AID TARGETS SLIPPING OUT OF REACH?

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Overview

Aid continued to increase in 2007, once exceptional debt relief is excluded from the figures. But the increase was only 2% on 2006. This is much too slow if donors are to meet their commitments to increase aid by 2010. In particular, most G8 countries will need to rapidly expand their aid if they are to meet the commitments they undertook at the Gleneagles summit in 2005.

The current financial crisis will increase pressure on donor aid budgets. But to avoid further harming the countries that have already suffered most from soaring food and oil prices, the OECD is urging governments to take an Aid Pledge to stick by their existing aid commitments.

Total ODA in 2007

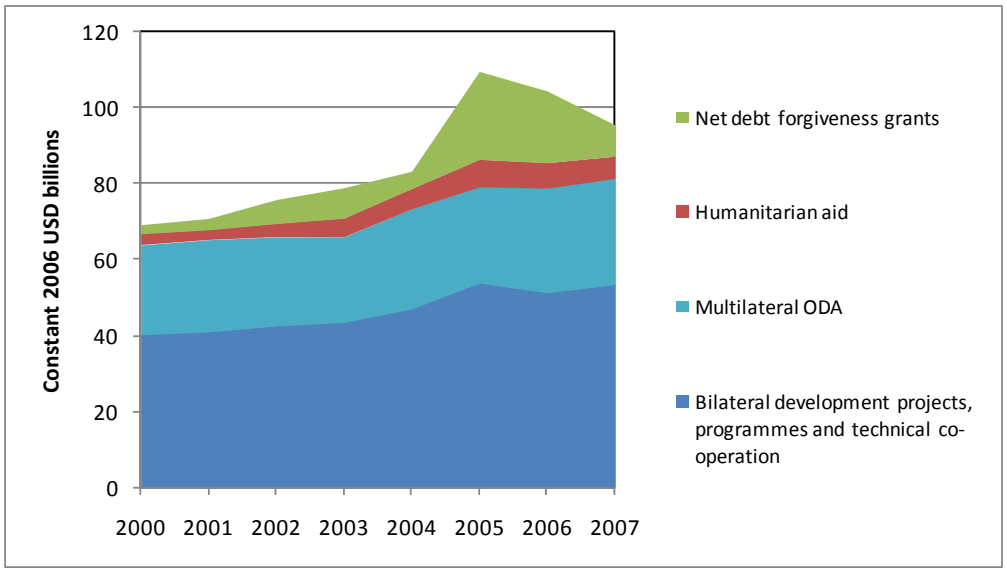
Final data from members of the Development Assistance Committee (DAC) show that total net official development assistance (ODA) was USD 103.5 billion in 2007. This represents a drop from 0.31% of their combined gross national income in 2006 to 0.28% in 2007, or a fall of 8.5% in real terms.

ODA had been exceptionally high in 2005 (USD 107.1 billion) and 2006 (USD 104.4 billion), due to large Paris Club debt relief operations for Iraq and Nigeria. Debt relief diminished in 2007 to USD 9 billion as the Paris Club operations tapered off.

Excluding debt relief grants, DAC members' net ODA rose slightly by 2%. This is a truer reflection of the underlying trend in aid flows.

Figure 1 shows the impact of debt relief on net ODA in 2005 and 2006. It also shows a small increase in humanitarian aid in 2005 as special assistance was provided in the wake of the Indian Ocean tsunami and earthquake in Pakistan. Bilateral development projects and programmes dipped slightly in 2006 but are on the rise again in 2007, indicating that donors are gradually scaling up their core aid programmes.

Figure 1: Components of DAC Donors' Net ODA



Donor Performance

The largest donors in 2007, by volume, were the United States, followed by Germany, France, the United Kingdom and Japan. Five countries exceeded the United Nations target of 0.7% of GNI: Denmark, Luxembourg, the Netherlands, Norway and Sweden (see Annex A, Table 1 and Chart 1).

In 2007, net ODA by the **United States** was USD 21.8 billion, representing a fall of 9.8 % in real terms. Its ODA/GNI ratio fell to 0.16%. This fall was mostly due to debt relief, which was high in 2006, and a reduction in ODA to Iraq. Excluding debt relief grants, there was an increase in ODA to sub-Saharan Africa (+6.5% in real terms to USD 4.5 billion) and the Least Developed Countries (+4% to USD 4.8 billion). ODA to Afghanistan increased (+5% to USD 1.5 billion) and remained important to Iraq despite a fall in real terms (-24% to USD 3.7 billion).

Japan's net ODA was USD 7.7 billion, representing 0.17% of GNI. The 29.8% fall in real terms was in part due to a decrease in debt relief operations, which were exceptionally high in 2005 and 2006, and to a decrease in contributions to international financial institutions. Japan's ODA has been on a downward trend since 2000, except for an increase in 2005 and 2006 due to debt relief.

The combined ODA of the fifteen members of the DAC that are **EU members** – which represents nearly 60% of all DAC ODA - fell by 6.6% in real terms to USD 61.5 billion, representing 0.39% of their combined GNI. Again, the fall was mainly due to a decrease in debt relief grants. Excluding these, net ODA from DAC EU members rose by 7.7%.

Aid rose in real terms in ten DAC EU countries as follows:

- Germany (+6.1%), reflecting an increase in bilateral aid and contributions to international organisations;
- Ireland (+4.8%), raising its ODA/GNI ratio to 0.55% in the context of an increase in Irish GNI;
- Luxembourg (+15.0%), due to the general scaling up of its aid;
- Spain (+19.7%), mainly due to a rise in its multilateral contributions, within a planned process of sustained scaling-up of its aid;
- Austria (+8.3%), Denmark (+2.9%), Finland (+6.4%), Greece (+5.3%), the Netherlands (+3.2%), and Portugal (+5.9%) also increased their aid.

Aid from other DAC EU countries fell in real terms, due mainly to decreased debt relief: Belgium (-11.2%), France (-16.4%), Italy (-2.6%), Sweden (-2.5%) and the United Kingdom (-29.6%). Excluding debt relief (see Annex A, Table 1a), aid rose in these countries with the exception of the United Kingdom, where net ODA decreased slightly due to sales of equity investments.

Net ODA by the **European Commission** rose by 3.1% to USD 11.8 billion mainly due to increased programme and project aid. Humanitarian aid also increased, and the EC's disbursement capacity continued to improve.

ODA from **other DAC countries** rose or fell from 2006 to 2007 as follows:

- Australia (+9.1%) as bilateral ODA increased;
- Canada (+1.2%);
- New Zealand (+5.1%);
- Norway (+13.4%), in large part due to increased equity investment;
- Switzerland (-2.5%), due to a lower volume of debt relief.

On a gross basis (i.e. without deducting loan repayments), ODA was USD 116.3 billion, with the United States (USD 22.7 billion), Germany (USD 13.7 billion), Japan (USD 13.6 billion), the United Kingdom (USD 11.6 billion) and France (USD 11.5 billion) accounting for 63% of the total (see Annex A, Table 2). Loan repayments exceeded new loan disbursements by USD 1.5 billion.

The largest of the **non-DAC donors** was Saudi Arabia, providing USD 2.1 billion (-8.5%); however, figures were not available for China or India. The following non-DAC OECD countries reported changes in net ODA as follows:

- Czech Republic (-3.5%);
- Hungary (-42.9%) after high debt relief levels in 2006 for Iraq;
- Iceland (+0.4%);
- Korea (+48.6%), as contributions to international organisations rose;
- Poland (+5.2%);
- Slovak Republic (+0.1%);
- Turkey (-29.8%) due to lower levels of humanitarian aid and debt relief in 2007.

Table 3 in Annex A provides further details on expenditures by non-DAC donors.

ODA Flows by Recipient

The largest recipient of net bilateral ODA in 2007 was **Iraq**, which received USD 9 billion, of which USD 4.8 billion were net debt forgiveness grants. **Afghanistan** was the next largest recipient receiving USD 3 billion, followed by Tanzania (USD 1.8 billion), Cameroon and Sudan (USD 1.7 billion each).

Aid is increasingly poverty-focussed. Total net ODA to the **Least Developed Countries** (LDCs) has nearly doubled in real terms over the last 10 years, to reach USD 32.5 billion in 2007, representing about a third of total aid (see Annex A, Chart 2).

Africa

In 2007, net ODA to **Africa** amounted to USD 38.7 billion, representing 37% of total aid. This corresponds to a fall of 18% in real terms, mostly due to exceptional debt relief especially for Nigeria in 2006. If debt relief grants are excluded, then **ODA to Africa rose by 12% in real terms**.

Net ODA to **sub-Saharan Africa** was USD 34.2 billion, of which USD 21.5 billion was bilateral aid from DAC donors. In 2007, debt relief grants returned to their levels prior to 2005. Excluding debt relief grants, aid to the region increased by 11% in 2007.

The Gleneagles G8 summit in 2005 estimated that donors' total commitments would amount to an "increase in official development assistance to Africa of USD 25 billion a year by 2010, more than doubling aid to Africa compared to 2004."

Final figures on ODA to Africa in 2004 were not known at the time of Gleneagles. The final total was in fact USD 29.5 billion. International organisations are interpreting the Gleneagles estimate as implying an increase in ODA of USD 25 billion at 2004 prices and exchange rates, so that for the promise to be fulfilled, ODA to Africa would need to be at least $54.5 billion in 2010, at 2004 prices and exchange rates. To achieve this target, donors will need to boost their aid to Africa between 2007 and 2010 by over 17% annually (see Annex A, Chart 5).

Fragile states

Fragile states are a group of 38 countries[1] affected by conflict or burdened with a legacy of weak governance. They are home to one third of all people surviving on less than one dollar per day, and to half of the children who die before their fifth birthday. They also represent a group of countries where the Millennium Development Goals (MDGs) are hardest to attain.

Excluding debt relief, net ODA disbursements to fragile states have risen steadily since 2000 (see Annex A, Charts 3 and 4). However, only five countries – Afghanistan, Cameroon, Democratic Republic of Congo, Nigeria and Sudan – have received more than half of total ODA to the group in recent years (with a peak in 2006 -- 74% -- due mainly to debt relief for Nigeria). Most of this aid is provided in the form of debt relief or humanitarian relief, leaving some countries marginalised and with limited programmable aid.

The DAC Principles for Good International Engagement in Fragile States and Situations focus on state building as the central objective. Aid for government and civil society (which includes aid for peace, security conflict prevention and resolution) has increased by over 155% in real terms between 2000/01 and 2005/06.

Performance versus commitments

At the time of the Gleneagles G8 and UN Millennium +5 summits in 2005, donors committed to increase their aid. These commitments, as projected by the DAC in its simulation model, would raise ODA by USD 50 billion in 2010 compared with 2004 (at 2004 prices and exchange rates). Chart 5 in Annex A shows ODA levels since 1990 and the increase that needs to be achieved to attain the projected 2010 levels. Excluding debt relief and humanitarian aid, which are expected to return to their historical levels by 2010, the annual growth required to reach the projected level is 11%.

In particular, at the Gleneagles G8 Summit, donors made specific individual commitments. Annex B presents key statements made by each DAC donor at the G8 Summit and indicates the trajectories now needed to attain the levels promised. Several G8 countries need sharp increases in their aid to meet their commitments.

A recent OECD survey[2] of donors' forward spending plans showed that donors have already programmed additional USD 17 billion by 2010 compared to 2004 levels at country or regional levels. Record replenishments of IDA and the African and Asian Development Banks will add about another USD 4 billion to this figure in 2010. Thus, about USD 21 billion of the USD 50 billion promised by 2010 has already been delivered or is being planned for. **This leaves nearly an additional USD 30 billion in 2004 dollars — about USD 34 billion in 2007 dollars — to be programmed into donors' aid budgets if their aid commitments for 2010 are to be realised.**

Aid pledge

With the current financial crisis, and economic slowdown in most donor countries, there is a general fear that aid budgets will be cut as happened after the recession in the early 1990s.

[1] For a list of fragile states, see bottom of Chart 4 in Annex A.
2 www.oecd.org/dac/scalingup

Between 1992 and 1997, ODA from DAC donors fell from 0.33% to 0.22% of gross national income. The fall was smaller in volume, representing about 20% in real terms, because growth resumed over this period.

The OECD's Secretary General, Angel Gurría, and the Chair of the DAC, Eckhard Deutscher, have issued a statement[3] calling upon the world's major donor countries to stand by their development pledges in order to prevent the "financial crisis from generating an aid crisis", which would have a serious impact on developing countries already struggling with global food crisis and rising oil prices. The "Aid Pledge" (based on the "OECD Trade Pledge" in the mid-1970s, which helped maintain an open trading system after the first oil-price shock), urges DAC members to "reaffirm their aid commitments and refrain from any budgetary action that is inconsistent with such commitments." The Follow-up Conference on Financing for Development to be held in Doha from 29 November should clarify donors' future intentions in regard to aid volume.

The full data supplied by DAC members on their 2007 aid flows are available free on-line at:
www.oecd.org/dac/stats/idsonline

[3] See http://www.oecd.org/document/2/0,3343,en_2649_201185_41601282_1_1_1_1,00.html

ANNEX A:

Aid performance in 2007 and recent years

Table 1. DAC Members' Net Official Development Assistance in 2007

	2007		2006		2007	
	ODA USD million current	ODA/GNI %	ODA USD million current	ODA/GNI %	ODA USD million (1) At 2006 prices and exchange rates	Percent change 2006 to 2007 (1)
Australia	**2 669**	**0.32**	2 123	0.30	2 317	9.1
Austria	**1 808**	**0.50**	1 498	0.47	1 622	8.3
Belgium	**1 953**	**0.43**	1 978	0.50	1 756	-11.2
Canada	**4 080**	**0.29**	3 684	0.29	3 729	1.2
Denmark	**2 562**	**0.81**	2 236	0.80	2 301	2.9
Finland	**981**	**0.39**	834	0.40	887	6.4
France	**9 884**	**0.38**	10 601	0.47	8 867	-16.4
Germany	**12 291**	**0.37**	10 435	0.36	11 069	6.1
Greece	**501**	**0.16**	424	0.17	446	5.3
Ireland	**1 192**	**0.55**	1 022	0.54	1 070	4.8
Italy	**3 971**	**0.19**	3 641	0.20	3 547	-2.6
Japan	**7 679**	**0.17**	11 136	0.25	7 812	-29.8
Luxembourg	**376**	**0.91**	291	0.90	334	15.0
Netherlands	**6 224**	**0.81**	5 452	0.81	5 629	3.2
New Zealand	**320**	**0.27**	259	0.27	272	5.1
Norway	**3 728**	**0.95**	2 954	0.89	3 350	13.4
Portugal	**471**	**0.22**	396	0.21	420	5.9
Spain	**5 140**	**0.37**	3 814	0.32	4 566	19.7
Sweden	**4 339**	**0.93**	3 955	1.02	3 857	-2.5
Switzerland	**1 689**	**0.37**	1 646	0.39	1 605	-2.5
United Kingdom	**9 849**	**0.36**	12 459	0.51	8 774	-29.6
United States	**21 787**	**0.16**	23 532	0.18	21 231	-9.8
TOTAL DAC	**103 491**	**0.28**	104 370	0.31	95 462	-8.5
Average Country Effort		**0.45**		0.46		
Memo Items:						
EC	11 774		10 245		10 559	3.1
DAC-EU countries	61 540	0.39	59 035	0.43	55 147	-6.6
G7 countries	69 539	0.23	75 487	0.27	65 029	-13.9
Non-G7 countries	33 952	0.51	28 882	0.51	30 433	5.4
Non-DAC OECD Countries						
Czech Republic	179	0.11	161	0.12	155	-3.5
Hungary	103	0.08	149	0.13	85	-42.9
Iceland	48	0.27	41	0.27	42	0.4
Korea	699	0.07	455	0.05	677	48.6
Poland	363	0.09	297	0.09	312	5.2
Slovak Republic	67	0.09	55	0.10	55	0.1
Turkey	602	0.09	714	0.18	502	-29.8

(1) Taking account of both inflation and exchange rate movements.

Note: The data are standardised on a calendar year basis for all donors, and so may differ from fiscal year data available in countries' budget documents.

Source: OECD, 10 November 2008.

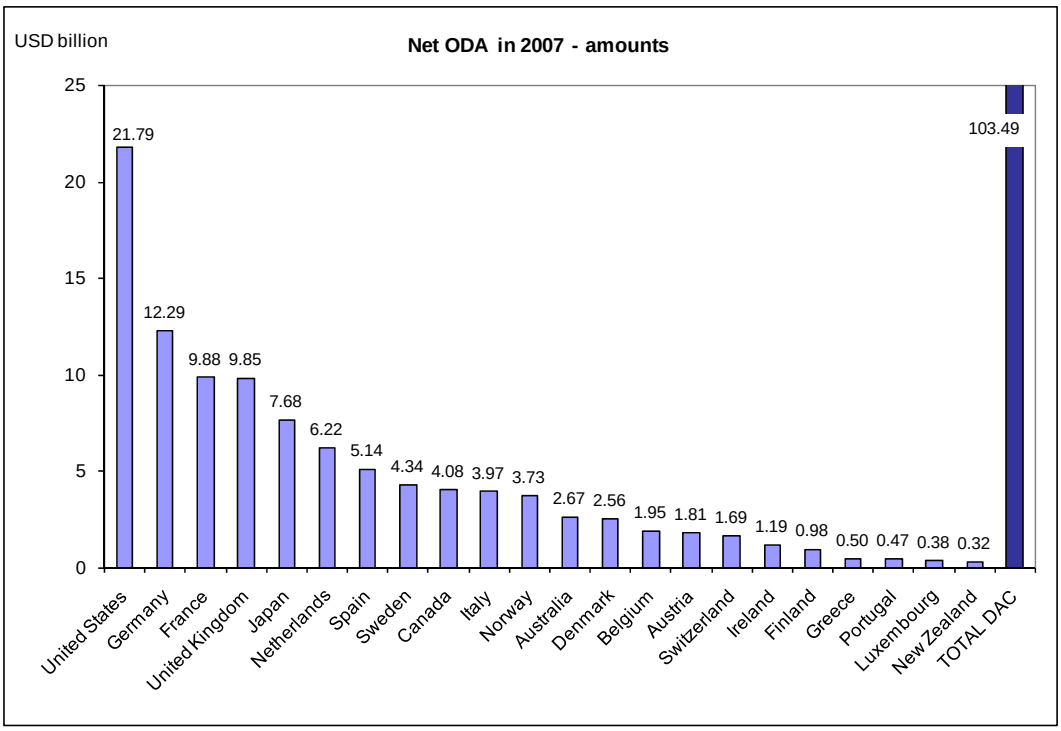
Table 1a. Share of Debt Relief Grants in DAC Members' Net Official Development Assistance

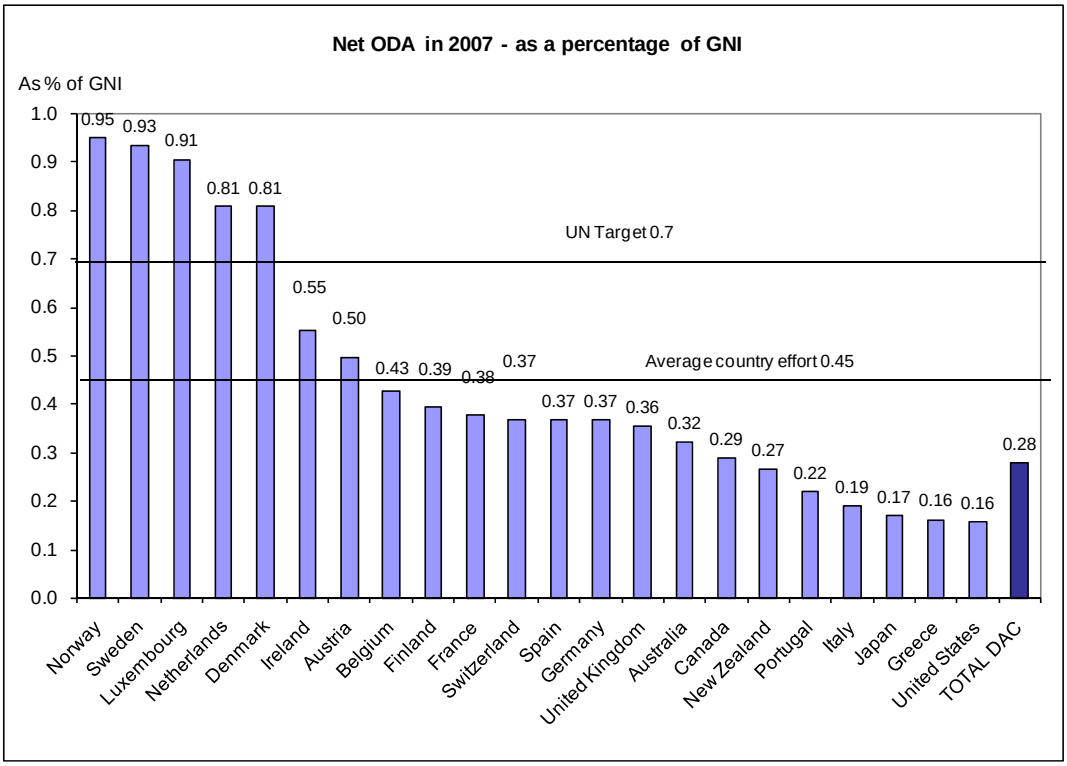
	2007		
	ODA USD million current	**of which: Debt relief grants**	**Percent change 2006 to 2007 [a] Without debt relief grants**
Australia	2 669	292	11.8
Austria	1 808	925	6.9
Belgium	1 953	185	0.5
Canada	4 080	15	8.5
Denmark	2 562	123	3.2
Finland	981	-	6.4
France	9 884	1 485	5.1
Germany	12 291	2 867	10.0
Greece	501	-	5.3
Ireland	1 192	-	4.8
Italy	3 971	570	48.5
Japan	7 679	1 576	-23.7
Luxembourg	376	-	15.0
Netherlands	6 224	392	2.6
New Zealand	320	-	5.1
Norway	3 728	61	12.4
Portugal	471	1	5.9
Spain	5 140	243	31.4
Sweden	4 339	74	3.5
Switzerland	1 689	64	-0.3
United Kingdom	9 849	70	-2.7
United States	21 787	40	-3.4
TOTAL DAC	**103 491**	**8 983**	**2.0**
Memo Items:			
EC	11 774	-	3.1
DAC-EU countries	61 540	6 934	7.7
G7 countries	69 539	6 623	-0.8
Non-G7 countries	33 952	2 360	8.5

a) Taking account of both inflation and exchange rate movements.

Source: OECD, 10 November 2008.

Chart 1. DAC Members' Net Official Development Assistance in 2007





Source: OECD, 10 November 2008.

Table 2. DAC Members' Gross Official Development Assistance in 2007

	2007 ODA USD million current	2006 ODA USD million current	2007 ODA USD million (1)	Percent change 2006 to 2007 (1)
			At 2006 prices and exchange rates	
Australia	**2 669**	**2 123**	2 317	9.1
Austria	**1 837**	**1 510**	1 648	9.1
Belgium	**2 032**	**2 047**	1 828	-10.7
Canada	**4 119**	**3 730**	3 766	1.0
Denmark	**2 666**	**2 315**	2 394	3.4
Finland	**981**	**838**	887	5.9
France	**11 498**	**12 764**	10 315	-19.2
Germany	**13 687**	**12 049**	12 326	2.3
Greece	**501**	**424**	446	5.3
Ireland	**1 192**	**1 022**	1 070	4.8
Italy	**4 290**	**4 003**	3 832	-4.3
Japan	**13 566**	**17 064**	13 801	-19.1
Luxembourg	**376**	**291**	334	15.0
Netherlands	**6 620**	**5 889**	5 986	1.7
New Zealand	**320**	**259**	272	5.1
Norway	**3 728**	**2 954**	3 350	13.4
Portugal	**477**	**402**	425	5.7
Spain	**5 442**	**4 160**	4 834	16.2
Sweden	**4 339**	**3 955**	3 857	-2.5
Switzerland	**1 696**	**1 657**	1 611	-2.8
United Kingdom	**11 621**	**13 075**	10 354	-20.8
United States	**22 691**	**24 532**	22 111	-9.9
TOTAL DAC	**116 346**	**117 061**	107 766	-7.9
Memo Items:				
EC	12 225	10 678	10 963	2.7
DAC-EU countries	67 558	64 743	60 538	-6.5
G7 countries	81 472	87 216	76 505	-12.3
Non-G7 countries	34 874	29 845	31 261	4.7

(1) Taking account of both inflation and exchange rate movements.

Source: OECD, 10 November 2008.

Table 3. Total Net ODA from non-DAC Donors (USD million)

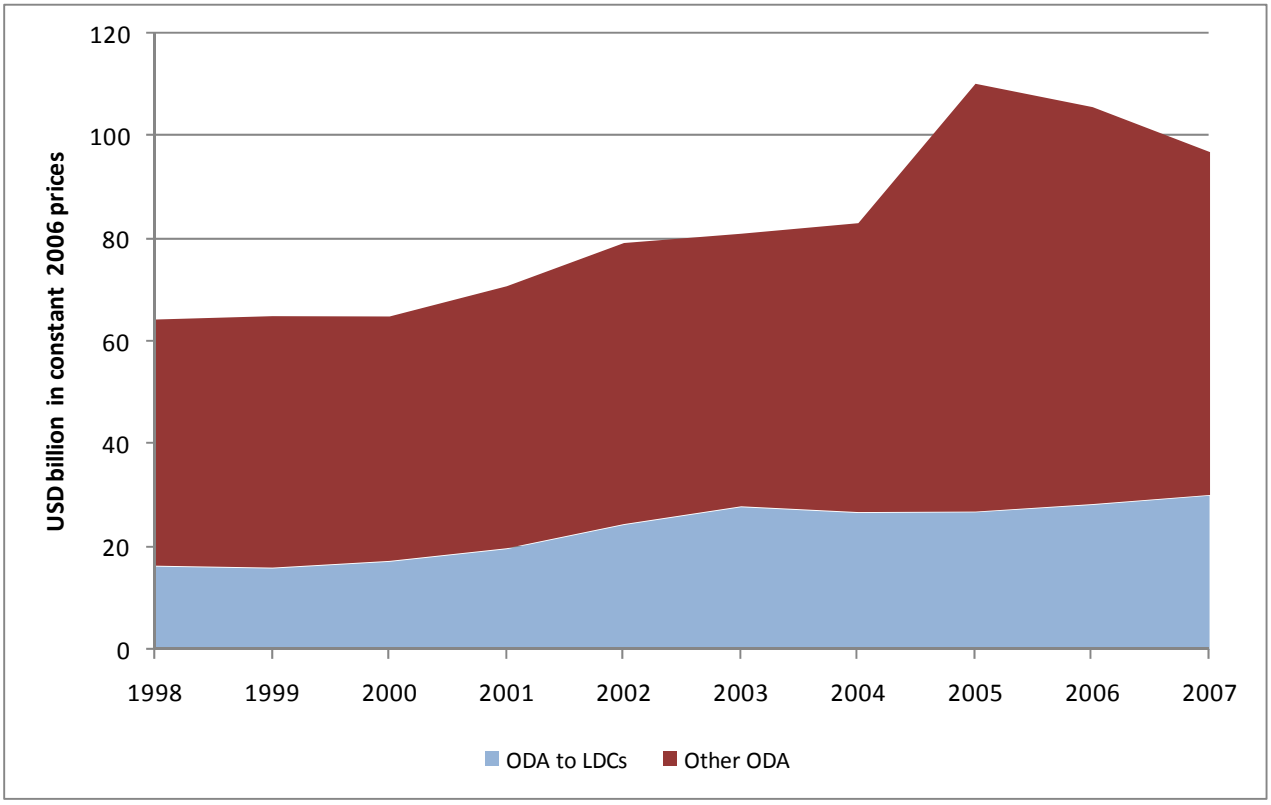
	2003	2004	2005	2006	2007	*Memo* : 2007 ODA/GNI (%)
OECD Non-DAC						
Czech Republic	91	108	135	161	179	0.11
Hungary	21	70	100	149	103	0.08
Iceland	18	21	27	41	48	0.27
Korea	366	423	752	455	699	0.07
Poland	27	118	205	297	363	0.09
Slovak Republic	15	28	56	55	67	0.09
Turkey	67	339	601	714	602	0.09
Arab countries						
Kuwait	138	161	218	158	110	
Saudi Arabia	2 391	1 734	1 005	2 095	2 079	
United Arab Emirates	188	181	141	249	429	
Other donors						
Chinese Taipei	..	421	483	513	514	0.13
Israel [a]	112	84	95	90	111	0.07
Other donors	4	22	86	195	255	..
TOTAL	**3 436**	**3 712**	**3 905**	**5 172**	**5 560**	**..**

a) These figures include USD 68.8 million in 2003, USD 47.9 million in 2004, USD 49.2 million in 2005, USD 45.5 million in 2006 and USD 42.9 million in 2007 for first year sustenance expenses for persons arriving from developing countries (many of which are experiencing civil war or severe unrest), or individuals who have left due to humanitarian or political reasons.

Note: The above table does not reflect aid provided by several major emerging non-OECD donors, as information on their aid has not been disclosed.

Source: OECD, 10 November 2008.

Chart 2. Share of Least Developed Countries in Total Net ODA Receipts from all Sources



Source: OECD, 10 November 2008.

Chart 3. Net ODA Disbursements from All Donors to Fragile States
Constant 2006 USD billions

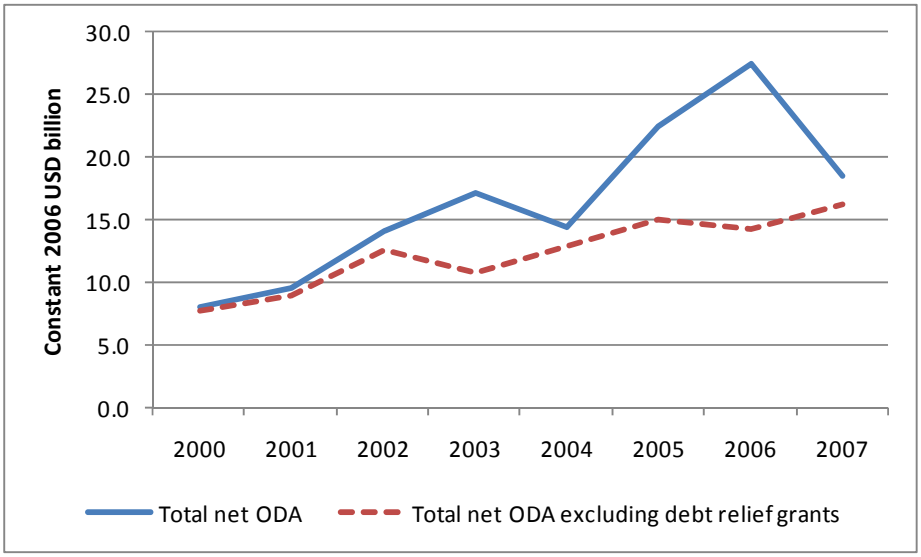
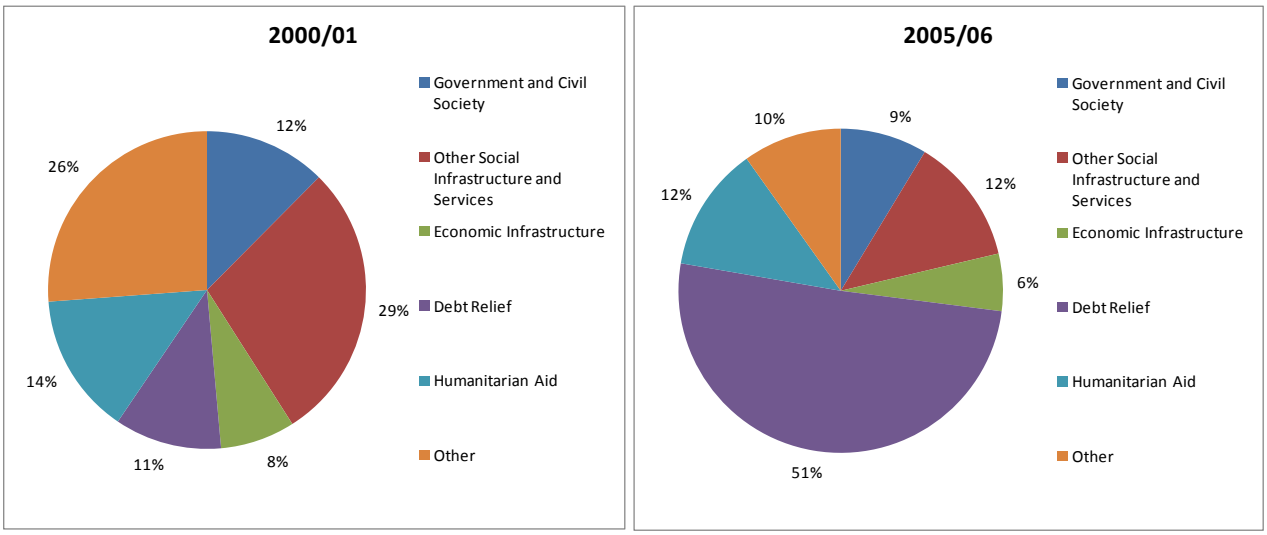


Chart 4. Bilateral ODA Commitments to Fragile States by Sector



The 38 fragile states are: Afghanistan, Angola, Burundi, Cambodia, Cameroon, Central African Rep., Chad, Comoros, Congo, Dem. Rep., Congo, Rep., Cote d'Ivoire, Djibouti, Eritrea, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Liberia, Mauritania, Myanmar, Niger, Nigeria, Papua New Guinea, Sao Tome & Principe, Sierra Leone, Solomon Islands, Somalia, Sudan, Tajikistan, Timor-Leste, Togo, Tonga, Uzbekistan, Vanuatu, Yemen, Zimbabwe.

Source: OECD, 10 November 2008.

Table 4.

OECD-DAC Secretariat Simulation of DAC Members' Net ODA Volumes in 2007 and 2010

In constant 2007 USD million

The data below are not forecasts, but Secretariat projections based on public announcements by member countries of the OECD's Development Assistance Committee (DAC). The key figures from such announcements are shown as "Assumptions". To calculate net ODA and ODA/GNI ratios requires projections for GNI for 2010. For 2008 and 2009 the projections of real growth for each country are taken from the OECD Economic Outlook No. 83 (June 2008) Annex Table 1. For 2010, real annual GNI growth of 2% is assumed for all countries. While calculations have been discussed at technical level with national authorities, the **DAC Secretariat is responsible for the methodology and the final published results.**

12 November 2008

	2007		Assumptions	2010			
						Real change in ODA compared with 2007	
Country	**Net ODA (2007 USDm)**	**ODA/GNI**		**Net ODA (2007 USDm)**	**ODA/GNI**	**(2007 USDm)**	**Per cent**
Austria	1 808	0.50%	0.51% in 2010	1 965	0.51%	156	9%
Belgium	1 953	0.43%	0.7% in 2010	3 383	0.70%	1 430	73%
Denmark [1]	2 562	0.81%	Minimum 0.8%	2 636	0.80%	73	3%
Finland	981	0.39%	0.51% in 2010	1 363	0.51%	381	39%
France	9 884	0.38%	0.51% in 2010 and 0.7% in 2015	13 989	0.51%	4 105	42%
Germany	12 291	0.37%	0.51% in 2010	17 948	0.51%	5 657	46%
Greece [2]	501	0.16%	0.35% in 2010	1 178	0.35%	678	135%
Ireland	1 192	0.55%	0.6% in 2010 and 0.7% in 2012	1 388	0.60%	195	16%
Italy	3 971	0.19%	0.51% in 2010	11 030	0.51%	7 059	178%
Luxembourg	376	0.91%	0.93% in 2010 and 1% in following years	421	0.93%	45	12%
Netherlands	6 224	0.81%	Minimum 0.8%	6 550	0.80%	325	5%
Portugal	471	0.22%	0.51% in 2010	1 153	0.51%	682	145%
Spain [3]	5 140	0.37%	0.5% in 2008, 0.56% in 2010 and 0.7% in 2012	8 212	0.56%	3 072	60%
Sweden	4 339	0.93%	1%	4 936	1.00%	597	14%
United Kingdom [4]	9 849	0.36%	0.56% in 2010-11 and 0.7% in 2013	16 345	0.56%	6 497	66%
DAC EU Members, Total	**61 540**	**0.39%**		**92 495**	**0.56%**	**30 955**	**50%**
Australia [5]	2 669	0.32%	See footnote 5	3 224	0.36%	556	21%
Canada [6]	4 080	0.29%	See footnote 6	4 473	0.30%	394	10%
Japan [7]	7 679	0.17%	See footnote 7	9 015	0.19%	1 336	17%
New Zealand [8]	320	0.27%	See footnote 8	418	0.33%	98	31%
Norway	3 728	0.95%	1% over 2006-09	4 178	1.00%	450	12%
Switzerland [9]	1 689	0.37%	See footnote 9	1 940	0.40%	251	15%
United States [10]	21 787	0.16%	See footnote 10	26 998	0.19%	5 211	24%
DAC Members, Total	**103 491**	**0.28%**		**142 742**	**0.36%**	**39 250**	**38%**

[1] Over the coming years, the Danish government will strive to increase ODA as a percent of GNI from the current level of 0.8%.

[2] Due to budgetary constraints, Greece has deferred its EU ODA target of 0.51% to 2012. Greece estimates it will reach an ODA/GNI ratio of 0.35% in 2010.

[3] Spain is aiming for a minimum of 0.5% by 2008 with the intention then to aim for 0.7% by 2012. Spain estimates its ODA/GNI ratio will be 0.56% in 2010.

[4] The United Kingdom has announced 0.56% in 2010-11 and 0.7% by 2013.

[5] Australia expects to continue increasing its ODA. Australia has announced it intends to reach an ODA/GNI target of 0.5% by 2015-16 and in May 2008 the Australian Government announced interim targets of 0.35% in 2009-10, 0.37% in 2010-11 and 0.38% in 2011-12. The figure here is discounted by 2.5% per annum for inflation.

[6] Canada intends to double its 2001 International Assistance Envelope (IAE) level by 2010 in nominal terms. The Canadian authorities estimate ODA (composed in large part from the IAE) will be 5.1 billion Canadian dollars in 2010. The ODA figure shown here is adjusted for 2 per cent annual inflation and converted to USD at the 2007 exchange rate.

[7] Japan intends to increase its ODA by USD 10 billion in aggregate over the five years 2005-2009 compared to 2004. The Secretariat's estimate assumes USD 1.17 billion extra in 2010, compared to 2004, no adjustment being made for inflation.

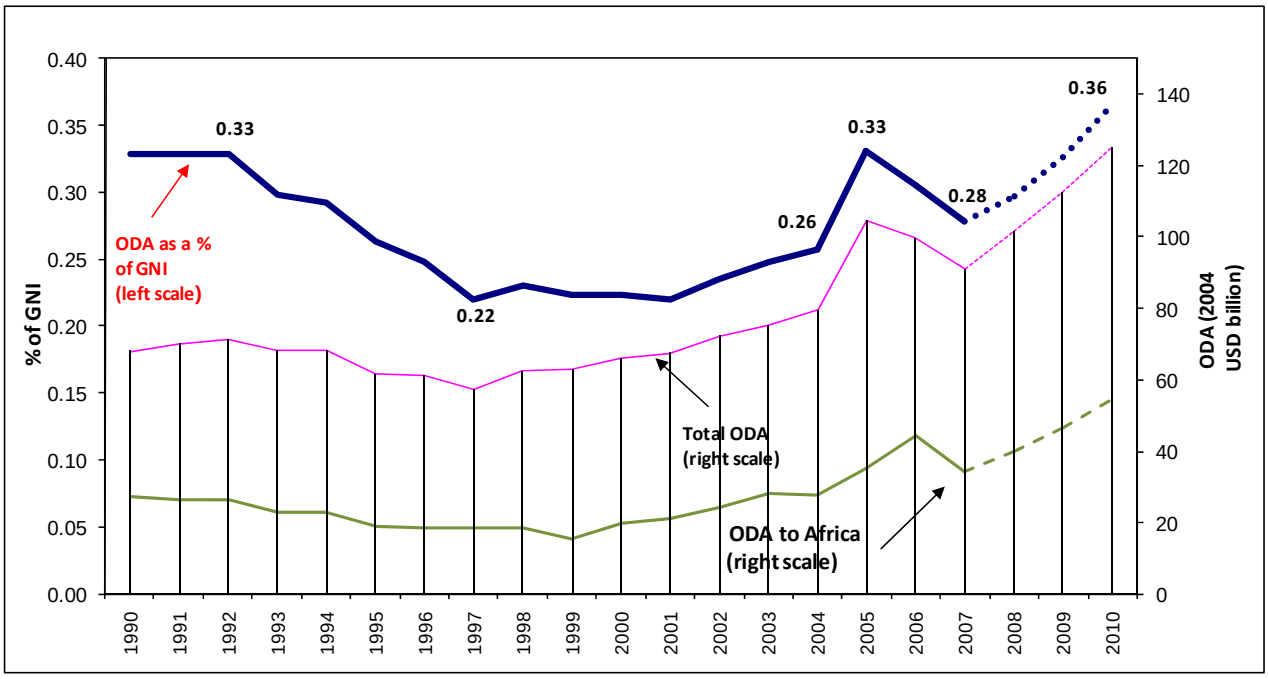
[8] New Zealand has announced commitments of 0.30% in 2007-08 and 2008-09, 0.32% in 2009-10 and 0.35% in 2010-11 on a fiscal year basis. This is translated into a commitment of 0.33% in 2010 on a calendar year basis.

[9] According to the current financial projections, 0.4% will be reached by Switzerland by 2010. A new commitment will be defined by Parliament in December 2008.

[10] The United States does not issue or approve forecasts on projected ODA. The amount shown here is purely a Secretariat estimate. It is based on 2004 ODA plus USD 5 billion nominal per annum to cover the Gleneagles G8 commitments on increased aid to sub-Saharan Africa, Millennium Challenge Account, and initiatives on HIV/AIDS, malaria and humanitarian aid.

Source: OECD, 10 November 2008.

Chart 5. DAC Members' net ODA 1990 - 2007 and DAC Secretariat simulations of net ODA to 2008 and 2010



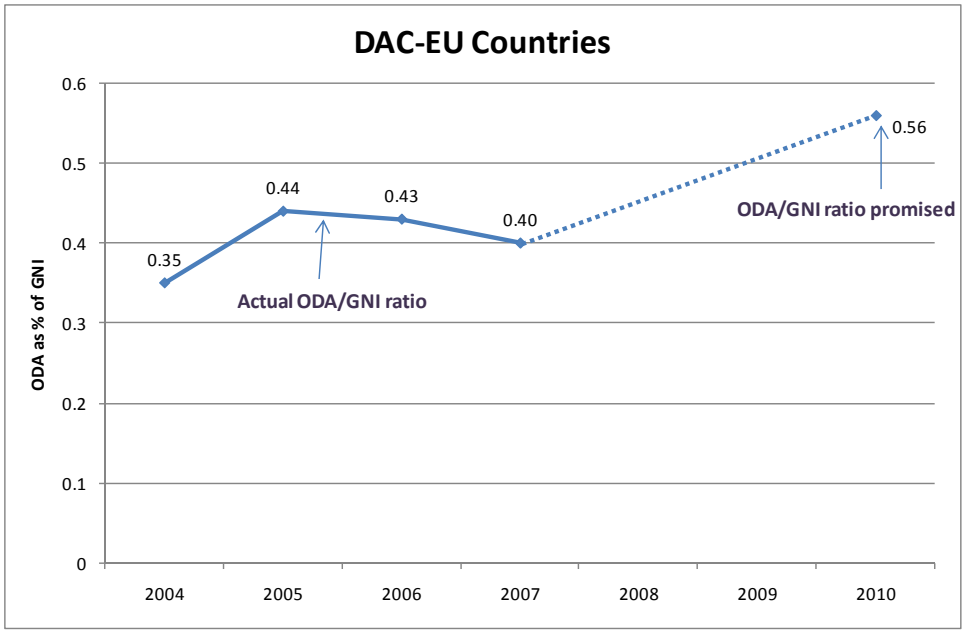
Source: OECD, 10 November 2008.

ANNEX B:

Progress by G8 Donors on their Gleneagles ODA Commitments[4]

EU Countries

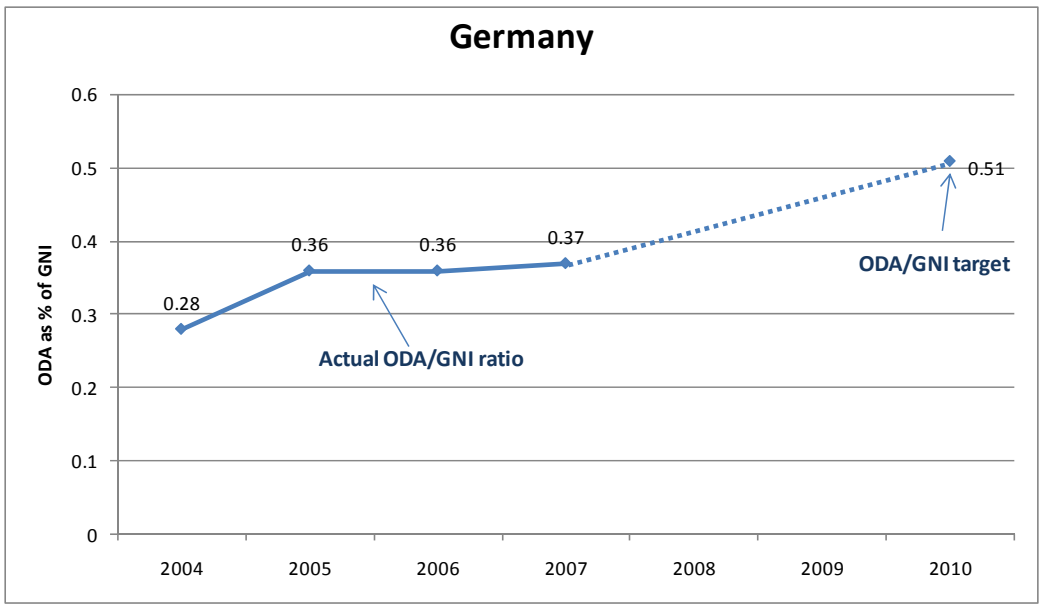
Gleneagles commitment: "The EU has pledged to reach 0.7 per cent ODA/GNI by 2015 with a new interim collective target of 0.56 per cent ODA/GNI by 2010. The EU will nearly double its ODA between 2004 and 2010 from € 34.5 billion to € 67 billion."



[4] The Gleneagles commitments quoted for each donor in this Annex are extracted from Annex II of the Gleneagles G8 Communiqué on Africa.

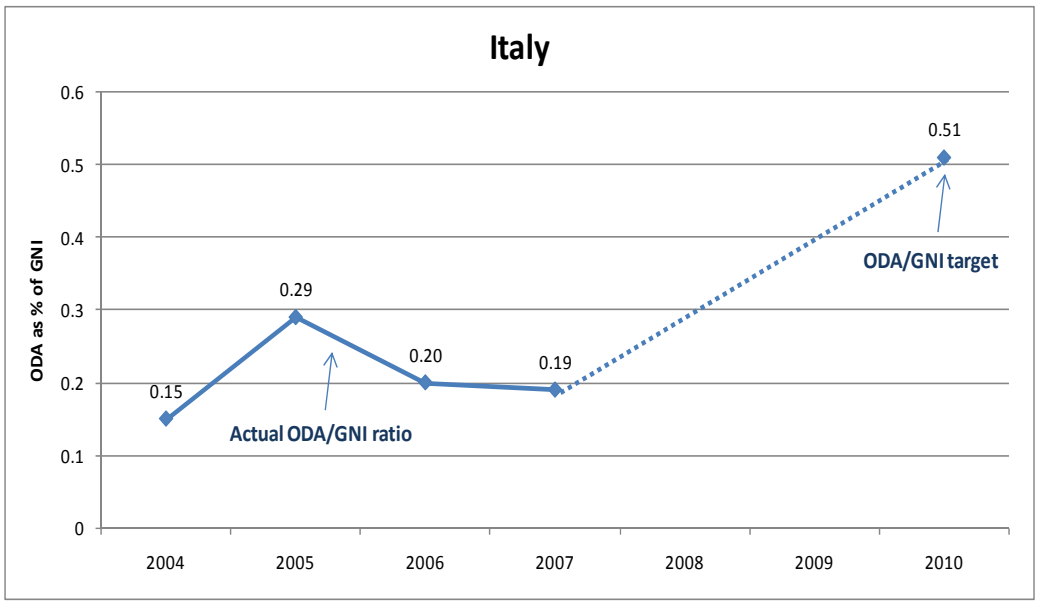
Germany

Gleneagles commitment: "Germany (supported by innovative instruments) has undertaken to reach 0.51 per cent ODA/GNI in 2010 and 0.7 per cent ODA/GNI in 2015."



Italy

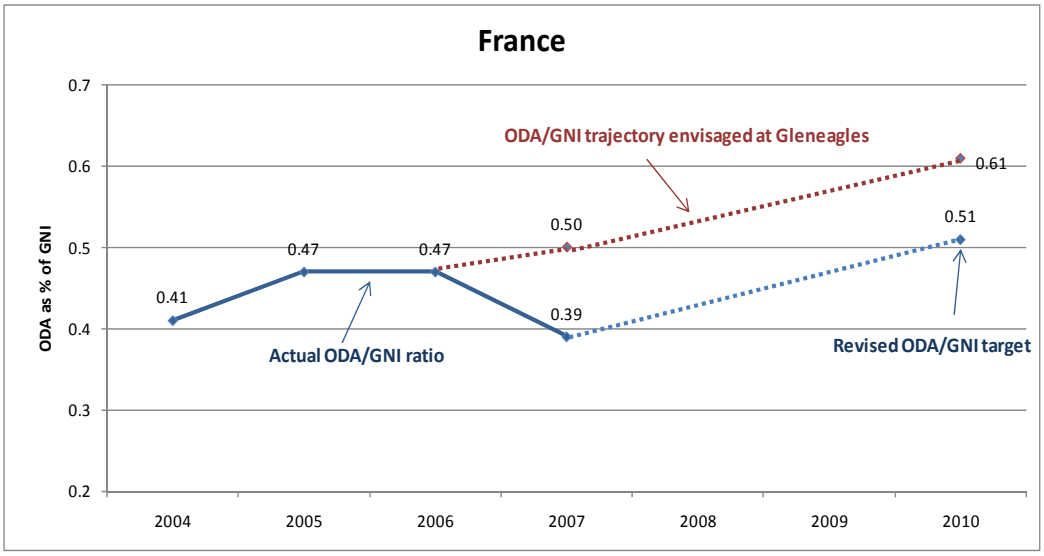
Gleneagles commitment: "Italy has undertaken to reach 0.51 per cent ODA/GNI in 2010 and 0.7% ODA/GNI in 2015."



France

Gleneagles commitment: " France has announced a timetable to reach 0.5 per cent ODA/GNI in 2007, of which 2/3 for Africa, - representing at least a doubling of ODA since 2000 - and 0.7 per cent ODA/GNI in 2012."

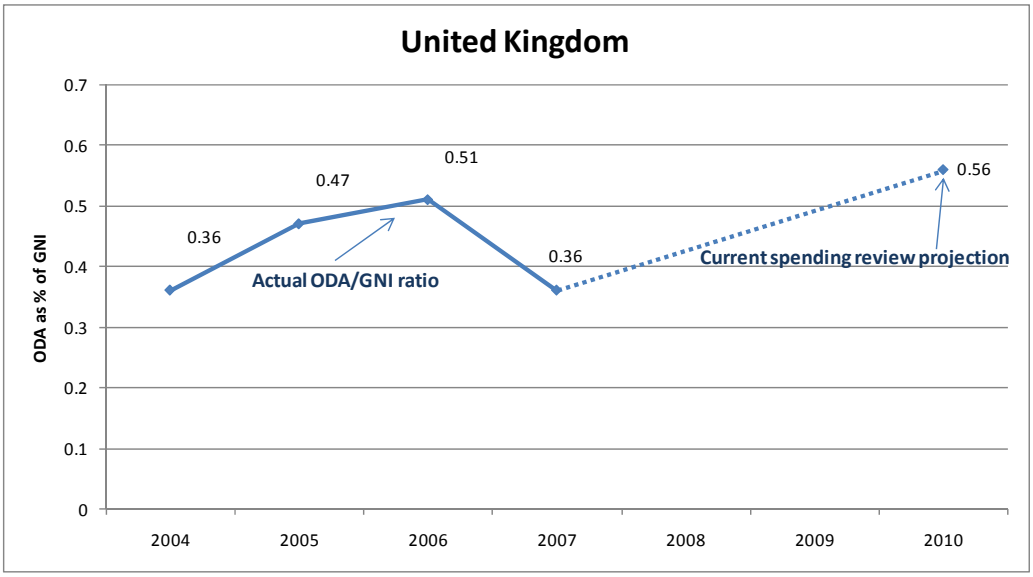
France abandoned this target in 2007, and is now committed to the EU target of a 0.51% ODA/GNI ratio in 2010.



United Kingdom

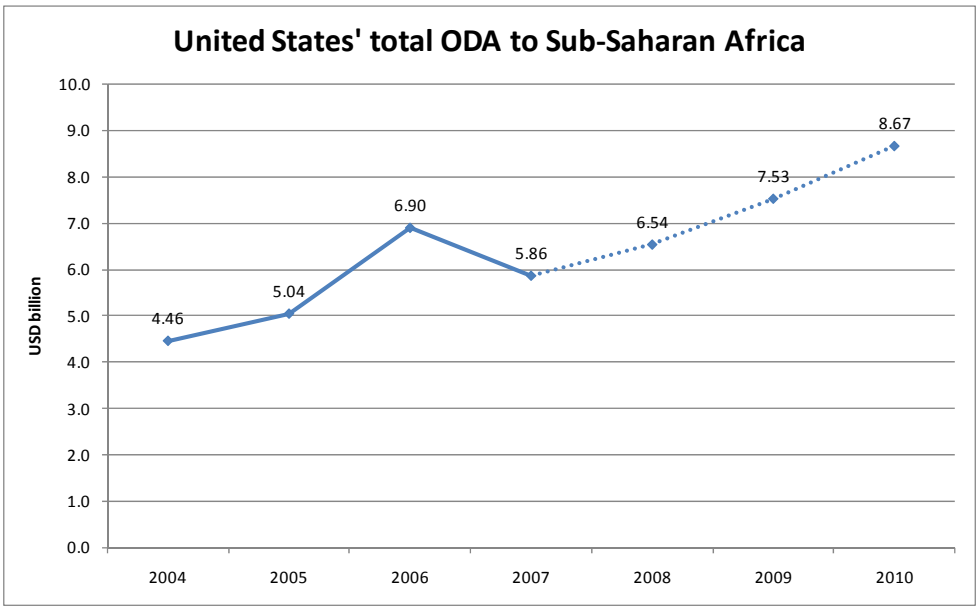
Gleneagles commitment: "The UK has announced a timetable to reach 0.7 per cent ODA/GNI by 2013 and will double its bilateral spending in Africa between 2003/04 and 2007/08."

The United Kingdom subsequently announced reaching an interim target of 0.56% in 2010.



United States

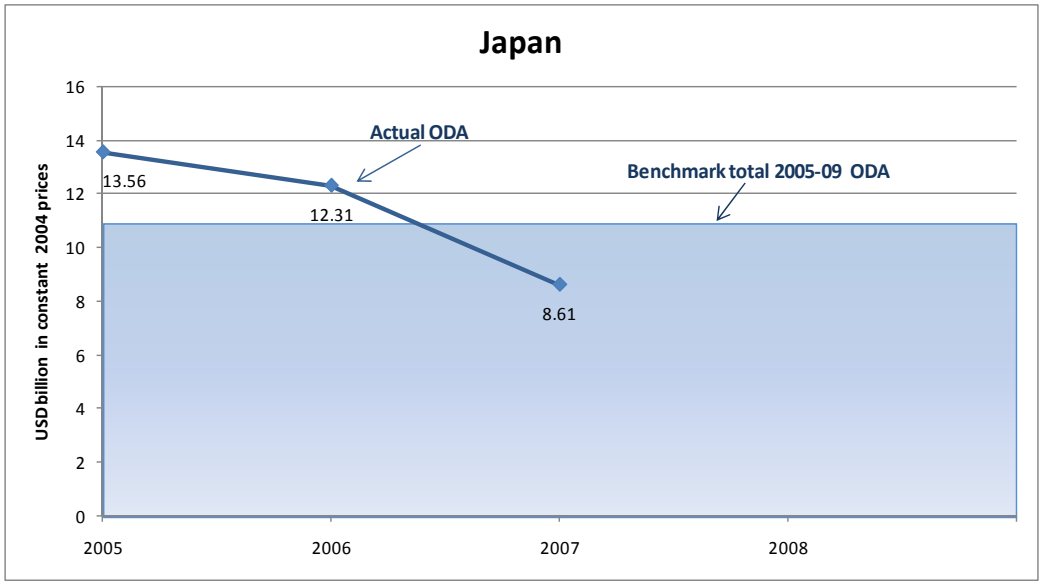
Gleneagles commitment: "The US proposes to double aid to Sub-Saharan Africa between 2004 and 2010."



Note: The spike in 2006 was due to exceptional debt relief for Nigeria.

Japan

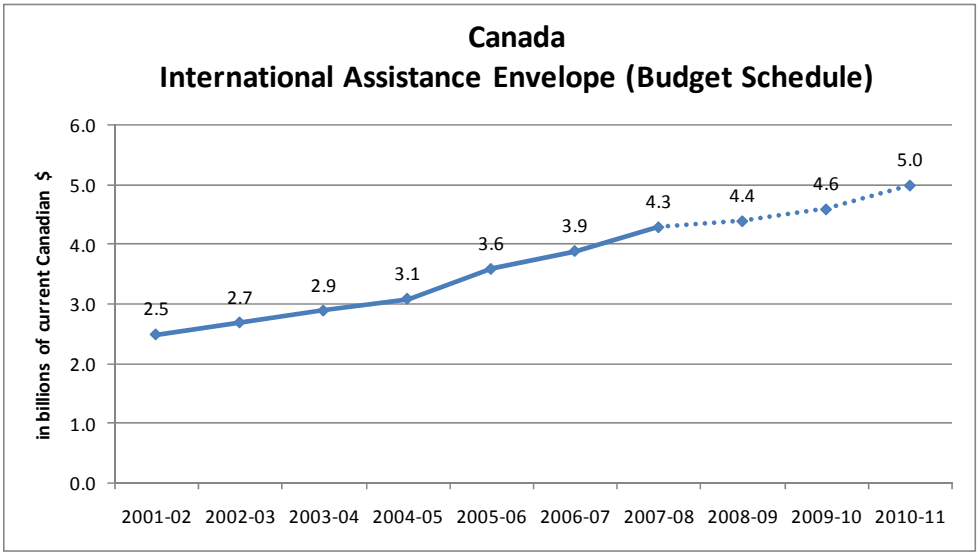
Gleneagles commitment: "Japan intends to increase its ODA volume by $10 billion in aggregate over the next five years."



Canada

Gleneagles commitment: "Canada will double its international assistance from 2001 to 2010, with assistance to Africa doubling from 2003/4 to 2008/9."

The doubling, in nominal terms, of Canada's International Assistance Envelope, which is the main vehicle for delivering its ODA, has been reconfirmed most recently in its 2008 federal budget.



For more information contact: dac.contact@oecd.org

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