 3%.
3. Net wealth of \$1bn and above is taxed at 5%.

This means that in our calculation, we create three different tax bases: one for the 2% tax, one for 3% tax and one for 5% tax, where 2% is the broadest tax base covering most rich individuals, and 5% is the smallest tax base covering only the small number of dollar billionaires. The reason for the three tax bases is to ensure that people are not taxed two or three times on the same money, but only pay tax progressively on their wealth as it goes over the thresholds.

The data for these groups are from December 2023.

For the billionaires, we have used the latest available data from the Forbes Billionaire's List and the Forbes Real-Time Billionaires List which is May 2024.

Using these data, we find that the tax would for the G7 countries alone make a revenue of 1.036 tn. dollars.

**(4) The G7 is home to 1,211 billionaires with a combined wealth of \$8 trillion. Their wealth has grown in real terms by 74 percent over the past ten years.**

According to latest available Forbes list from May 2024, in the G7 countries there are 1,211 billionaires with a combined wealth of 8 tn. USD. Comparing ten years back we have used the yearly Forbes list from 2014 published in March 2014. At that time the total wealth of G7 billionaires was 3.48 tn. USD. To have a real percentage increase we must adjust the 2014 numbers to the current price level. For this we have used the US Consumer Price Index (CPI) for all urban consumers. We find the two points March 2014 and April 2024 which is the latest datapoint in the CPI and find the inflator. In April 2024-prices the 2014 G7 billionaire wealth is 4.62 tn. USD. Based on this we calculate the real percentage increase to be 74.1 %.

**(5) Despite G7 countries owing low- and middle-income countries \$15 trillion in unpaid aid and funding for climate action, they are demanding that Global South pay \$291 million a day in debt repayments and interests.**

***G7 countries owes Global South \$15 trillion for aid debt, loss and damage and adaptation***

**A. \$6.1 trillion in outstanding aid commitments**

The 2023<sup>[1]</sup> and 1970-2022<sup>[2]</sup> aid figures are available on the OECD website. Countries, including the G7, committed to spending 0.7% of GNI on Official Development Assistance (ODA) from 1970. However, Oxfam's calculation shows that the cumulative aid spending from G7 countries between 1970 and 2023 was \$3.8 trillion (constant prices), which is 0.27% of the GNI, leaving a gap of \$6.1 trillion of undisbursed amount.

## **B. Loss and damage: \$8.7 trillion and \$72 billion in unfilled climate finance pledges**

See the methodology<sup>[3]</sup> we used in 2023 in calculating the outstanding amount for loss and damage and unfulfilled climate finance pledges by G7.

Combining the three, the total unpaid debt by G7 countries amounts to \$14.9 trillion.

## **C. G7 countries are demanding that Global South pay \$291 million a day (\$106 billion in 2023) in debt repayments.**

Low- and middle-income countries paid \$106 billion in debt repayments and interests to G7 countries in 2023. This includes payments to G7 governments, private creditors, and payments to the IMF and World Bank (in proportion to G7 countries' shareholdings in these institutions). It also includes payments to bondholders, as nearly all foreign sovereign bonds are contracted in G7 countries, which are responsible for changing their laws to ensure that bondholders participate in debt relief initiatives. Data is from the World Bank's [International Debt Statistics](#).

## **(6) Oxfam's analysis shows that low- and middle-income countries are now spending nearly a third of their budgets on servicing debts —as much as on public education, healthcare and social protection combined.**

According to [Development Finance International](#), low- and middle-income countries are spending 29.5 percent of their budgets on debt repayments, which is as much (98%) as on education, health care and social protection combined.

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<sup>[1]</sup> <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/official-development-assistance.htm>. Aid figure in 2021 constant prices.

<sup>[2]</sup> [https://data-explorer.oecd.org/vis?pg=0&bp=true&snb=10&df\[ds\]=dsDisseminateFinalDMZ&dfid\]=DSD\\_DAC1%40DF\\_DAC1&df\[ag\]=OEC.D.DCD.FSD&df\[vs\]=1.0&pd=1970%2C2022&dq=G7...1140.USD.V.&ly\[rw\]=MEASURE&ly\[cj\]=TIME\\_PERIOD&to\[TIME\\_PERIOD\]=false&lc=en&vw=tb](https://data-explorer.oecd.org/vis?pg=0&bp=true&snb=10&df[ds]=dsDisseminateFinalDMZ&dfid]=DSD_DAC1%40DF_DAC1&df[ag]=OEC.D.DCD.FSD&df[vs]=1.0&pd=1970%2C2022&dq=G7...1140.USD.V.&ly[rw]=MEASURE&ly[cj]=TIME_PERIOD&to[TIME_PERIOD]=false&lc=en&vw=tb)

<sup>[3]</sup> <https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/2023-05/g7%20methodology.pdf>