

OECD – Paris, 13 April 2016

Development aid in 2015 continues to grow despite costs for in-donor refugees

2015 Preliminary ODA Figures

In 2015, net official development assistance (ODA) flows from member countries of the Development Assistance Committee (DAC) of the OECD totalled USD 131.6 billion. Adjusting for inflation and the appreciation of the US dollar¹, this represents an increase of 6.9% in real terms, the highest level ever achieved for net ODA. Net ODA as a share of gross national income (GNI) was 0.30%, on a par with 2014 (see Table 1 and Chart 1).

Most of the increase in 2015 was due to higher expenditures for in-donor refugee costs as a result of the surge of asylum seekers. However, if these costs are excluded, net ODA still continued to grow by 1.7% in real terms. Despite the recession in several DAC member countries which has led to cuts in aid budgets, overall levels of ODA continue to grow; since 2000, net ODA has increased by 83% in real terms.

Net ODA allocations

Table 2 shows in-donor refugee costs by volume and as a share of total net ODA. Between 2014 and 2015, ODA for in-donor refugee costs rose from USD 6.6 billion to USD 12 billion, and its share of total net ODA rose from 4.8% to 9.1%.

However, there are large variations amongst donors. In 2015, in-donor refugee costs represented more than 10% of total net ODA for ten DAC donors; for five of these it was over 20% and up to 34%. Chart 2 compares the trends in ODA for in-donor refugee costs from 2010 to 2015 for EU and non-EU members, and shows how the present refugee crisis mainly affects ODA of EU member states.

In a special survey carried out by the OECD DAC at the beginning of the year, thirteen members indicated that in-donor refugee costs were funded from budgets other than development co-operation although they signalled that ODA budgets could be indirectly affected by these costs; seven members responded that they would use their ODA budgets to cover in-donor refugee costs in 2015 and 2016; at the time, four did not consider such costs as ODA² and no information was available for the remaining donors.

Humanitarian aid rose by 11% in real terms to USD 13.6 billion in 2015 (see Chart 3). Net debt relief grants fell by 36% in real terms and represented 0.2% of total net ODA in 2015, compared to about 20% in 2005 and 2006 when debt relief was at its highest level due to exceptional measures for Iraq and Nigeria.

¹ The currencies of DAC members depreciated significantly against the US dollar in 2015, and for some, the depreciation against the dollar has been in excess of 15%.

² Since then, one donor has begun reporting in-donor refugee costs as ODA.

Preliminary estimates show that within net bilateral aid, grants rose by 9% in real terms from 2014, however, excluding grants for in-donor refugee costs, they rose by 0.4%. Non-grant net flows rose by 26% in real terms.

Bilateral aid to the group of least developed countries was USD 25 billion, an increase of 4% in real terms compared to 2014, thus marking a slight rebound in aid after several years of diminishing flows to this group of countries.

Bilateral ODA to sub-Saharan Africa was USD 24 billion, representing an increase of 2% in real terms from 2014; it also rose to the African continent as a whole, by 1% in real terms to USD 27 billion.

Bilateral donor performance

The largest donor countries by volume were the United States, the United Kingdom, Germany, Japan and France. Denmark, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom exceeded the United Nations' ODA target of 0.7% of GNI.

Net ODA rose in twenty two countries, with the largest increases recorded in Austria, Canada, Czech Republic, Germany, Greece, Iceland, Italy, Japan, Netherlands, Poland, Slovak Republic, Slovenia and Sweden. For some, the large increases were due to in-donor refugee costs. Excluding these costs, net ODA still rose in twenty countries (see Table 2). By contrast, total net ODA fell in six countries, with the largest decreases recorded in Australia and Portugal.

Net ODA as per cent of GNI was 0.30% in 2015, on par with 2014.

G7 countries provided 72% of total net DAC ODA in 2015, and the DAC-EU countries 56%.

The United States continued to be the largest donor by volume with net ODA flows amounting to USD 31.1 billion in 2015, a fall of 7.0% in real terms compared to 2014. US ODA as a share of GNI also fell from 0.19% in 2014 to 0.17% in 2015. The decrease was the result of a fall of 3.8% in real terms in bilateral ODA, following reductions in disbursements for two specific programmes. Despite the decrease, bilateral ODA for humanitarian aid increased by 5.4% in real terms, to USD 6.4 billion in 2015, especially to sub-Saharan Africa and Jordan. Multilateral aid also fell by 23.2 % in real terms due to the timing of contributions to multilateral organisations.

ODA from the nineteen EU countries that are DAC members was USD 73.5 billion in 2015, representing an increase of 12.7% in real terms, and 0.47% of their combined GNI. ODA rose or fell in real terms in DAC-EU countries as follows:

- Austria (15.4%): due to increased spending on in-donor refugee costs;
- Belgium (-7.8%): due to lower contributions to multilateral organisations;
- Czech Republic (11.4%): due to an increase in bilateral ODA;
- Denmark (0.8%): due to a slight increase in in-donor refugee costs;
- Finland (-5.7%): due to overall cuts in its aid budget;
- France (2.8%): due to contributions to multilateral organisations, which offset the fall in bilateral aid resulting from higher loan repayments in 2015 compared to 2014;

- Germany (25.9%): due mostly to an increase in in-donor refugee costs;
- Greece (38.7%): partly due to in-donor refugee costs;
- Ireland (1.9%): due to contributions to multilateral organisations;
- Italy (14.2%): due to an increase in humanitarian aid and bilateral aid to the group of least developed countries;
- Luxembourg (-1.2%): due to a slight fall in bilateral aid;
- Netherlands (24.4%): due mostly to a rise in in-donor refugee costs, but also to larger payments made to the World Bank;
- Poland (16.8%): due to the overall scaling up of its aid programme;
- Portugal (-16.1%): due to a fall in its bilateral lending programme;
- Slovak Republic (23.3%): due to an increase in humanitarian aid and contributions to international organisations ;
- Slovenia (21.1%): due in part to the overall scaling up of its aid, but also to higher in-donor refugee costs;
- Spain (1.5%): due to a slight increase in bilateral grants;
- Sweden (36.8%): mostly due to in-donor refugee costs, but also to advanced payments to UN organisations and a contribution to the Green Climate Fund;
- United Kingdom (3.2%): due to increased bilateral aid which more than offset the fall in its multilateral contributions.

In 2015, total net ODA from the 28 EU member states was USD 74 billion, representing 0.47% of their GNI. Net disbursements by EU Institutions were USD 13.8 billion, a slight fall of 0.5% in real terms compared to 2014.

Other DAC countries reported changes in real terms in their ODA as follows:

- Australia (-11.1%): reflecting cuts in the Australian development budget;
- Canada (17.1%): mainly due to the timing of contributions to multilateral organisations and humanitarian assistance in response to the ongoing conflict in Syria;
- Iceland (11.3%): due to the overall scaling up of its aid programme;
- Japan (12.4%): due to significant increases in bilateral ODA to the group of least developed countries and Africa;
- Korea (8.3%): due to an increase in bilateral ODA;
- New Zealand (1.7%): due in part to a slight increase in grants to the least developed countries;
- Norway (8.7%): due primarily to increased in-donor refugee costs;

- Switzerland (6.7%): due to an increase in humanitarian aid and the overall scaling up of its development cooperation budget.

Other providing countries reported changes, in real terms, of preliminary net ODA figures as follows:

- Croatia (-20.5%): due to a fall in its bilateral programme;
- Estonia (4.7%);
- Hungary (25.0%): due to the overall increases in its developmental budget;
- Israel (9.4%): due to an increase in its bilateral programme;
- Latvia (9.6%): due to an increase in its contributions to multilateral organisations;
- Lithuania (14.7%): due to an increase in its bilateral programme;
- Malta (-23.7%): due to cuts in bilateral aid;
- Russia (92.7%): due to debt relief operations with Cuba and increased contributions to multilateral organisations;
- Turkey (26.3%): due to an increase in humanitarian aid as a response to the crisis in Syria;
- United Arab Emirates (-3.7%): due to lower levels of bilateral cooperation, even though its humanitarian aid increased.

In 2015, DAC countries' gross ODA (i.e. without deducting loan repayments) was USD 142.7 billion, an increase of 5.6% in real terms over 2014. The largest donors in terms of gross ODA were the United States, Germany, the United Kingdom, Japan and France (see Table 3). Within gross ODA, bilateral non-grants rose by 7.4% in real terms, representing USD 16.7 billion.

Stable levels of programmed aid in 2015

Preliminary results from the 2016 DAC Survey on Forward Spending Plans indicate stable levels of programmed aid in 2015, measured by country programmable aid (CPA)³, which amounted to USD 96.4 billion in 2015⁴.

CPA to least developed countries (LDCs) and other low-income countries (Other LICs) increased by 3% in real terms to USD 39.8 billion in 2015 compared to 2014. However, it decreased by 2% to lower middle income countries (LMICs) and upper middle-income countries (UMICs). This was mainly due to lower level of concessional loans to countries such as Mexico, Morocco, and Vietnam.

³ Country Programmable Aid (CPA), also known as “core” aid, is the portion of aid donors programme for individual countries, and over which partner countries could have a significant say. CPA is much closer than ODA to capturing the flows of aid that goes to the partner country, and has been proven in several studies to be a good proxy of aid recorded at country level. Read more on CPA at: <http://www.oecd.org/dac/aid-architecture/cpa.htm>

⁴ This figure does not take into account any CPA extended by Saudi Arabia in 2015.

The largest volume increases in CPA in 2015 were recorded by countries in sub-Saharan Africa, such as South Sudan, and Ebola-affected Liberia and Sierra Leone. These increases were mainly driven by additional grants from DAC members and concessional loans from multilateral development banks.

A sharp increase in CPA to LDCs and fragile states expected in 2016

The Survey results suggest a large increase in 2016 of global CPA of USD 5.2 billion (constant 2015 prices), stemming from both bilateral and multilateral providers. This increase will benefit countries across all income groups, but primarily LDCs and fragile states, where an increase of 6% in real terms is noted due to larger disbursements by multilateral agencies. Overall CPA to LMICs and UMICs is also expected to increase; however, at a slower pace (3% for LMICs and 4% for UMICs), and with large fluctuations across countries because of the volatility in aid receipts linked to concessional loans.

On a geographical basis, the largest increases in 2016 can be expected for populous countries in Asia, such as Bangladesh, China, Myanmar and Vietnam, and for countries in sub-Saharan Africa, such as Ethiopia, Nigeria, and Uganda. Slight decreases are, however, to be expected for countries in the Americas and in Oceania.

Future outlook: continuing upward trend for LDCs foreseen over the medium-term

Global CPA is projected to remain stable up to 2019 with a continued upward trajectory for the LDCs, in line with DAC members' recent commitments to allocate more of total ODA to countries most in need. This trend confirms a recent DAC study which suggested that most DAC members were in the process of re-focusing their allocations in accordance with their international agreements to better target ODA to countries most in need⁵.

The Survey projects declining levels of CPA for some individual LDCs between 2016 and 2019, such as Guinea and Niger, two countries repeatedly identified as aid orphans in an OECD⁶ study. Aid is also expected to rise, although at a slower pace than for LDCs, to other countries most in need, such as other low-income countries, fragile and conflict-affected states and economies, landlocked developing countries and small island developing states.

The medium-term projections show a positive trend in CPA towards some of the poorest and most fragile countries, an encouraging development in view of the challenges of the 2030 Agenda.

For more information and detailed survey data on providers' latest spending plans disaggregated by country and provider, see <http://www.oecd.org/dac/financing-sustainable-development/global-aid-prospects-and-projections.htm>.

⁵ A summary of DAC members' progress towards improved targeting of ODA is accessible at <http://www.oecd.org/dac/financing-sustainable-development/countries-most-in-needs.htm>.

⁶ For more information on OECD's study on aid orphans, see <http://www.oecd.org/dac/financing-sustainable-development/fragmentation-orphans.htm>.

TABLE 1: NET OFFICIAL DEVELOPMENT ASSISTANCE FROM DAC AND OTHER DONORS IN 2015
Preliminary data for 2015

	2015		2014		2015	
	ODA USD million current	ODA/GNI % (1)	ODA USD million current	ODA/GNI %	ODA USD million (2) At 2014 prices and exchange rates	Percent change 2014 to 2015 (2)
<i>DAC countries:</i>						
Australia	3 222	0.27	4 382	0.31	3 897	-11.1
Austria	1 207	0.32	1 235	0.28	1 424	15.4
Belgium	1 894	0.42	2 448	0.46	2 257	-7.8
Canada	4 287	0.28	4 240	0.24	4 965	17.1
Czech Republic	202	0.12	212	0.11	236	11.4
Denmark	2 566	0.85	3 003	0.86	3 028	0.8
Finland	1 292	0.56	1 635	0.59	1 541	-5.7
France	9 226	0.37	10 620	0.37	10 919	2.8
Germany	17 779	0.52	16 566	0.42	20 855	25.9
Greece	282	0.14	247	0.11	343	38.7
Iceland	39	0.24	37	0.22	42	11.3
Ireland	718	0.36	816	0.38	831	1.9
Italy	3 844	0.21	4 009	0.19	4 577	14.2
Japan	9 320	0.22	9 266	0.19	10 418	12.4
Korea	1 911	0.14	1 857	0.13	2 011	8.3
Luxembourg	361	0.93	423	1.06	418	-1.2
Netherlands	5 813	0.76	5 573	0.64	6 932	24.4
New Zealand	438	0.27	506	0.27	515	1.7
Norway	4 278	1.05	5 086	1.00	5 528	8.7
Poland	442	0.10	452	0.09	528	16.8
Portugal	306	0.16	430	0.19	361	-16.1
Slovak Republic	86	0.10	83	0.09	103	23.3
Slovenia	62	0.15	62	0.12	75	21.1
Spain	1 604	0.13	1 877	0.13	1 905	1.5
Sweden	7 092	1.40	6 233	1.09	8 527	36.8
Switzerland	3 538	0.52	3 522	0.50	3 758	6.7
United Kingdom	18 700	0.71	19 306	0.70	19 919	3.2
United States	31 076	0.17	33 096	0.19	30 765	-7.0
TOTAL DAC	131 586	0.30	137 222	0.30	146 676	6.9
Average Country Effort		0.41		0.39		
<i>Memo Items:</i>						
EU Institutions	13 848	-	16 451	-	16 374	-0.5
DAC-EU countries	73 477	0.47	75 230	0.42	84 778	12.7
G7 countries	94 233	0.28	97 103	0.27	102 418	5.5
Non-G7 countries	37 353	0.41	40 119	0.39	44 258	10.3
<i>Non-DAC members:</i>						
Croatia	51	0.09	72	0.13	57	-20.5
Estonia	33	0.15	38	0.14	39	4.7
Hungary	152	0.13	144	0.11	180	25.0
Israel (3)	207	0.07	200	0.07	218	9.4
Latvia	23	0.09	25	0.08	28	9.6
Lithuania	44	0.11	46	0.10	52	14.7
Malta	14	0.15	20	0.20	16	-23.7
Russia	1 140	0.06	876	0.05	1 688	92.7
Turkey	3 913	0.54	3 591	0.45	4 535	26.3
United Arab Emirates	4 389	1.09	5 080	1.26	4 892	-3.7

(1) DAC Members are progressively introducing the new System of National Accounts (SNA08).

This is leading to slight upward revisions of GNI, and corresponding falls in reported ODA/GNI ratios.

Japan, and the United Kingdom have reported their 2015 GNI on the basis of SNA93.

The UK Government has stated that for the period 2013 to 2015 it would measure the 0.7 per cent ODA/GNI target based on a GNI figure calculated using the National Accounts methodology that was in use when spending decisions were made (ESA 1995 unadjusted). Based on the latest National Accounts methodology for estimating GNI (ESA 2010), which was not available when spending decisions were made, the provisional ODA/GNI ratio in 2015 would be 0.67%.

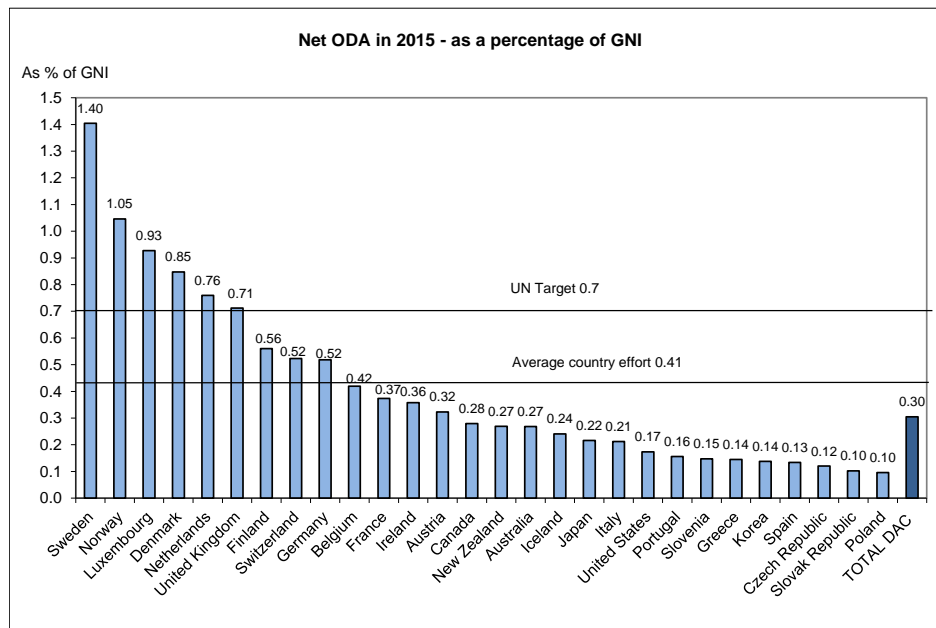
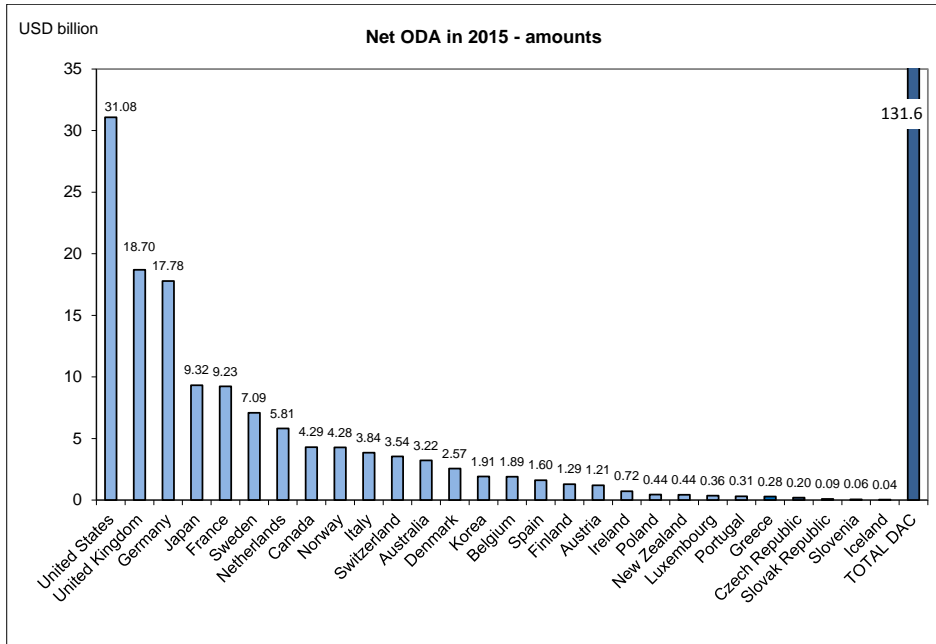
(2) Taking account of both inflation and exchange rate movements.

(3) The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Notes: The data for 2015 are preliminary pending detailed final data to be published in December 2016. 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, 13 April 2016.

CHART 1: NET OFFICIAL DEVELOPMENT ASSISTANCE FROM DAC DONORS IN 2015
Preliminary data for 2015



Source: OECD, 13 April 2016.

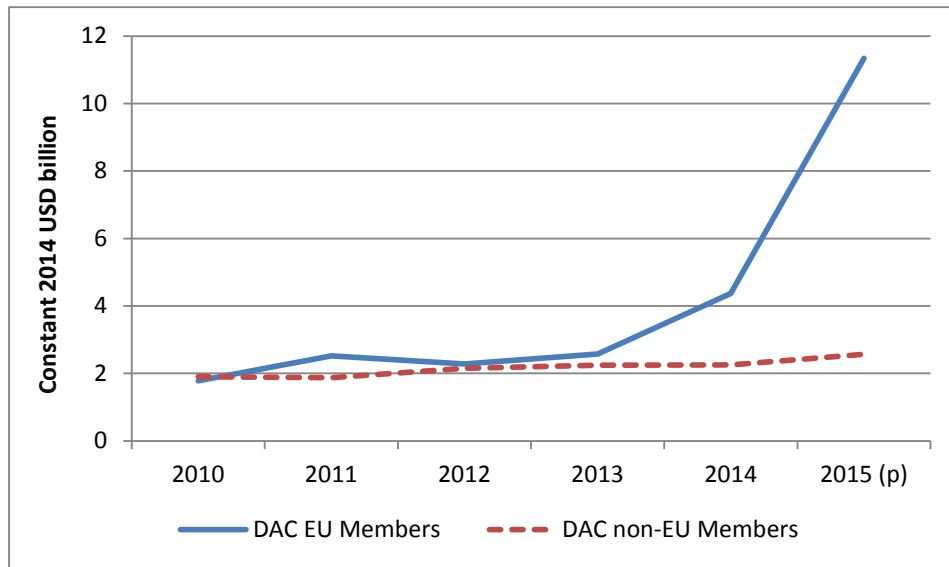
TABLE 2: SHARE OF IN-DONOR REFUGEE COSTS IN TOTAL NET ODA
Preliminary data for 2015

	2015			2014			Percent change ODA excluding in-donor refugee costs 2014 to 2015 (1)
	ODA	of which: In-donor refugee costs	In-donor refugee costs as a share of total net ODA	ODA	of which: In-donor refugee costs	In-donor refugee costs as a share of total net ODA	
	USD million current	USD million current	%	USD million current	USD million current	%	
<i>DAC countries:</i>							
Australia	3 222	-	-	4 382	-	-	-11.1
Austria	1 207	324	26.8	1 235	109	8.9	-7.4
Belgium	1 894	228	12.0	2 448	187	7.6	-12.2
Canada	4 287	213	5.0	4 240	216	5.1	17.3
Czech Republic	202	15	7.2	212	12	5.4	9.3
Denmark	2 566	397	15.5	3 003	256	8.5	-6.8
Finland	1 292	39	3.0	1 635	16	1.0	-7.7
France	9 226	374	4.0	10 620	485	4.6	3.4
Germany	17 779	2 993	16.8	16 566	171	1.0	5.8
Greece	282	58	20.6	247	21	8.6	20.5
Iceland	39	3	7.1	37	3	6.8	11.0
Ireland	718	1	0.1	816	0	0.0	1.8
Italy	3 844	982	25.5	4 009	840	21.0	7.5
Japan	9 320	0	0.0	9 266	1	0.0	12.4
Korea	1 911	-	-	1 857	-	-	8.3
Luxembourg	361	-	-	423	-	-	-1.2
Netherlands	5 813	1 326	22.8	5 573	935	16.8	15.4
New Zealand	438	17	3.8	506	20	3.9	1.9
Norway	4 278	463	10.8	5 086	279	5.5	2.5
Poland	442	9	2.1	452	-	-	14.3
Portugal	306	1	0.4	430	1	0.2	-16.3
Slovak Republic	86	2	2.0	83	1	1.2	22.3
Slovenia	62	6	9.0	62	0	0.1	10.3
Spain	1 604	32	2.0	1 877	18	1.0	0.4
Sweden	7 092	2 397	33.8	6 233	1 095	17.6	9.9
Switzerland	3 538	473	13.4	3 522	483	13.7	7.1
United Kingdom	18 700	408	2.2	19 306	222	1.1	2.1
United States	31 076	1 206	3.9	33 096	1 246	3.8	-7.2
TOTAL DAC	131 586	11 965	9.1	137 222	6 618	4.8	1.7
<i>Memo Item:</i>							
DAC-EU countries	73 477	9 591	13.1	75 230	4 371	5.8	3.6

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

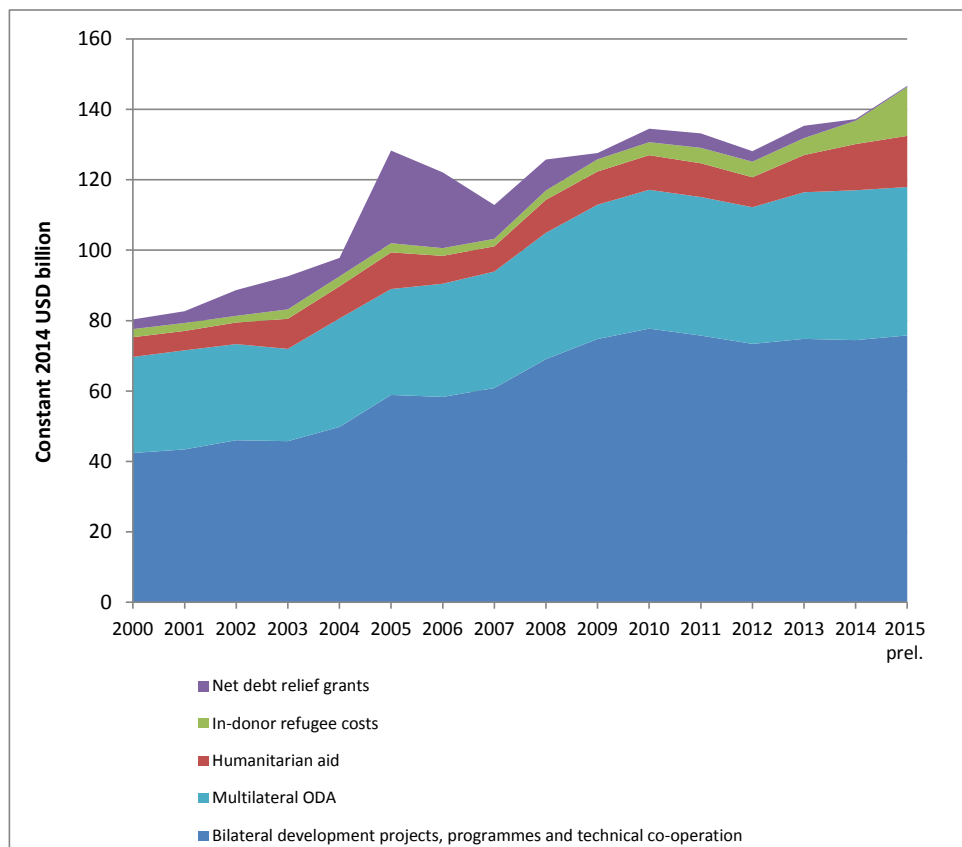
Source: OECD, 13 April 2016.

CHART 2: NET OFFICIAL DEVELOPMENT ASSISTANCE EXPENDITURES ON IN-DONOR REFUGEE COSTS



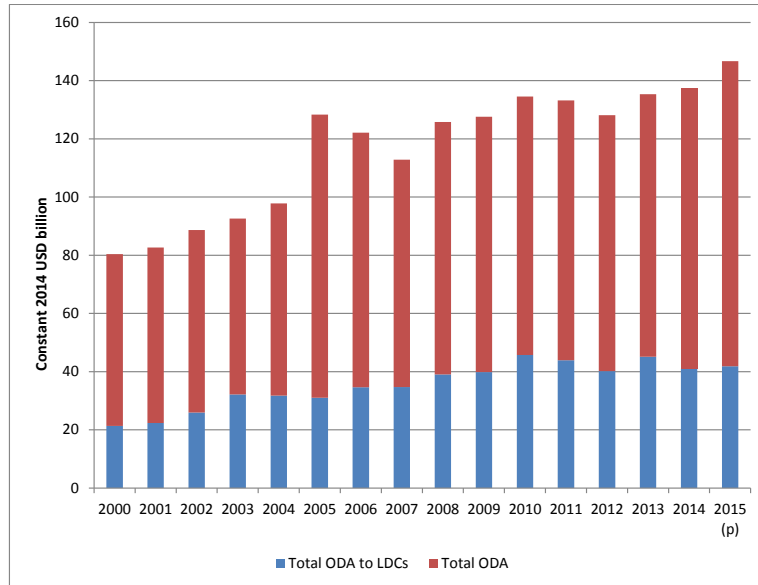
Source: OECD, 13 April 2016.

CHART 3: COMPONENTS OF DAC DONORS' NET OFFICIAL DEVELOPMENT ASSISTANCE



Source: OECD, 13 April 2016.

CHART 4: SHARE OF TOTAL ODA GOING TO LEAST DEVELOPED COUNTRIES



Source: OECD, 13 April 2016.

TABLE 3: GROSS OFFICIAL DEVELOPMENT ASSISTANCE IN 2015
Preliminary data for 2015

	2015 ODA USD million current	2014 ODA USD million current	2015 ODA USD million (1) At 2014 prices and exchange rates	Percent change 2014 to 2015 (1)
Australia	3 222	4 405	3 897	-11.5
Austria	1 215	1 239	1 433	15.6
Belgium	1 935	2 495	2 306	-7.6
Canada	4 330	4 286	5 015	17.0
Czech Republic	202	212	236	11.4
Denmark	2 655	3 151	3 133	-0.6
Finland	1 312	1 635	1 565	-4.3
France	11 132	12 540	13 175	5.1
Germany	19 641	19 347	23 038	19.1
Greece	282	247	343	38.7
Iceland	39	37	42	11.3
Ireland	718	816	831	1.9
Italy	3 897	4 096	4 639	13.3
Japan	15 146	15 708	16 930	7.8
Korea	1 993	1 938	2 097	8.2
Luxembourg	364	427	421	-1.5
Netherlands	5 821	5 726	6 942	21.2
New Zealand	438	506	515	1.7
Norway	4 294	5 110	5 548	8.6
Poland	467	473	557	17.8
Portugal	351	474	415	-12.6
Slovak Republic	86	83	103	23.4
Slovenia	62	62	75	21.1
Spain	1 769	2 118	2 101	-0.8
Sweden	7 102	6 309	8 538	35.3
Switzerland	3 575	3 603	3 799	5.4
United Kingdom	18 809	19 917	20 036	0.6
United States	31 793	33 864	31 475	-7.1
TOTAL DAC	142 651	150 826	159 205	5.6
<i>Memo Items:</i>				
EU Institutions	15 906	18 516	18 807	1.6
DAC-EU countries	77 820	81 369	89 888	10.5
G7 countries	104 749	109 758	114 309	4.1
Non-G7 countries	37 903	41 068	44 896	9.3

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

Notes: The data for 2015 are preliminary pending detailed final data to be published in December 2016. 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, 13 April 2016.