

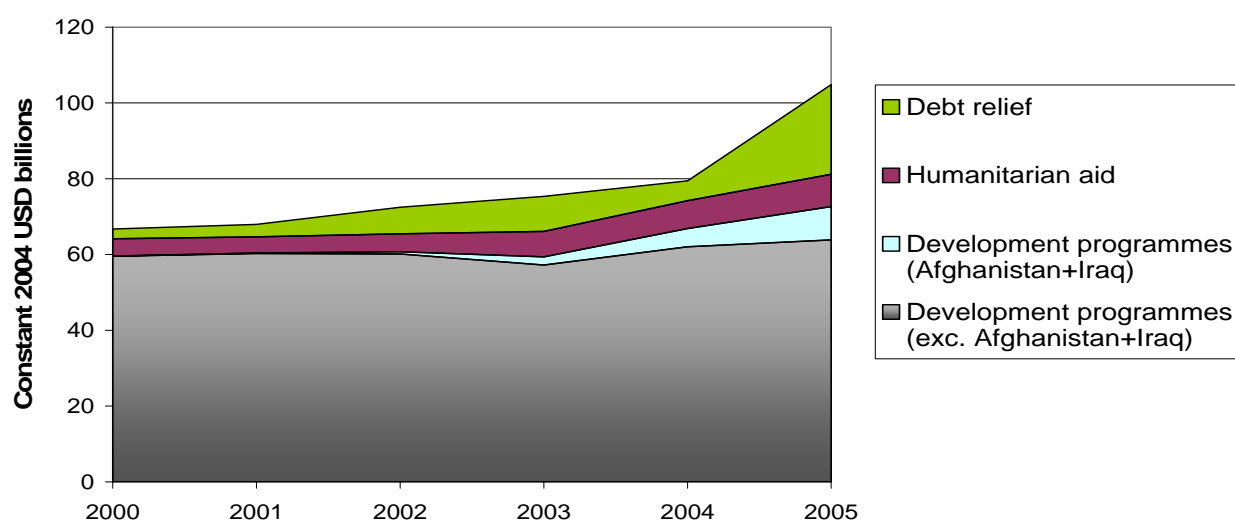
## FINAL ODA DATA FOR 2005

### Overview

Total official development assistance (ODA) from DAC members rose by 32% in 2005 to USD 106.8 billion – a record high (see Annex Table 1 and Chart 1). This represents 0.33% of members' combined Gross National Income in 2005, up from 0.26% in 2004, and the highest ratio since 1992.

Core development programmes rose by 8.6% between 2004 and 2005, but most of this increase was accounted for by only two countries, Afghanistan and Iraq. If these two countries are excluded, core development programmes increased by 2.9%. The lion's share of the aid increase in 2005 came from debt relief grants, which more than tripled, while humanitarian aid rose by 15.8% (see Figure 1).

Figure 1: Components of net DAC ODA, 2000-2005



### Key elements of the ODA increase in 2005

The main factors which accounted for the increase in 2005 were:

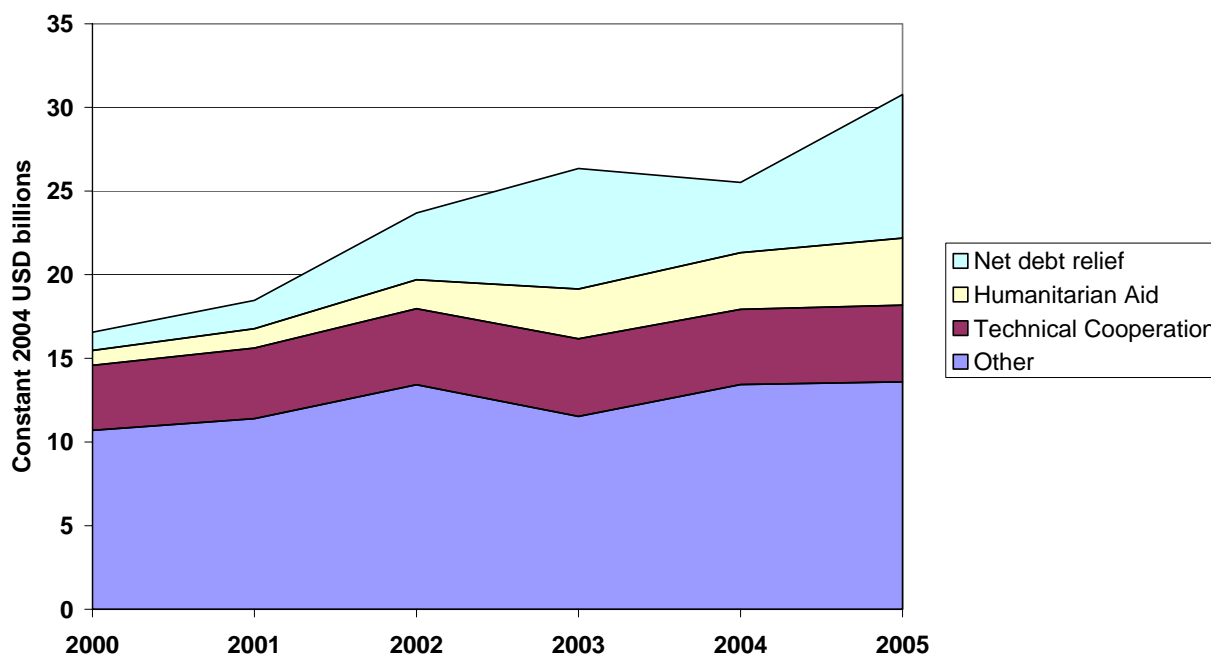
- **Debt relief for Iraq and Nigeria.** The Paris Club agreed large debt relief operations for Iraq and Nigeria. In 2005 DAC members provided debt forgiveness grants of USD 13.9 billion to Iraq and USD 5.5 billion to Nigeria. Given the exceptional scale of debt relief in 2005, Annex Table 2 provides a breakdown of members' total debt relief grants in this year's ODA figures.
- **Tsunami aid.** DAC members provided USD 2.2 billion in official assistance to countries affected by the devastating December 2004 Indian Ocean tsunami.

Total net DAC ODA to Iraq in 2005 was USD 21.4 billion, and total DAC ODA to Nigeria was USD 6 billion, making them by far the largest recipients. The next largest recipients were Indonesia (USD 2.2 billion), Afghanistan (USD 2.2 billion), China (USD 1.7 billion) and Sudan (USD 1.5 billion).

The exceptional debt relief pushed the **bilateral share** of DAC members' ODA to 76.9%, the highest level since 1973. Bilateral grants rose sharply to USD 83.1 billion. For the third successive year, net ODA loans were negative (repayments of principal exceeded new disbursements by USD 1 billion). (See Annex Table 3 for ODA on a gross basis.)

Bilateral Net ODA to **sub-Saharan Africa** from DAC members rose 32.2% in real terms to USD 22.5 billion, but if Nigeria, which received exceptional debt relief, is excluded, net DAC ODA to the rest of sub-Saharan Africa actually fell by 1.2% in real terms. Total aid to sub-Saharan Africa from all sources was USD 31.4 billion. Excluding Nigeria, total ODA to the region fell 2.1% to USD 24.9 billion. Figure 2 below shows that debt relief and emergency aid account for recent increases in aid to Sub-Saharan Africa.

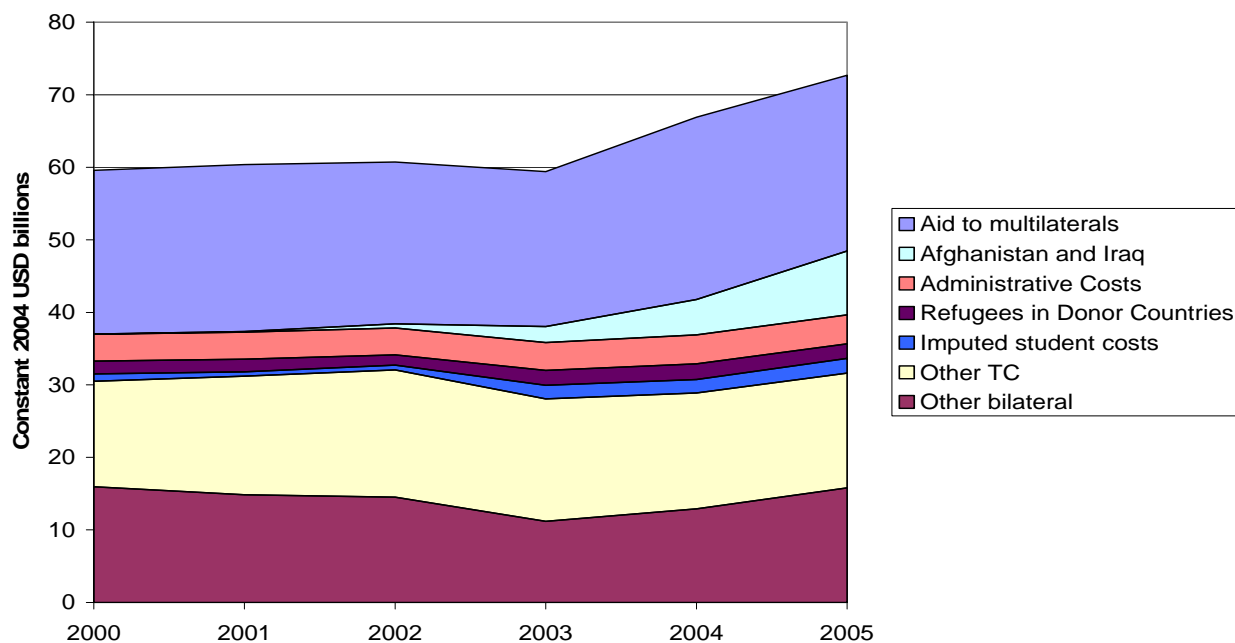
**Figure 2: Components of total net ODA to Sub-Saharan Africa, 2000-2005**



**Humanitarian aid** from DAC members, boosted by tsunami assistance, rose for the fourth successive year to reach USD 8.7 billion.

Within **core development programmes**, the major increase was to Afghanistan and Iraq. Technical co-operation remained fairly stable while other bilateral aid continued to recover from the dip caused by early repayments of ODA loans by Thailand (2003) and India (2004). (See Figure 3.)

**Figure 3: Components of DAC members' development programmes 2000-2005**



### DAC donors' performances

The largest donor in 2005 was the United States, followed by Japan, the United Kingdom, Germany and France. The only countries to exceed the United Nations target for ODA of 0.7% of GNI were, as for some years now, Denmark, Luxembourg, the Netherlands, Norway and Sweden.

The United States' net ODA in 2005 was USD 27.6 billion, a rise of 36.5% in real terms. Its ODA/GNI ratio rose from 0.17% to 0.22%, its highest level since 1986. Apart from debt relief, most of the increase was due to reconstruction and other aid to Iraq (USD 6.9 billion), reconstruction and anti-narcotics programmes in Afghanistan (USD 1.3 billion) and aid to Sub-Saharan Africa (USD 4.2 billion).

Japan's net ODA rose to USD 13.1 billion and its ODA/GNI ratio to 0.28%; an increase in real terms of 51.7%. This included some USD 3.5 billion to Iraq. Japan also provided over USD 540 million in aid to tsunami-affected countries. On a gross basis Japan's ODA was USD 18.6 billion, up 18.6% in real terms.

The combined ODA of the fifteen members of the DAC that are EU members rose 28.5% in real terms to USD 55.7 billion, equivalent to 0.44% of their combined GNI. The bulk of this increase was for debt relief grants. In 2002, the DAC/EU members committed to reach an ODA level of 0.39% of their combined GNI by 2006, with a minimum country target of 0.33%. Greece, Italy, Portugal and Spain still need to increase their ODA in order to reach this target.

Aid increased in fourteen DAC EU member countries as follows:

- Greece (15.9%), due to increased emergency aid and technical co-operation.

- Italy (101.4%), as it made large contributions to multilateral agencies.
- Spain (19.5%), reflecting an increase in bilateral grants.
- Sweden (24.1%), due to large contributions to the United Nations and the World Bank.
- Aid also increased in Austria (127.1%), Belgium (31.5%), Denmark (1.9%), Finland (29.9%), France (16.8%), Germany (32.9%), Ireland (15.7%), Luxembourg (5.4%), the Netherlands (19.8%) and the United Kingdom (35%).

Aid fell in Portugal (-64.1%) following the large debt rescheduling lending operation for Angola which boosted its ODA in 2004.

Aid provided by the European Commission rose by 6% to USD 9.4 billion reflecting an improvement of the EC's disbursement capacity and substantial reconstruction aid for tsunami hit countries.

Other DAC countries' ODA rose as follows:

- Canada (31.2%), reflecting increased contributions to multilateral agencies.
- New Zealand (18.5%), due to an increase in response to the Indian Ocean tsunami, which has now been consolidated as an increase to ODA baselines for future years.
- Norway (13.5%), linked to an increased response to catastrophes in 2005, in particular tsunami related reconstruction projects.
- ODA also rose in Australia (6.7%) and Switzerland (13.7%).

### **Aid from non-DAC donors**

All reporting non-DAC OECD donor countries increased their ODA in 2005:

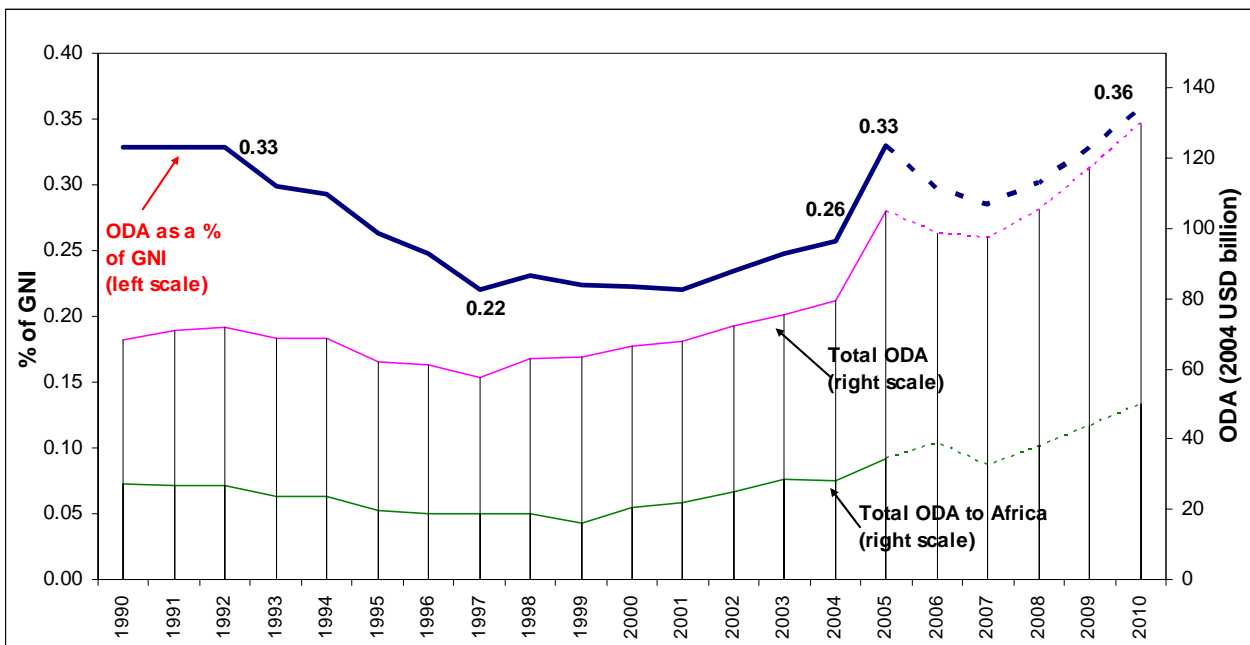
- The Czech Republic's ODA rose to USD 135 million due to a larger contribution to the EC development budget, and increased humanitarian assistance in Asia.
- Hungary's aid rose to USD 100 million, including substantial debt relief for Tanzania and Yemen.
- Iceland's aid rose to USD 27 million.
- Korea's ODA rose to USD 752 million, reflecting an increase in bilateral grants as well as larger contributions to the World Bank and regional development banks.
- Poland's ODA rose to USD 205 million as it increased its contributions to the EC development budget.
- ODA from the Slovak Republic nearly doubled to USD 56 million, partly due to increased aid to least developed countries, notably in Sub-Saharan Africa.

- Turkey's reported ODA nearly doubled to USD 601 million, partly reflecting wider coverage following a transfer of administrative responsibility for data collection to the Turkish International Co-operation Agency.

## ODA Outlook

Further debt relief to Nigeria will be included in official development assistance (ODA) figures in 2006 and to Iraq for the next three years as members implement further stages of the Paris Club agreements. Nevertheless, ODA is expected to fall back slightly over 2006 and 2007 as debt relief declines. Humanitarian aid may also fall back somewhat, as this category does not include longer-term post-tsunami reconstruction. This means that other forms of aid will need to accelerate their current rates of increase if donors are to fulfill their ODA volume pledges for later years (see below and also Annex, Table 4).

**DAC members' net ODA 1990-2005 and DAC Secretariat simulations of net ODA to 2006 and 2010**



## ANNEX

**Table 1: Net Official Development Assistance in 2005**

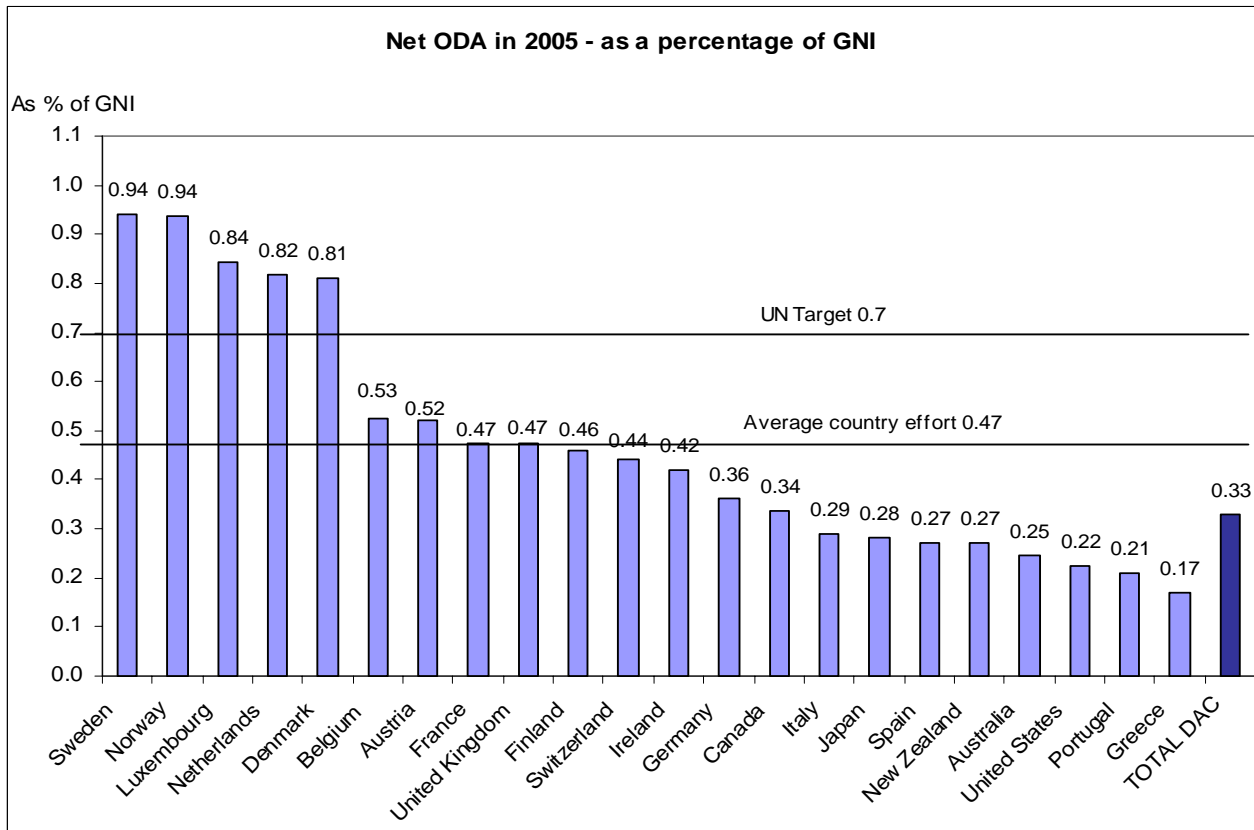
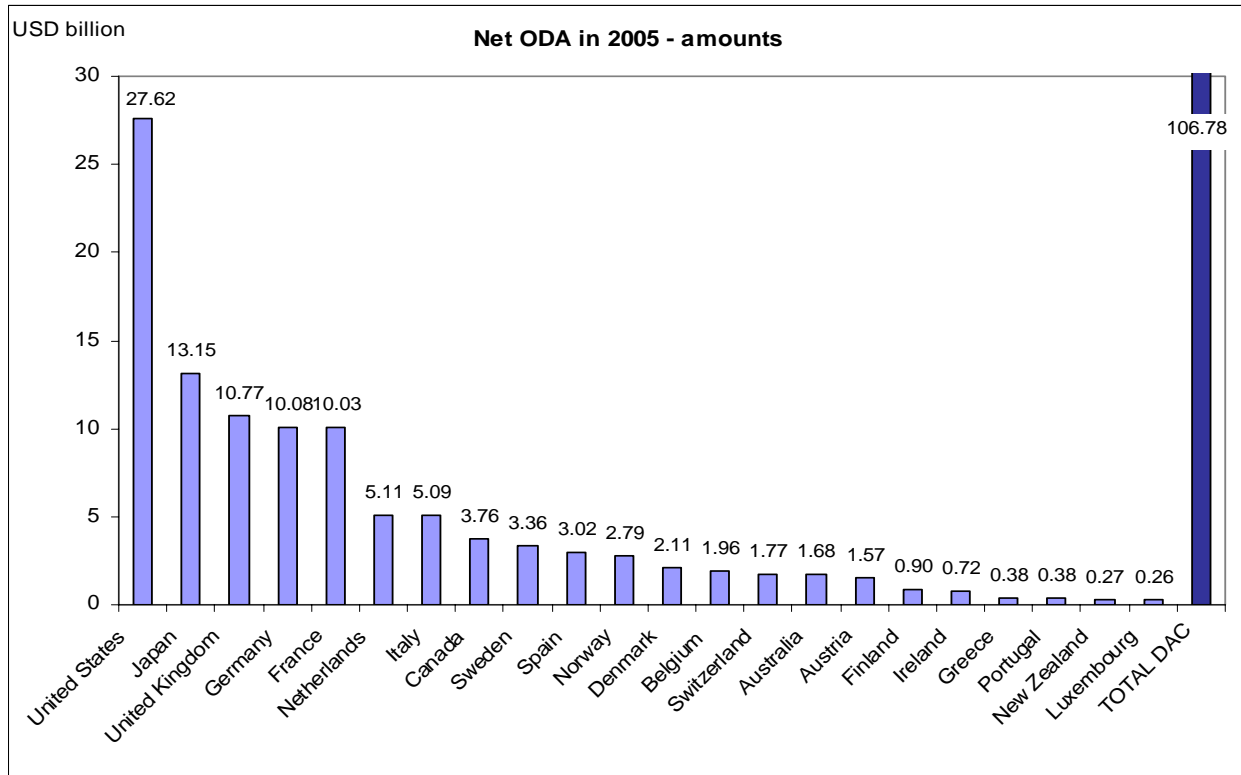
	2005		2004		2005	
	ODA USD million current	ODA/GNI %	ODA USD million current	ODA/GNI %	ODA USD million (1) At 2004 prices and exchange rates	Percent change 2004 to 2005 (1)
Australia	1 680	0.25	1 460	0.25	1 557	6.7
Austria	1 573	0.52	678	0.23	1 539	127.1
Belgium	1 963	0.53	1 463	0.41	1 924	31.5
Canada	3 756	0.34	2 599	0.27	3 410	31.2
Denmark	2 109	0.81	2 037	0.85	2 076	1.9
Finland	902	0.46	680	0.37	883	29.9
France	10 026	0.47	8 473	0.41	9 893	16.8
Germany	10 082	0.36	7 534	0.28	10 013	32.9
Greece	384	0.17	321	0.16	372	15.9
Ireland	719	0.42	607	0.39	703	15.7
Italy	5 091	0.29	2 462	0.15	4 958	101.4
Japan	13 147	0.28	8 922	0.19	13 534	51.7
Luxembourg	256	0.84	236	0.83	248	5.4
Netherlands	5 115	0.82	4 204	0.73	5 036	19.8
New Zealand	274	0.27	212	0.23	251	18.5
Norway	2 786	0.94	2 199	0.87	2 494	13.5
Portugal	377	0.21	1 031	0.63	371	-64.1
Spain	3 018	0.27	2 437	0.24	2 911	19.5
Sweden	3 362	0.94	2 722	0.78	3 377	24.1
Switzerland	1 767	0.44	1 545	0.41	1 757	13.7
United Kingdom	10 767	0.47	7 883	0.36	10 640	35.0
United States	27 622	0.22	19 705	0.17	26 888	36.5
<b>TOTAL DAC</b>	<b>106 777</b>	<b>0.33</b>	<b>79 410</b>	<b>0.26</b>	<b>104 835</b>	<b>32.0</b>
Average Country Effort		<b>0.47</b>		0.42		
<i>Memo Items included in the above:</i>						
EC	9 390		8 704		9 224	6.0
DAC-EU countries	55 745	0.44	42 767	0.35	54 943	28.5
G7 countries	80 492	0.30	57 578	0.22	79 336	37.8
Non-G7 countries	26 285	0.50	21 832	0.45	25 500	16.8
<i>Non-DAC OECD Countries:</i>						
Czech Republic	135	0.11	108	0.11	126	16.2
Hungary	100	0.11	70	0.07	97	38.0
Iceland	27	0.18	21	0.18	23	10.5
Korea	752	0.10	423	0.06	673	58.9
Poland	205	0.07	118	0.05	171	45.6
Slovak Republic	56	0.12	28	0.07	53	87.7
Turkey	601	0.17	339	0.11	654	92.8

(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, 30 November 2006.

Chart 1: Net ODA in 2005



**Table 2: Share of debt relief grants in net Official Development Assistance 2005**

	<b>ODA USD million current</b>	<b>of which: Debt relief grants</b>	<b>Percent change 2004 to 2005 (1) Without debt relief grants</b>
Australia	1 680	20	6.3
Austria	1 573	904	12.0
Belgium	1 963	472	16.2
Canada	3 756	455	18.7
Denmark	2 109	0	1.9
Finland	902	150	12.3
France	10 026	3 212	-0.7
Germany	10 082	3 441	-5.5
Greece	384	-	15.9
Ireland	719	0	15.7
Italy	5 091	1 670	42.0
Japan	13 147	3 553	12.7
Luxembourg	256	-	5.4
Netherlands	5 115	324	18.3
New Zealand	274	-	18.5
Norway	2 786	2	14.0
Portugal	377	3	-64.2
Spain	3 018	613	4.2
Sweden	3 362	53	23.3
Switzerland	1 767	224	-0.2
United Kingdom	10 767	3 525	0.9
United States	27 622	4 078	17.0
<b>TOTAL DAC</b>	<b>106 777</b>	<b>22 699</b>	<b>9.7</b>
<hr/> <i>Memo Items included in the above:</i>			
EC	9 390	-	6.0
DAC-EU countries	55 745	14 366	5.0
G7 countries	80 492	19 933	10.2
Non-G7 countries	26 285	2 766	8.5
<i>Non-DAC OECD Countries:</i>			
Czech Republic	135	10	19.8
Hungary	100	-	38.0
Iceland	27	-	10.5
Korea	752	-	58.9
Poland	205	-	45.6
Slovak Republic	56	-	87.7
Turkey	601	-	92.8

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

Source: OECD, 30 November 2006.

**Table 3: Gross Official Development Assistance in 2005**

	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>Percent change</b>
	<b>ODA</b>		<b>ODA</b>	<b>2004 to 2005 (1)</b>
	<b>USD million</b>		<b>USD million (1)</b>	
	<b>current</b>		<b>At 2004 prices and exchange rates</b>	
Australia	<b>1 680</b>	<b>1 460</b>	1 557	6.7
Austria	<b>1 587</b>	<b>708</b>	1 553	119.4
Belgium	<b>2 015</b>	<b>1 555</b>	1 975	27.0
Canada	<b>3 777</b>	<b>2 631</b>	3 429	30.3
Denmark	<b>2 174</b>	<b>2 100</b>	2 140	1.9
Finland	<b>907</b>	<b>689</b>	888	29.0
France	<b>11 530</b>	<b>9 800</b>	11 377	16.1
Germany	<b>11 595</b>	<b>8 957</b>	11 515	28.6
Greece	<b>384</b>	<b>321</b>	372	15.9
Ireland	<b>719</b>	<b>607</b>	703	15.7
Italy	<b>5 264</b>	<b>2 749</b>	5 127	86.5
Japan	<b>18 640</b>	<b>16 176</b>	19 190	18.6
Luxembourg	<b>256</b>	<b>236</b>	248	5.4
Netherlands	<b>5 201</b>	<b>4 898</b>	5 120	4.6
New Zealand	<b>274</b>	<b>212</b>	251	18.5
Norway	<b>2 786</b>	<b>2 204</b>	2 494	13.2
Portugal	<b>383</b>	<b>1 036</b>	376	-63.7
Spain	<b>3 518</b>	<b>2 684</b>	3 393	26.4
Sweden	<b>3 362</b>	<b>2 722</b>	3 377	24.1
Switzerland	<b>1 773</b>	<b>1 556</b>	1 764	13.4
United Kingdom	<b>11 162</b>	<b>8 206</b>	11 030	34.4
United States	<b>28 438</b>	<b>20 604</b>	27 682	34.4
<b>TOTAL DAC</b>	<b>117 426</b>	<b>92 110</b>	115 561	25.5
<i>Memo Items included in the above:</i>				
EC	9 726	8 971	9 554	6.5
DAC-EU countries	60 057	47 267	59 194	25.2
G7 countries	90 406	69 123	89 349	29.3
Non-G7 countries	27 020	22 987	26 213	14.0
<i>Non-DAC OECD Countries:</i>				
Czech Republic	135	108	126	16.2
Hungary	100	70	97	38.0
Iceland	27	21	23	10.5
Korea	778	451	696	54.4
Poland	205	118	171	45.6
Slovak Republic	56	28	53	87.7
Turkey	601	339	654	92.8

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

Source: OECD, 30 November 2006.

**Table 4: OECD-DAC Secretariat simulation of DAC members' net ODA volumes in 2006 and 2010**

In constant 2004 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 2006 and 2010. For 2006 and 2007 the projections of real growth for each country are taken from the *OECD Economic Outlook* No. 79 (May 2006) Annex Table 1. For the period 2008-10, 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.**

Note that debt relief levels are exceptionally high in 2005 and will also be high in 2006, assisting some donors to meet or exceed their 2006 targets. The 2006 simulations are based on stated targets and have not been adjusted for exceptional debt relief. Similar levels of debt relief are not expected in 2010.

Country	2005		Assumptions	2006		2010		Real change in ODA compared with 2005	
	Net ODA (2004 USDm)	ODA/GNI		Net ODA (2004 USDm)	ODA/GNI	Net ODA (2004 USDm)	ODA/GNI	2004 USDm	Per cent
Austria	1 539	0.52%	0.33% in 2006 and 0.51% in 2010	998	0.33%	1 674	0.51%	134	9%
Belgium	1 924	0.53%	0.5% in 2006 and 0.7% in 2010	1 876	0.50%	2 855	0.70%	931	48%
Denmark	2 076	0.81%	Minimum 0.8%	2 037	0.77%	2 290	0.80%	214	10%
Finland <sup>1,2</sup>	883	0.46%	0.44% in 2007 and 0.7% in 2010	819	0.41%	1 512	0.70%	629	71%
France <sup>1</sup>	9 893	0.47%	0.5% in 2007 and 0.7% in 2012	9 991	0.47%	14 155	0.61%	4 261	43%
Germany	10 013	0.36%	0.33% in 2006 and 0.51% in 2010	9 331	0.33%	15 553	0.51%	5 540	55%
Greece	372	0.17%	0.3% in 2006 and 0.51% in 2010	674	0.30%	1 260	0.51%	888	239%
Ireland	703	0.42%	€ 734 million in 2006 €1.2 billion in 2010 <sup>8</sup>	877	0.50%	1 272	0.65%	570	81%
Italy	4 958	0.29%	0.33% in 2006 and 0.51% in 2010	5 721	0.33%	9 507	0.51%	4 549	92%
Luxembourg <sup>1</sup>	248	0.84%	1% in 2009	276	0.90%	341	1.00%	93	37%
Netherlands	5 036	0.82%	Minimum 0.8%	5 166	0.82%	5 498	0.80%	463	9%
Portugal	371	0.21%	0.33% in 2006 and 0.51% in 2010	584	0.33%	972	0.51%	601	162%
Spain <sup>1,2</sup>	2 911	0.27%	0.5% in 2008 and 0.7% in 2012	3 651	0.33%	7 157	0.59%	4 246	146%
Sweden	3 377	0.94%	1% in 2006	3 722	1.00%	4 080	1.00%	704	21%
United Kingdom <sup>1,z</sup>	10 640	0.47%	0.47% in 2007-08 and 0.7% in 2013	9 682	0.42%	14 851	0.59%	4 211	40%
<b>DAC EU Members, Total</b>	<b>54 943</b>	<b>0.44%</b>		<b>55 405</b>	<b>0.43%</b>	<b>82 978</b>	<b>0.59%</b>	<b>28 034</b>	<b>51%</b>
Australia <sup>3</sup>	1 557	0.25%	See footnote 3	1 813	0.28%	2 538	0.36%	980	63%
Canada <sup>4</sup>	3 410	0.34%	See footnote 4	2 897	0.28%	3 648	0.32%	238	7%
Japan <sup>5</sup>	13 534	0.28%	See footnote 5	9 922	0.20%	11 922	0.22%	-1 611	-12%
New Zealand	251	0.27%	0.27% in 2005-06 and 0.28% in 2007-08	254	0.27%	284	0.28%	33	13%
Norway	2 494	0.94%	1% over 2006-09	2 726	1.00%	2 958	1.00%	463	19%
Switzerland <sup>6</sup>	1 757	0.44%	See footnote 6	1 666	0.41%	1 801	0.41%	44	2%
United States <sup>7</sup>	26 888	0.22%	See footnote 7	24 000	0.19%	24 000	0.18%	-2 888	-11%
<b>DAC Members, Total</b>	<b>104 835</b>	<b>0.33%</b>		<b>98 684</b>	<b>0.30%</b>	<b>130 128</b>	<b>0.36%</b>	<b>25 293</b>	<b>24%</b>

<sup>1</sup> ODA/GNI ratios interpolated between 2004 and year target scheduled to be attained.

<sup>2</sup> Finland aims to achieve 0.7% by 2010 'subject to economic circumstances'; Spain is aiming for a minimum of 0.5% by 2008, with the intention then to aim for 0.7% by 2012; the UK has announced a timetable to reach 0.7% by 2013.

<sup>3</sup> Australia will increase its ODA to about 4 billion Australian dollars by 2010. The figures here assume ODA is 0.28% of GNI in 2006, and 4 billion Australian dollars in 2010, and allow for average annual inflation of 2.5% between 2004 and 2010.

<sup>4</sup> Canada intends to double its 2001 International Assistance Envelope (IAE) level by 2010 in nominal terms. The ODA portion estimated here, supplied by the Canadian authorities, includes adjustments for inflation (approximately 2 per cent per annum) and for ODA expenditures outside the IAE.

<sup>5</sup> Japan intends to increase its ODA volume by USD 10 billion in aggregate over the five years 2005-2009 compared to its net ODA in 2004. The Secretariat's estimate assumes USD 1 billion extra in 2006 compared to 2004 and excluding exceptional debt relief and USD 3 billion extra in 2010.

<sup>6</sup> The Secretariat's estimate assumes maintenance of 0.41% of GNI in the period 2006-2010. A new goal is to be determined for the years from 2009.

<sup>7</sup> Secretariat estimate based on 2004 ODA plus USD 5 billion per annum to cover the Gleneagles G8 commitments on increased aid to Africa, Millennium Challenge Account, and initiatives on HIV/AIDS, malaria and humanitarian aid.

<sup>8</sup> These euro figures are converted to dollars at the 2004 exchange rate and discounted by 2 per cent per annum for inflation.