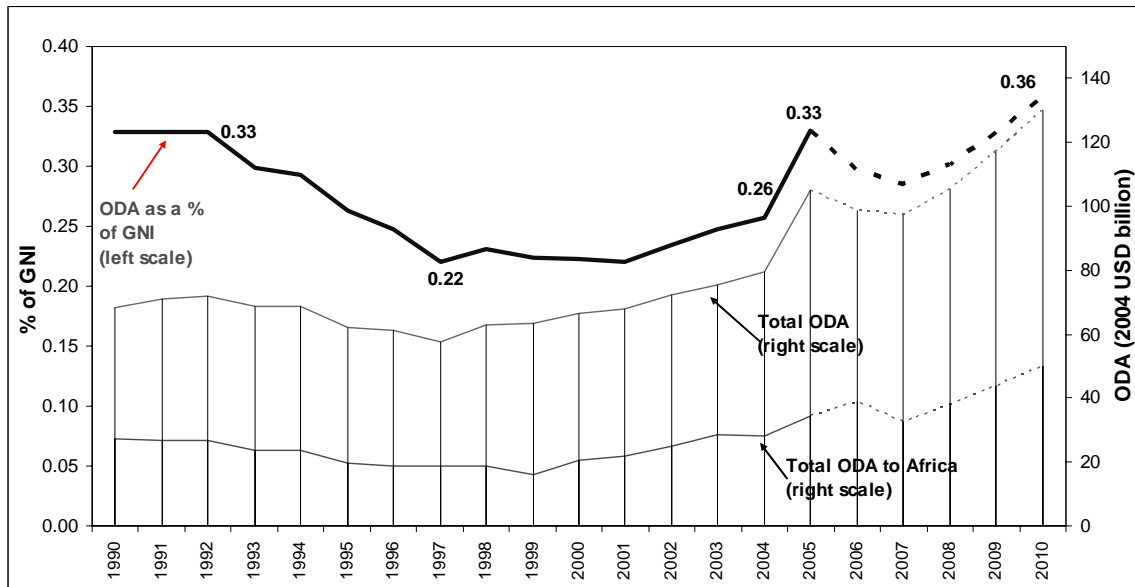


DAC Members' net ODA 1990 – 2005 and DAC Secretariat simulation of net ODA in 2006 and 2010



On the assumption that the major OECD donors deliver on their public statements, the latest simulation by the DAC Secretariat indicates that Official Development Assistance from the main OECD donors will increase by USD dollars 50 billion in round numbers.

This would take ODA from a little under USD 80 billion in 2004 to approaching USD 130 billion in 2010 (at 2004 prices and exchange rates).

The sharpest percentage increase is likely to be in Africa, to the tune of an additional USD 25 billion, taking the level of aid to that continent alone to around USD 50 billion in 2010. Already, several OECD countries have announced that they will double their own aid to Africa over the next few years.

In other words we can expect to see the largest expansion in ODA as measured by the OECD DAC since the committee was formed in 1960, even though as a proportion of Gross National Income, the level in 2010 (0.36% for OECD DAC members as a whole) remains well below the level of over 0.50% achieved in the early years of the Committee's existence.

These figures are impressive, but they do need to be treated with some caution. For many donors they imply that aid will be perhaps the most rapidly rising element of public spending year after year. Given the pressures on public budgets in many OECD countries, delivering such increases will be a challenge

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		
	Net ODA (2004 USDm)	ODA/GNI	ODA/GNI		Net ODA (2004 USDm)	ODA/GNI	ODA/GNI	Real change in ODA compared with 2005		
								2004 USDm	Per cent	
Austria	1 539	0.52%	0.33% in 2006 and 0.51% in 2010	998	0.33%	0.51%	1 674	0.51%	134	9%
Belgium	1 924	0.53%	0.5% in 2006 and 0.7% in 2010	1 876	0.50%	0.70%	2 855	0.70%	931	48%
Denmark	2 076	0.81%	Minimum 0.8%	2 108	0.80%	0.80%	2 290	0.80%	214	10%
Finland ^{1,2}	883	0.46%	0.44% in 2007 and 0.7% in 2010	819	0.41%	0.41%	1 512	0.70%	629	71%
France ¹	9 893	0.47%	0.5% in 2007 and 0.7% in 2012	9 991	0.47%	0.61%	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%	0.51%	15 553	0.51%	5 540	55%
Greece	372	0.17%	0.3% in 2006 and 0.51% in 2010	674	0.30%	0.51%	1 260	0.51%	888	239%
Ireland	703	0.42%	€ 734 million in 2006 €1.2 billion in 2010 ⁸	877	0.50%	0.65%	1 272	0.65%	570	81%
Italy	4 958	0.29%	0.33% in 2006 and 0.51% in 2010	5 721	0.33%	0.51%	9 507	0.51%	4 549	92%
Luxembourg ¹	248	0.82%	1% in 2009	284	0.90%	1.00%	352	1.00%	103	42%
Netherlands	5 036	0.82%	Minimum 0.8%	5 166	0.82%	0.80%	5 498	0.80%	463	9%
Portugal	371	0.21%	0.33% in 2006 and 0.51% in 2010	584	0.33%	0.51%	972	0.51%	601	162%
Spain ^{1,2}	2 911	0.27%	0.5% in 2008 and 0.7% in 2012	3 651	0.33%	0.33%	7 157	0.59%	4 246	146%
Sweden	3 377	0.94%	1% in 2006	3 722	1.00%	1.00%	4 080	1.00%	704	21%
United Kingdom ^{1,2}	10 640	0.47%	0.47% in 2007-08 and 0.7% in 2013	9 682	0.42%	0.42%	14 851	0.59%	4 211	40%
DAC EU Members, Total	54 943	0.44%		55 484	0.43%	0.59%	82 988	0.59%	28 045	51%
Australia ³	1 557	0.25%	See footnote 3	1 813	0.28%	0.36%	2 538	0.36%	980	63%
Canada ⁴	3 410	0.34%	See footnote 4	2 897	0.28%	0.32%	3 648	0.32%	238	7%
Japan ⁵	13 534	0.28%	See footnote 5	9 922	0.20%	0.22%	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%	0.28%	284	0.28%	33	13%
Norway	2 494	0.94%	1% over 2006-09	2 726	1.00%	1.00%	2 958	1.00%	463	19%
Switzerland ⁶	1 757	0.44%	See footnote 6	1 666	0.41%	0.41%	1 801	0.41%	44	2%
United States ⁷	26 888	0.22%	See footnote 7	24 000	0.19%	0.18%	24 000	0.18%	-2 888	-11%
DAC Members, Total	104 835	0.33%		98 762	0.30%	0.36%	130 139	0.36%	25 303	24%

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

² 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.

³ 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.

⁴ 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.

⁵ 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.

⁶ 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.

⁷ 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.

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