

Table of Contents

Preface by the Secretary-General	3
Foreword	5
Acknowledgements	6
1. Overview by the DAC Chair	11
Introduction	12
The Millennium Development Goals	12
Security, human rights and development	15
Changing aid in a changing world	18
Aid volume	18
Aid allocation	22
Aid effectiveness	24
Notes	27
2. Aid Allocations by Recipient	29
Introduction	30
Overall aid volume and predictability	30
Predictability at country level	31
Aid per capita	32
The weight of aid in recipients' economies	35
The poverty focus of aid	37
Forms and types of aid by recipient	40
Aid sectors and activities	41
Notes	45
<i>Special Focus on Aid for Water Supply and Sanitation</i>	46
Notes	49
Annex 2.1. Remittances as Development Finance	50
Notes	53
3. Progress since the Millennium Declaration in 2000	55
Introduction	56
Making the Millennium Development Goals happen	56
Reshaping development strategies	56
Developing countries	56
Donor countries	57
Multilateral system	57

Moving towards the Millennium Development Goals	60
Goal 1 – Eradicate extreme poverty and hunger	60
Goal 2 – Achieve universal primary education	61
Goal 3 – Promote gender equality and empower women	61
Goal 4 – Reduce child mortality	61
Goal 5 – Improve maternal health	61
Goal 6 – Combat HIV/AIDS, malaria and other diseases	61
Goal 7 – Ensure environmental sustainability	62
Building a strong global partnership	62
Goal 8 – Develop a global partnership for development	62
2005 – A critical year for the MDGs	64
Peace and security	64
Alignment, harmonisation and results for development effectiveness	64
DAC Working Party on Aid Effectiveness	66
Political oversight and support	66
Progress is broad but not deep	66
Aid predictability over the medium term	68
Alignment with country systems and capacity	68
Managing for development results	69
The Paris High-Level Forum, March 2005	69
Notes	70
4. Policies and Efforts of Bilateral Donors	71
Trends in DAC members' aid volume and programming	72
Performance and commitments by DAC members	72
Implications of Iraqi debt relief	73
Key trends in aid receipts	74
Notes on DAC members	76
Australia	77
Austria	79
Belgium	81
Canada	82
Denmark	83
European Community	84
Finland	85
France	86
Germany	88
Greece	89
Ireland	90
Italy	91
Japan	93
Luxembourg	94
Netherlands	95
New Zealand	96
Norway	97
Portugal	99
Spain	100
Sweden	101

Switzerland	102
United Kingdom	103
United States	104
Notes on non-DAC members	105
Czech Republic	105
Hungary	106
Iceland	106
Korea	107
Mexico	107
Poland	108
Slovak Republic	108
Turkey	108
Non-OECD donors	109
Estonia	109
Latvia	109
Lithuania	109
Other donors	109
The DAC at Work	111
Development Assistance Committee	112
The Development Assistance Committee Representatives in 2004	114
Key Activities of the DAC	115
DAC Subsidiary Bodies' Mandates and Work Programmes	118
The Development Co-operation Directorate	126
DAC Web Site Themes and Aliases	128
A selection of DCD/DAC key publications	129
Statistical Annex	131
Technical Notes	235
Glossary of Key Terms and Concepts	236
Notes on Definitions and Measurement	241
DAC List of Aid Recipients – As at 1 January 2003	244
List of Acronyms	245
List of Boxes	
2.1. Aid allocation formulas	33
2.2. Trade-related technical assistance and capacity building	43
3.1. Millennium Development Goals (MDGs)	58
3.2. Conflict prevention, peace building and the MDGs	65
3.3. DAC survey on ownership, harmonisation and alignment	67
4.1. DAC Peer Review of Australia, 14 December 2004	78
4.2. DAC Peer Review of Austria, 27 October 2004	80
4.3. DAC Peer Review of France, 26 May 2004	87
4.4. DAC Peer Review of Italy, 28 September 2004	92
4.5. DAC Peer Review of Norway, 23 November 2004	98

List of Tables

1.1.	Simulation of ODA prospects for 2006.	19
1.2.	Anticipated net ODA disbursements in 2006	20
1.3.	Keeping the score	26
2.1.	Estimating ODA transfers available to recipient government budgets.	36
2.2.	Commitments to sectors targeted by “Copenhagen Consensus” proposals . .	42
2.A1.1.	Estimated remittance flows by source and destination in 2000	51
3.1.	Overview of progress towards the Millennium Development Goals.	59
4.1.	DAC members’ net official development assistance in 2003	73

List of Figures

2.1.	Net ODA receipts rising again.	30
2.2.	Little year-to-year variation in ODA receipts at country level	31
2.3.	ODA per capita varies widely between regions	34
2.4.	ODA receipts per capita are picking up in most regions.	34
2.5.	Small countries receive more aid per capita	35
2.6.	ODA is a substantial share of imports in least developed countries	36
2.7.	Aid concentration curves show varying donor shares of aid to the poorest (2001)	37
2.8.	More aid per capita to a declining number of poor countries	38
2.9.	Real per capita income rising in large poor countries	39
2.10.	Aid is going to poorer countries as average developing country income rises . . .	39
2.11.	The poorest countries mainly receive ODA grants	41
2.12.	Technical co-operation focuses on more advanced recipients	41
2.13.	Substantial regional variation in sectors of aid (2002)	42
2.14.	Trends in aid to water supply and sanitation, 1973-2002.	46
2.15.	Main recipients’ aid to water supply and sanitation in 2001-02	47
2.16.	ODA to water supply and sanitation and access to water by recipient, per capita commitments, 2001-02	48
4.1.	DAC members’ ODA: 1990-2003 and simulations to 2006 and 2010	74
4.2.	Net official development assistance in 2003	75