

**TABLE 2: SHARE OF DEBT RELIEF GRANTS IN NET OFFICIAL DEVELOPMENT ASSISTANCE**  
Preliminary data for 2006

	ODA USD million current [1]	of which: Debt relief grants [2]	Percent change 2005 to 2006 (1) Without debt relief grants [3]	Memo: Nigeria Buyback (2) [4]
Australia	2 128	363	3.0	-
Austria	1 513	753	11.0	-
Belgium	1 968	409	1.5	50
Canada	3 713	245	-3.5	-
Denmark	2 234	113	-0.9	-
Finland	826	-	8.1	-
France	10 448	3 543	-1.4	528
Germany	10 351	2 722	12.9	429
Greece	384	-	-4.1	-
Ireland	997	1	33.7	-
Italy	3 672	1 604	-41.4	216
Japan	11 608	3 128	-9.5	346
Luxembourg	291	-	4.9	-
Netherlands	5 452	294	5.2	-
New Zealand	257	-	0.0	-
Norway	2 946	23	-2.9	-
Portugal	391	0	1.4	-
Spain	3 801	526	30.1	19
Sweden	3 967	302	7.9	-
Switzerland	1 647	98	0.1	-
United Kingdom	12 607	3 476	21.8	887
United States	22 739	1 575	-12.7	102
<b>TOTAL DAC</b>	<b>103 940</b>	<b>19 175</b>	<b>-1.8</b>	<b>2 579</b>
<i>Memo Items:</i>				
EC	10 204	-	5.7	-
DAC-EU countries	58 902	13 744	6.1	2 131
G7 countries	75 138	16 293	-5.1	2 509
Non-G7 countries	28 802	2 882	6.8	70

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

(2) These amounts are included in columns [1] and [2] for those countries that consider the debt buyback for Nigeria met the same development purposes as the rest of the debt treatment (see box). Austria will report EUR 34.8 million for the buyback with its 2007 ODA. Denmark plans to report its net debt relief for Nigeria over a 3-4 year period including DKK 235 million for the debt buyback over 3 years starting 2007.

Source: OECD, 3 April 2007.

A debt buyback is when a donor provides a grant to fund the recipient's purchase of its debt. The amount is usually bought back at a discount.

***DAC Statement on the ODA treatment of the discount in the Nigerian debt buyback:***

In the absence of an agreed directive on the ODA treatment of a discount offered when a debtor buys back its own debt at the time of the Nigeria Paris Club agreement in October 2005, members that believe that in the case of Nigeria the main objective was developmental have reported the discount as ODA; those that believe that the main objective was commercial have reported the discount as an other official flow (OOF).

The statistical reporting directives have been clarified to exclude from ODA any discount involved in future standalone buybacks in the framework of the Paris Club that do not form part of a comprehensive debt treatment for the country concerned. Further, members have agreed that where, in future, a buyback is a complementary element of a package of debt measures covered by a single Paris Club agreement reporters need to consider if the main objective of the agreement is the development and welfare of the debtor country. Factors to consider in such cases include: a) whether the agreement explicitly recognises development and welfare, for example poverty reduction, as its main objective; b) whether the buyback is less than half of the face value of the debt treated by the single agreement; c) in cases where the agreement includes specific measures in support of development outcomes, for example monitoring debt sustainability and increased public expenditure by the debtor to reduce poverty, whether those measures also cover the buyback element.

***Statement by the DAC Chair, Richard Manning:***

"I have looked closely at the recording by DAC members of the buyback element of the Nigeria Paris Club agreement, since the existing reporting directives did not cover a case of this kind. DAC members have had to decide in these circumstances whether the buyback element was entered into for primarily developmental or commercial reasons. Different members have reached different conclusions on this point, but I am satisfied that all members have acted in good faith. The reporting directives have since been updated to cover any future such cases."