

2015 Global aid prospects and projections

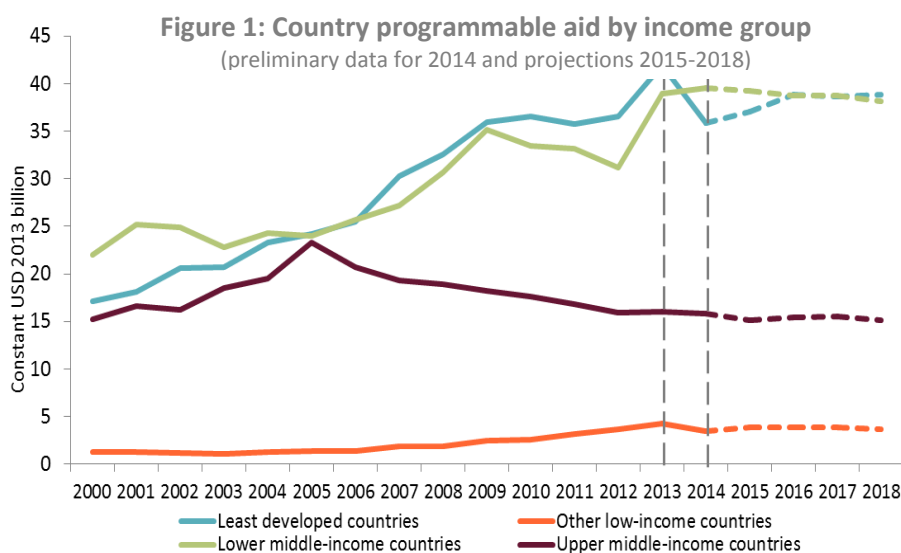
The OECD has completed its eighth, annual survey on Forward Spending Plans, providing a global outlook on aid up to 2018 based on the collective programming of bilateral and multilateral providers of development co-operation.

The survey is the only global process that projects future aid receipts by developing countries. It serves as an important tool for the international community to better assess the prospects in aid provision and fill information gaps on future resource envelopes for individual countries.

ODA remains high in 2014, but aid to the poorest is falling

Global ODA in 2014 nearly matched the all-time high in 2013¹; however, preliminary figures indicate a **decline in programmed aid**, measured by country programmable aid (CPA)². This was mainly due to reduced bilateral CPA and falls in funding provided by vertical funds: CPA from all sources (DAC members, non-DAC providers and multilateral agencies) decreased by 7.0% in real terms to an estimated USD 105.3 billion.

The overall decline in CPA over 2014 was driven by a significant drop-off in aid to top recipient countries such as Afghanistan, Kenya, Myanmar and Tanzania, resulting in a fall of USD 6.8 billion (15%) for least developed countries (LDCs) and other low-income countries (Other LICs). By contrast, CPA to lower middle-income countries (LMICs) rose by USD 500 million (1.3%), mainly thanks to an increase in concessional loans to countries in Asia and Eastern Europe. Programmed aid to upper middle-income countries (UMICs) dropped by USD 250 million (1.5%), but with large fluctuations across countries.



Multilateral agencies step up their efforts in 2015

In 2015, CPA is projected to increase by USD 2.7 billion on the strength of larger disbursements by multilateral agencies due to recent replenishments. **LDCs and other LICs will benefit most from this increase**, with aid levels

¹ <http://www.oecd.org/development/development-aid-stable-in-2014-but-flows-to-poorest-countries-still-falling.htm>

² Country programmable aid (CPA), also known as "core" aid, is the portion of aid bilateral and multilateral providers can programme for individual countries, and over which partner countries could have a significant say. CPA projections are relatively good predictors for future ODA; over the past seven years, DAC members' CPA has fluctuated between 52% and 57% of total gross bilateral ODA.

Read more on CPA at: <http://www.oecd.org/dac/financing-sustainable-development/cpa.htm>

expected to grow by 5.7% in real terms. Overall CPA to LMICs is projected to remain stable in 2015, signalling that allocation of concessional finance to this group of countries is safeguarded. In the case of the UMICs, overall CPA levels are expected to fall by 4.4%, mostly to higher income countries.

On a geographical basis, **CPA to sub-Saharan Africa and South and Central Asia is projected to grow more than elsewhere** in 2015. CPA to sub-Saharan Africa is foreseen to grow by 5.8% thanks to a rise in concessional lending. In South and Central Asia, increased aid flows to large LDCs (such as Afghanistan, Bangladesh and Myanmar) will account for most of the projected 6.6% increase to this region. CPA to Europe and the Americas is expected to fall due to less concessional loans to populous countries (such as Brazil, Mexico and Turkey).

Table 1: Country programmable aid by region*

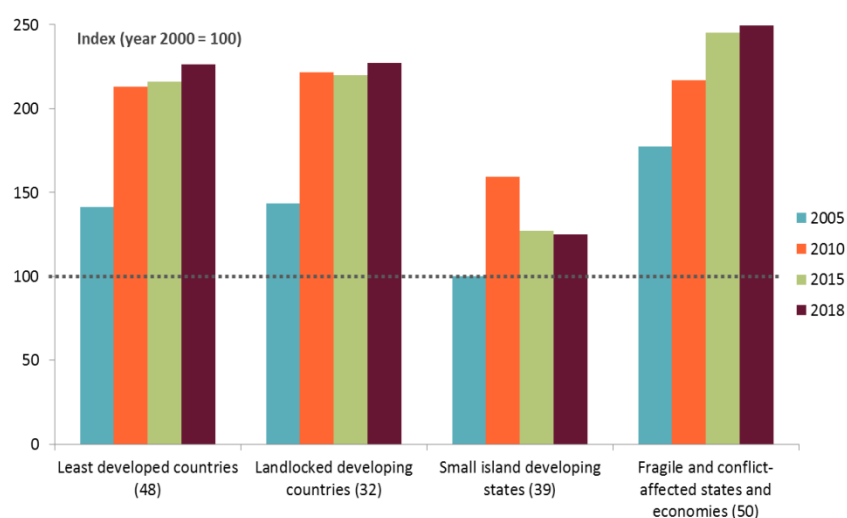
Region	Preliminary 2014	Projected			
		2015	2016	2017	2018
2013 USD million					
Europe	5 558	4 516	4 737	4 815	4 663
Africa	45 952	47 078	48 253	47 922	47 613
North of Sahara	7 661	7 281	7 440	7 509	7 481
South of Sahara	36 492	37 983	38 957	38 560	38 307
Africa, regional/multi-country	1 798	1 814	1 855	1 853	1 825
America	8 683	7 928	8 107	8 048	7 849
North and Central America	4 177	3 901	3 968	3 950	3 862
South America	4 144	3 580	3 674	3 638	3 528
America, regional/multi-country	362	447	466	460	459
Asia	43 331	44 903	45 356	45 690	45 389
Middle East	9 972	10 205	10 022	10 107	10 098
South and Central Asia	21 051	22 284	22 692	22 798	22 622
Far and East Asia	11 524	11 462	11 645	11 770	11 623
Asia, regional/multi-country	784	952	995	1 015	1 047
Oceania	1 820	1 883	1 913	1 935	1 964
All developing countries	105 343	106 307	108 366	108 411	107 479
Thematic to be programmed	-	1 721	1 770	1 800	1 534
Grand Total	105 343	108 028	110 136	110 211	109 013

* Note that regional CPA for IMF is only included in the table for 2014. These amounts have therefore been excluded when calculating the regional growth projections.

Positive outlook for LDCs, but a worrying trend for SIDS

Global CPA is projected to remain stable up to 2018 with a **continued upward trajectory for the LDCs**, reflecting the December 2014 decision by DAC ministers to allocate more of total ODA to countries most in need. Two thirds of the LDCs will see a rise in CPA (with significant increases to Ebola-affected countries such as Guinea, to small island developing states (SIDS) such as Comoros, Sao Tomé and Principe and Vanuatu and to populous LDCs such as Bangladesh, Ethiopia and Myanmar).

Aid to other vulnerable groups of countries is expected to continue to increase, with the exception of SIDS. Contrary to other groups of countries, **SIDS have experienced a reduction in aid** since 2010 and the projections suggest a continued



stagnation of aid to these countries up to 2018. This trend **will require special attention considering SIDS' structural vulnerability and high exposure to global environmental challenges and economic shocks.**

For more information and detailed survey data on donors' latest spending plans disaggregated by country and donor participating in data disclosure policy, see www.oecd.org/dac/financing-sustainable-development/global-aid-prospects-and-projections.htm