

OECD – Paris, 11 April 2017

## Development aid rises again in 2016

### 2016 preliminary ODA figures

In 2016, net official development assistance (ODA) flows from member countries of the Development Assistance Committee (DAC) of the OECD reached a new peak at USD 142.6 billion. This represented an increase of 8.9% compared to 2015, when adjusting for exchange rates and inflation. Net ODA also rose as a share of gross national income (GNI) to 0.32 (see Table 1 and Chart 1).

Net ODA continues to grow and its volume in real terms has doubled since 2000. Part of the increase in 2016 was due to higher costs for in-donor refugees, however, if these are excluded, ODA still grew by 7.1% in real terms (see Table 2).

### ODA allocations

Between 2015 and 2016, ODA for in-donor refugee costs rose by 27.5% in real terms, from USD 12.1 billion to USD 15.4 billion and its share of total net ODA increased from 9.2% to 10.8%.

In 2016, in-donor refugee costs represented more than 10% of total net ODA flows for eleven DAC countries, and for 4 of these, it was over 20%. In the last two years, many DAC members have faced unprecedented inflows of refugees and migrants; Chart 2 shows how the ongoing crisis has impacted DAC countries' ODA expenditures. The DAC is examining how to best deliver whole-of-government approaches, so as to preserve aid budgets, as well as improve the consistency, comparability and transparency of ODA reporting of these costs.

Within total net ODA, contributions by DAC countries to multilateral organisations rose by nearly 10% in real terms. The volume of support for bilateral projects, programmes and technical cooperation rose slightly by nearly 3% in 2016, yet its share of total net ODA has fallen from 58% on average during the period from 2010 to 2012 to 49% in 2016. Net debt relief grants were USD 2.5 billion in 2016, up from USD 431 million in 2015, due to exceptional debt relief for Cuba. Humanitarian aid rose by 8% to USD 14.4 billion (see Chart 3).

In terms of financial instruments, bilateral grants provided by DAC member countries rose by 9% in real terms from 2015. Excluding aid for in-donor refugees, they rose by 6%. By contrast, loans extended to developing countries fell slightly by 2% in real terms; net loans fell by 4% in real terms.

Preliminary data show that bilateral net ODA to the group of least developed countries was USD 24 billion in 2016, and represented a fall of 3.9% in real terms compared to 2015.

The data indicate that bilateral aid to Africa also fell slightly. Net ODA to Africa was USD 27 billion in 2016 of which USD 24 billion was for sub-Saharan Africa, representing falls in real terms of 0.5% for Africa and 0.7% for sub-Saharan Africa.

### **Bilateral donor performance**

The largest DAC donors by volume were the United States, Germany, the United Kingdom, Japan and France. Denmark, Luxembourg, Norway, Sweden and the United Kingdom met or exceeded the United Nations' ODA target of 0.7% of GNI and Germany reached this target for the first time in 2016. The Netherlands' ODA/GNI ratio slipped below 0.7% for the third time since 1974.

In 2016, net ODA as per cent of GNI was 0.32%, up from 0.30% in 2015. It had not been at this level since 2005.

Net ODA rose in twenty-two countries, with the largest increases recorded in Austria, Belgium, Czech Republic, Germany, Greece, Iceland, Ireland, Italy, Poland, Slovak Republic, Slovenia and Spain. For some, the increases were due to the impact of in-donor refugee costs. ODA fell in seven countries, with the largest decreases noted in Australia, Finland, the Netherlands and Sweden.

G7 countries provided 74% of total net ODA and DAC-EU countries 57%.

The United States continued to be the largest donor by volume in 2016, with net ODA flows at USD 33.6 billion, representing an increase of 7% in real terms over 2015. Its ODA as per cent of GNI also rose from 0.17% in 2015 to 0.18% in 2016. The main reason for this increase was a larger volume in disbursements made to a few multilateral organisations, which rose by 28.8% in real terms. US bilateral aid also increased by 3.5% in real terms.

ODA from the twenty DAC countries that are EU members was USD 81.3 billion in 2016, representing an increase of 13.1% in real terms. This amounted to 0.51% of their combined GNI. ODA rose or fell in real terms in DAC-EU countries as follows:

- Austria (+18.3%): due to increased costs for in-donor refugees and an increase in its multilateral contributions;
- Belgium (+19.6%): mostly because of increased in-donor refugee costs;
- Czech Republic (+29.3%): due to an increased contribution to the EU budget for development;
- Denmark (-7.6%): due to cuts in its bilateral aid programme;
- Finland (-18.7%): due to cuts in its ODA budget, which were partly offset by increases in its contributions to the EU development budget and in-donor refugee costs;
- France (+4.6%): due to increased bilateral lending;
- Germany (+36.1%): due to the scaling up of its overall aid programme as well the doubling of in-donor refugee costs compared to 2015;
- Greece (+10.8%): due to increased contributions to the EU development budget;

- Hungary (+0.5%): Hungary became the 30<sup>th</sup> member of the DAC in 2016 and its aid levels were stable compared to 2015;
- Ireland (+11.9%): due to an increase in its contributions to multilateral organisations;
- Italy (+20.2%): mainly because of increased in-donor refugee costs but also due to a rise in its contributions to multilateral organisations;
- Luxembourg (+7.7%): as it increased its overall aid programme;
- Netherlands (-13.1%): mostly due to lower expenditures for in-donor refugees compared to 2015, although its contributions to multilateral organisations rose;
- Poland (+42.6%): due to increased contributions to the EU development budget;
- Portugal (+8.9%): due to a rise in its contributions to the EU development budget;
- Slovak Republic (+ 26.8%): which increased its contributions to the EU development budget;
- Slovenia (+25.3%): due to an increase in its contributions to international organisations;
- Spain (+192.3%): due to exceptional debt relief for Cuba;
- Sweden (-31.1%): due to lower costs for in-donor refugees compared to 2015, as well as a lower level of contributions to multilateral organisations due in part to advance payments made in 2015;
- United Kingdom (+8.4): due to the scaling up of its aid.

Net disbursements by EU Institutions rose by 14.3% in real terms to USD 15.7 billion, due mostly to increased bilateral projects with developing countries and humanitarian aid.

Other DAC countries reported the following changes in real terms:

- Australia (-12.7%): due to cuts in its bilateral aid programme;
- Canada (-4.4%): mostly due to the timing of payments, although it increased its support to in-donor refugees;
- Iceland (+11.6%): due in part to increased support for in-donor country refugees;
- Japan (+0.9%): due to a slight increase in its bilateral ODA;
- Korea (+3.4%): due to an increase in its bilateral aid;
- New Zealand (-2.5%): due to annual fluctuations in its increased three year aid budget;
- Norway (+7.8%): due to an increase in in-donor refugee costs;
- Switzerland (+4.2%): due to increased costs for in-donor refugees, even though the aid budget was cut.

Several other providing countries reported on their ODA flows to the OECD and indicated the following changes in real terms:

- Croatia (-20.2%): due to cuts in its bilateral aid;

- Estonia (+27.8%): due to increases in its contributions to the EU development budget;
- Israel (+8.1%)<sup>1</sup>: mostly due to increases in its bilateral development cooperation;
- Latvia (+19.2%): as it increased its contributions to the EU development budget;
- Lithuania (+19.9%): due to increases in its overall aid programme;
- Malta (+24.6%): due to increases in its overall aid programme;
- Romania (+26.2%): due to overall increases in its development budget;
- Russia (-9.0%): due to delays in the implementation of its bilateral aid programs;
- Turkey (+63.8%): due to an increase in its humanitarian aid;
- United Arab Emirates (-4.7%): mostly due to loan repayments, although its contributions to international organisations rose.

Gross ODA (i.e. without deducting loan repayments), was USD 154.9 billion in 2016, an increase of 8.3% in real terms over 2015. The largest donors in gross ODA provided were the United States, Germany, the United Kingdom, Japan, and France (see Table 3).

For more information on development financing, see here: <http://www.oecd.org/dac/financing-sustainable-development/>

For more information on development financing data and visuals, see here: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/>

For more information on development financing by income group, see here: [www.oecd.org/dac/financing-sustainable-development/development-finance-data/DAC-Gross-ODA-WB-Income-Classifications.pdf](http://www.oecd.org/dac/financing-sustainable-development/development-finance-data/DAC-Gross-ODA-WB-Income-Classifications.pdf)

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<sup>1</sup> 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.

**TABLE 1: NET OFFICIAL DEVELOPMENT ASSISTANCE FROM DAC AND OTHER DONORS IN 2016**

	2016		2015		2016	
	ODA USD million current	ODA/GNI %	ODA USD million current	ODA/GNI %	ODA USD million (1) At 2015 prices and exchange rates	Percent change 2015 to 2016 (1)
<i>DAC countries:</i>						
Australia	3 025	0.25	3 494	0.29	3 050	-12.7
Austria	1 583	0.41	1 324	0.35	1 566	18.3
Belgium	2 306	0.49	1 904	0.42	2 277	19.6
Canada	3 962	0.26	4 277	0.28	4 089	-4.4
Czech Republic	261	0.14	199	0.12	257	29.3
Denmark	2 372	0.75	2 566	0.85	2 370	-7.6
Finland	1 057	0.44	1 288	0.55	1 047	-18.7
France	9 501	0.38	9 039	0.37	9 457	4.6
Germany	24 670	0.70	17 940	0.52	24 408	36.1
Greece	264	0.14	239	0.12	265	10.8
Hungary	155	0.13	156	0.13	156	0.5
Iceland	50	0.25	40	0.24	44	11.6
Ireland	802	0.33	718	0.32	804	11.9
Italy	4 856	0.26	4 003	0.22	4 813	20.2
Japan	10 368	0.20	9 203	0.20	9 287	0.9
Korea	1 965	0.14	1 915	0.14	1 980	3.4
Luxembourg	384	1.00	363	0.95	391	7.7
Netherlands	4 988	0.65	5 726	0.75	4 976	-13.1
New Zealand	438	0.25	442	0.27	430	-2.5
Norway	4 352	1.11	4 278	1.05	4 610	7.8
Poland	603	0.13	441	0.10	629	42.6
Portugal	340	0.17	308	0.16	336	8.9
Slovak Republic	107	0.12	85	0.10	108	26.8
Slovenia	80	0.18	63	0.15	79	25.3
Spain	4 096	0.33	1 397	0.12	4 082	192.3
Sweden	4 870	0.94	7 089	1.40	4 884	-31.1
Switzerland	3 563	0.54	3 529	0.51	3 679	4.2
United Kingdom	18 013	0.70	18 545	0.70	20 095	8.4
United States	33 589	0.18	30 986	0.17	33 160	7.0
<b>TOTAL DAC</b>	<b>142 619</b>	<b>0.32</b>	<b>131 555</b>	<b>0.30</b>	<b>143 329</b>	<b>8.9</b>
Average Country Effort		<b>0.40</b>		<b>0.40</b>		
<i>Memo Items:</i>						
EU Institutions	15 737	-	13 670	-	15 625	14.3
DAC-EU countries	81 308	0.51	73 392	0.47	83 000	13.1
G7 countries	104 958	0.29	93 993	0.27	105 308	12.0
Non-G7 countries	37 661	0.40	37 562	0.41	38 020	1.2
<i>Non-DAC members:</i>						
Croatia	41	0.07	51	0.09	41	-20.2
Estonia	44	0.19	34	0.15	43	27.8
Israel (2)	220	0.07	198	0.07	214	8.1
Latvia	28	0.10	23	0.09	28	19.2
Lithuania	58	0.14	48	0.12	58	19.9
Malta	20	0.20	17	0.17	21	24.6
Romania	198	0.11	158	0.09	200	26.2
Russia	1 023	0.08	1 161	0.09	1 057	-9.0
Turkey	6 182	0.79	3 919	0.50	6 421	63.8
United Arab Emirates	4 146	1.12	4 381	1.18	4 174	-4.7

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

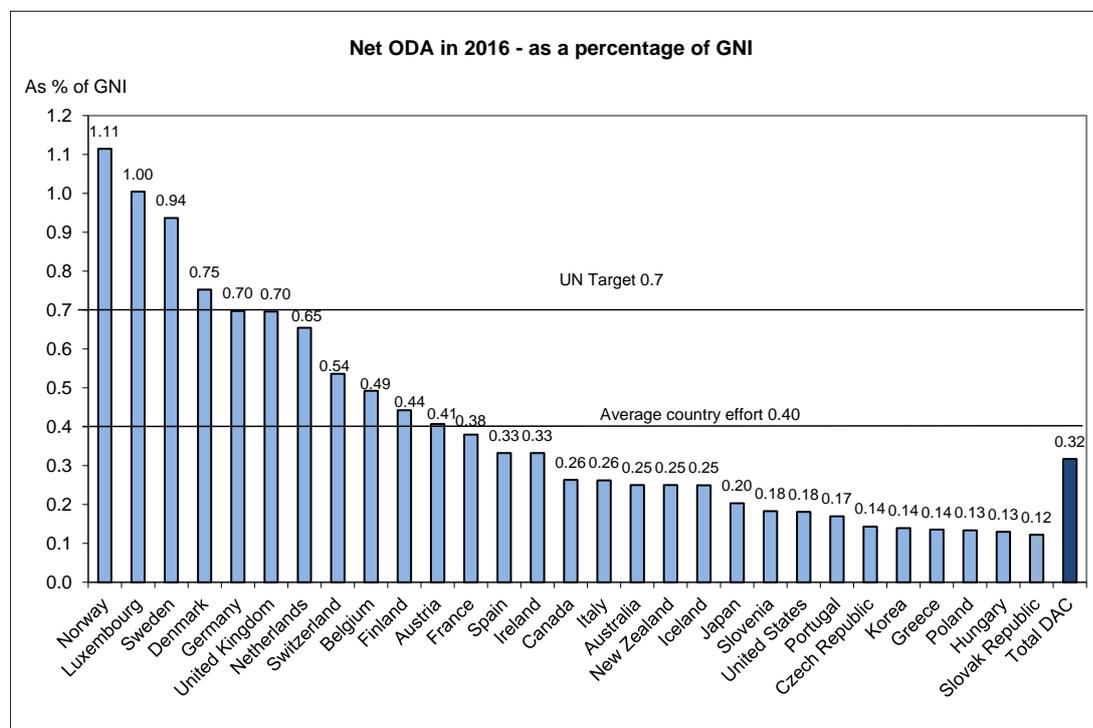
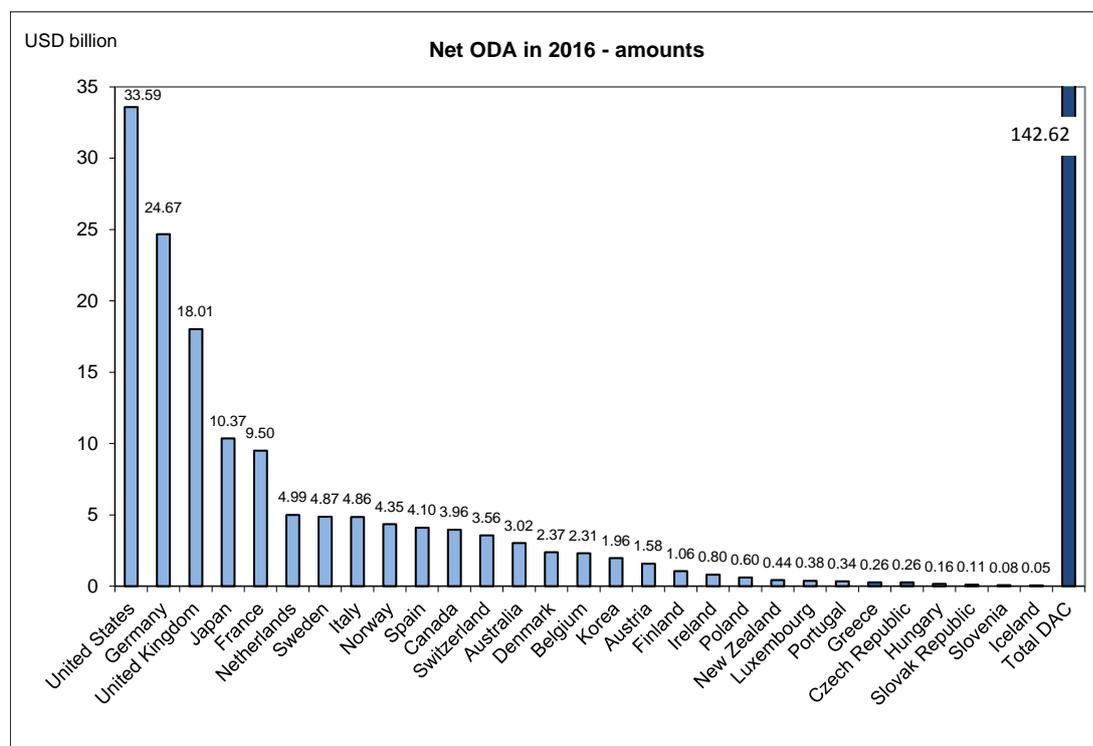
(2) The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Notes: The data for 2016 are preliminary pending detailed final data to be published in December 2017. 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, 11 April 2017.

**CHART 1: NET OFFICIAL DEVELOPMENT ASSISTANCE FROM DAC DONORS IN 2016**

Preliminary data for 2016



Source: OECD, 11 April 2017.

**TABLE 2: SHARE OF IN-DONOR REFUGEE COSTS IN TOTAL NET ODA**

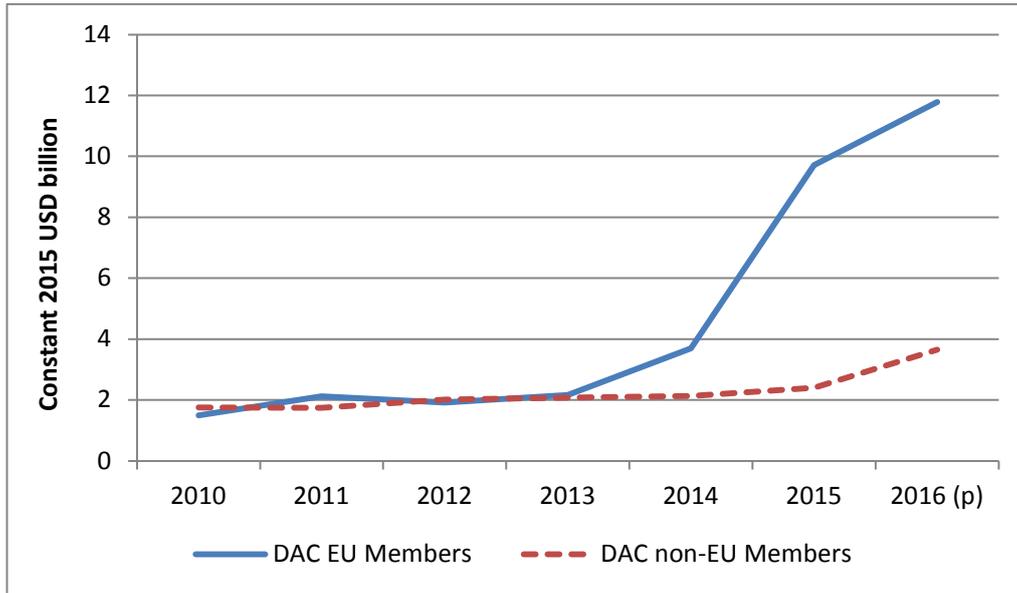
**Preliminary data for 2016**

	2016			2015			Percent change ODA excluding in-donor refugee costs 2015 to 2016 (1) At 2015 prices and exchange rates
	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	3 025	0	0.0	3 494	0	0.0	-12.7
Austria	1 583	596	37.7	1 324	439	33.2	10.4
Belgium	2 306	386	16.8	1 904	228	12.0	13.1
Canada	3 962	390	9.9	4 277	213	5.0	-9.3
Czech Republic	261	19	7.2	199	14	7.1	29.1
Denmark	2 372	420	17.7	2 566	397	15.5	-10.1
Finland	1 057	130	12.3	1 288	39	3.0	-26.5
France	9 501	428	4.5	9 039	363	4.0	4.1
Germany	24 670	6 218	25.2	17 940	3 019	16.8	22.3
Greece	264	59	22.3	239	59	24.9	14.6
Hungary	155	10	6.3	156	10	6.2	0.4
Iceland	50	8	16.8	40	5	11.8	5.3
Ireland	802	1	0.1	718	1	0.1	11.8
Italy	4 856	1 665	34.3	4 003	983	24.6	4.7
Japan	10 368	0	0.0	9 203	0	0.0	0.9
Korea	1 965	0	0.0	1 915	0	0.0	3.4
Luxembourg	384	0	0.0	363	0	0.0	7.7
Netherlands	4 988	461	9.3	5 726	1 326	23.2	2.6
New Zealand	438	17	3.8	442	17	3.8	-2.6
Norway	4 352	800	18.4	4 278	463	10.8	-1.4
Poland	603	6	1.0	441	9	2.1	44.3
Portugal	340	2	0.5	308	3	0.9	9.4
Slovak Republic	107	1	1.2	85	2	2.0	27.9
Slovenia	80	8	9.6	63	7	11.2	27.6
Spain	4 096	32	0.8	1 397	32	2.3	196.8
Sweden	4 870	821	16.9	7 089	2 397	33.8	-13.5
Switzerland	3 563	691	19.4	3 529	498	14.1	-2.2
United Kingdom	18 013	549	3.0	18 545	385	2.1	7.3
United States	33 589	1 686	5.0	30 986	1 202	3.9	5.7
<b>TOTAL DAC</b>	<b>142 619</b>	<b>15 407</b>	<b>10.8</b>	<b>131 555</b>	<b>12 110</b>	<b>9.2</b>	<b>7.1</b>
<i>Memo Item:</i>							
DAC-EU countries	81 308	11 813	14.5	73 392	9 712	13.2	11.8

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

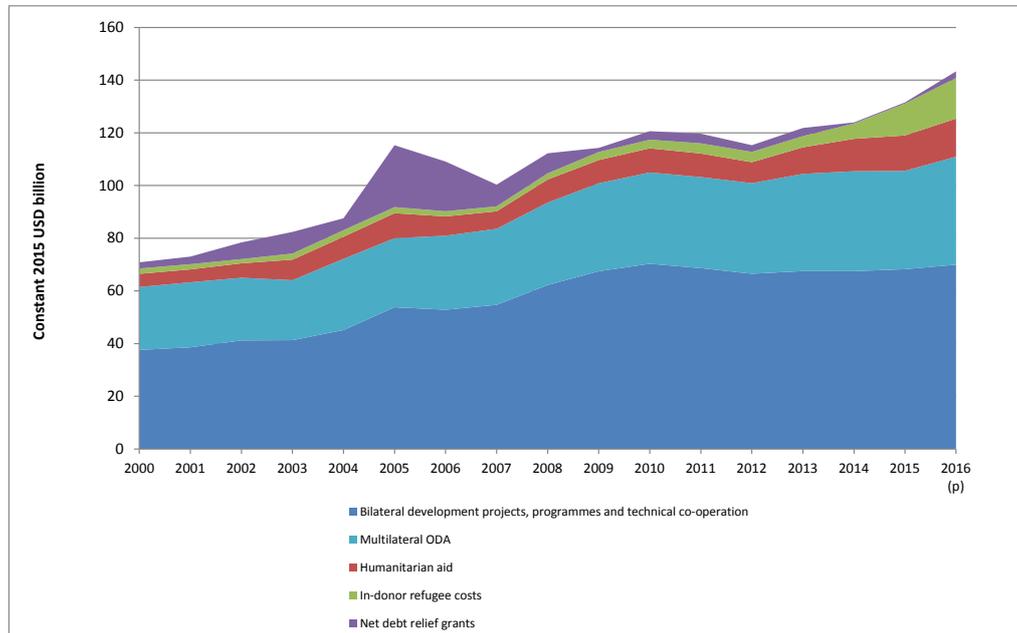
Source: OECD, 11 April 2017.

**CHART 2: NET ODA EXPENDITURES ON IN-DONOR REFUGEE COSTS**



Source: OECD, 11 April 2017.

**CHART 3: COMPONENTS OF DAC DONORS' NET ODA**



Source: OECD, 11 April 2017.

**TABLE 3: GROSS OFFICIAL DEVELOPMENT ASSISTANCE IN 2016**

<b>Preliminary data for 2016</b>				
	<b>2016 ODA USD million current</b>	<b>2015 ODA USD million current</b>	<b>2016 ODA USD million (1) At 2015 prices and exchange rates</b>	<b>Percent change 2015 to 2016 (1)</b>
Australia	3 025	3 497	3 050	-12.8
Austria	1 590	1 330	1 572	18.2
Belgium	2 347	1 976	2 318	17.3
Canada	4 005	4 320	4 134	-4.3
Czech Republic	261	199	257	29.3
Denmark	2 523	2 665	2 522	-5.4
Finland	1 058	1 308	1 048	-19.9
France	11 609	10 944	11 555	5.6
Germany	26 578	19 752	26 296	33.1
Greece	264	239	265	10.8
Hungary	155	156	156	0.5
Iceland	50	40	44	11.6
Ireland	802	718	804	11.9
Italy	4 910	4 056	4 867	20.0
Japan	16 759	15 029	15 011	-0.1
Korea	2 040	1 996	2 055	3.0
Luxembourg	385	363	392	7.9
Netherlands	5 176	5 819	5 163	-11.3
New Zealand	438	442	430	-2.5
Norway	4 375	4 304	4 634	7.7
Poland	629	466	656	40.8
Portugal	389	354	384	8.6
Slovak Republic	107	85	108	26.8
Slovenia	80	63	79	25.3
Spain	4 399	1 799	4 384	143.7
Sweden	4 917	7 170	4 931	-31.2
Switzerland	3 592	3 624	3 709	2.3
United Kingdom	18 126	18 676	20 221	8.3
United States	34 354	31 736	33 915	6.9
<b>TOTAL DAC</b>	<b>154 941</b>	<b>143 124</b>	<b>154 960</b>	<b>8.3</b>
<i>Memo Items:</i>				
EU Institutions	19 034	15 679	18 899	20.5
DAC-EU countries	86 304	78 137	87 977	12.6
G7 countries	116 341	104 512	115 999	11.0
Non-G7 countries	38 600	38 612	38 961	0.9

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

Notes: The data for 2016 are preliminary pending detailed final data to be published in December 2017. 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.

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