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Development aid stable in 2017 with more sent to poorest countries

In 2017, net official development assistance (ODA) by members of the OECD Development Assistance Committee (DAC), was USD 146.6 billion, representing a slight fall of 0.6% in real terms. As a share of gross national income, ODA also fell to 0.31% (see Table 1 and Chart 1).

The fall reflects the tapering off of the refugee crisis; excluding in-donor refugee costs, ODA increased by 1.1% in real terms compared to 2016, and has doubled since 2000.

ODA allocations

The refugee crisis, which hit especially European countries in 2015, began to recede in 2017. DAC countries reported USD 14.2 billion for in-donor refugee costs, a fall of 13.6% in real terms compared to 2016. In-donor refugee costs represented 9.7% of total ODA compared to 11% in 2016. For nine countries these costs represented more than 10% of their total net ODA flows, and for four of these it was over 20%. For many European countries, the fall in their net ODA flows was due to lower volumes of in-donor refugee costs reported in 2017 compared to 2016. In 2017, the DAC clarified the rules pertaining to the reporting of in-donor refugee costs, in order to make the data more comparable amongst donors and transparent.

Humanitarian aid was USD 15.5 billion in 2017, and rose by 6.1% in real terms compared to 2016. DAC countries' efforts to deal with the influx of refugees and humanitarian aid, which are both measures to deal with short-term emergency situations rather than longer-term economic development, has risen from an average of 16% of bilateral ODA between 2010 to 2014 to an average of 28% between 2015 and 2017 (see Chart 2).

Debt relief grants, which had risen to USD 2.5 billion in 2016 due to exceptional debt relief for Cuba, fell to USD 558 million. Contributions to multilateral organisations also fell slightly by 1.7% in real terms compared to 2016 and represented around 30% of total ODA, a level that has not changed significantly in the last years. Support for bilateral programmes, projects and technical cooperation rose by 4% in real terms, and represented 51% of total ODA.

Most DAC countries provide ODA in the form of grants, yet the volume of gross bilateral lending to developing countries rose by 13% in real terms compared to 2016. Preliminary data show that for some countries concessional loans represented a substantial share of their gross bilateral ODA (see Chart 3).

Preliminary estimates show that net bilateral ODA flows from DAC countries to the group of least developed countries increased by 4% in real terms to about USD 26 billion, thus reversing the declining trend noted in previous years. ODA represents about 70% of least developed countries' total external finance.

Initial estimates for bilateral ODA to Africa was about USD 29 billion, with aid to sub-Saharan Africa around USD 25 billion, reflecting an increase of about 3% in both.

Bilateral donor performance

The United States continued to be the largest DAC donor of net ODA (USD 35.3 billion), followed by Germany (USD 24.7 billion), the United Kingdom (USD 17.9 billion), Japan (USD 11.5 billion) and France (USD 11.4 billion). The following countries met or exceeded the United Nations' ODA as a percentage of GNI target of 0.7%: Denmark (0.72%), Luxembourg (1.00%), Norway (0.99%), Sweden (1.01%) and the United Kingdom (0.70%) Many providers beyond the DAC have long traditions of development cooperation. Amongst these, according to the preliminary figures for 2017 reported to the OECD, both Turkey and the United Arab Emirates exceeded the 0.7% ODA/GNI target, with 0.95% and 1.31% respectively.

In 2017, total net ODA for all DAC members combined as a per cent of GNI stood at 0.31%, falling slightly compared to 0.32% in 2016.

Net ODA rose in eleven DAC member countries, with the largest increases in France, Italy, Japan and Sweden. ODA fell in eighteen countries, with the largest drops in Australia, Austria, Greece, Hungary, Norway, Slovenia, Spain and Switzerland. For several, the decrease was due to lower levels of costs for in-donor refugees in 2017 compared to 2016.

G7 donors provided 76% of total net ODA and DAC-EU countries 56%.

ODA from the twenty DAC countries that are EU members was USD 82.7 billion, a fall of 1.2% in real terms compared to 2016, and represented 0.49% of their combined GNI. Excluding in-donor refugee costs, their combined ODA was stable (up by 0.1% in real terms). ODA rose or fell in the following DAC-EU countries as follows:

- Austria (-27.4%): due to less support for in-donor refugee costs;
- Belgium (-8.2%): due to lower in-donor refugee costs and a slight decrease in other bilateral ODA;
- Czech Republic (-0.8%): due to a slight reduction in technical assistance and administrative costs;
- Denmark (-2.3%): due to lower in-donor refugee costs;
- Finland (-3.3%): due to lower in-donor refugee costs;
- France (14.9%): due to an increase in its bilateral lending and contributions to multilateral organisations, in particular UN bodies;
- Germany (-3.6%): due to a lower level of in-donor refugee costs compared to 2016;
- Greece (-15.8%): due to lower in-donor refugee costs;
- Hungary (-29.7%): due to significant cuts in its overall aid programme;
- Ireland (-2.4%): although in-donor refugee costs increased, its contributions to multilateral organisations fell;
- Italy (10.2%): due to an increase in bilateral grants for developing countries and in-donor refugee costs;
- Luxembourg (4.4%): due to its target to allocate 1% of its GNI to ODA;
- Netherlands (-2.9%): although costs for in-donor refugees practically doubled this was offset by a fall in core contributions to multilateral organisations;
- Poland (-4.0%): due to cuts in its bilateral aid loans;

- Portugal (6.9%): as it increased its multilateral contributions to the World Bank and regional development banks;
- Slovak Republic (3.5%): due to the overall scaling up of its aid programme;
- Slovenia (-10%): due to a lower levels of in-donor refugee costs;
- Spain (-45%): after a significant rise in 2016 due to exceptional debt relief for Cuba;
- Sweden (9.9%): as it increased its grants to Africa and the group of least developed countries as well as contributions to international organisations;
- United Kingdom (2.1%): as the UK continued to meet its ODA/GNI target of 0.7%.

Net disbursements by EU Institutions were USD 16.5 billion, and represented a fall of 6.7% in real terms, mostly due to a lower level of loan disbursements.

Net ODA rose or fell in real terms in other DAC countries as follows:

- Australia (-15.8%): due to cuts in its multilateral ODA;
- Canada (4.1%): as it increased its humanitarian assistance, in-donor refugee support and climate financing;
- Iceland (5.5%): due to an increase in in-donor refugee costs;
- Japan (13.9%): due to an increase in its bilateral aid to least developed countries as well as loans;
- Korea (-6.5%): due to lower levels of contributions to multilateral organisations;
- New Zealand (-6.7%): due to annual expenditure fluctuations within a set three year budget;
- Norway (-10.0%): due to lower levels reported for in-donor refugee costs;
- Switzerland (-13.9%): mainly due to lower levels of in-donor refugee costs reported;
- United States (0.7%): an increase in its bilateral aid offset the decrease in contributions to multilateral organisation.

Other providing countries that report their development finance flows to the OECD indicated the following changes in real terms:

- Bulgaria (-9.6%): mostly due to a smaller amount of in-donor refugee costs;
- Croatia (19.9%): which increased its bilateral aid;
- Estonia (-8.4): due to cuts in its overall aid programme;
- Israel (-8.8%): due to reduced contributions to regional development banks;
- Latvia (2.7%);
- Lithuania (-2.6%);
- Malta (24.1%): due to an increase in in-donor refugee costs;
- Russia (-21.8%): due to reductions throughout its aid programme;
- Turkey (40.4%): as it increased its support for humanitarian aid;
- United Arab Emirates (6.5%): as it increased its grants to developing countries, especially in the form of budget support.

Gross ODA, (i.e. total flows spent by DAC countries without deducting for loan repayments), was USD 160.2 billion and stable compared to 2016 (up by 0.1% in real terms), with the largest donor being the United States (USD 35.8 billion), followed by Germany (USD 27.4 billion), Japan (USD 18.5 billion), the United Kingdom (USD 18 billion) and France (USD 13.7 billion).

TABLE 1: NET OFFICIAL DEVELOPMENT ASSISTANCE FROM DAC AND OTHER COUNTRIES IN 2017
Preliminary data for 2017

	2017		2016		2017	
	ODA USD million current	ODA/GNI %	ODA USD million current	ODA/GNI %	ODA USD million (1) At 2016 prices and exchange rates	Percent change 2016 to 2017 (1)
<i>DAC countries:</i>						
Australia	2 957	0.23	3 278	0.27	2 761	-15.8
Austria	1 230	0.30	1 635	0.42	1 188	-27.4
Belgium	2 204	0.45	2 300	0.50	2 111	-8.2
Canada	4 277	0.26	3 930	0.26	4 090	4.1
Czech Republic	272	0.13	260	0.14	258	-0.8
Denmark	2 401	0.72	2 369	0.75	2 314	-2.3
Finland	1 054	0.41	1 060	0.44	1 024	-3.3
France	11 363	0.43	9 622	0.38	11 057	14.9
Germany	24 681	0.66	24 736	0.70	23 844	-3.6
Greece	317	0.16	369	0.19	310	-15.8
Hungary	149	0.11	199	0.17	140	-29.7
Iceland	69	0.29	59	0.28	62	5.5
Ireland	808	0.30	803	0.32	784	-2.4
Italy	5 734	0.29	5 087	0.27	5 605	10.2
Japan	11 475	0.23	10 417	0.20	11 864	13.9
Korea	2 205	0.14	2 246	0.16	2 100	-6.5
Luxembourg	424	1.00	391	1.00	408	4.4
Netherlands	4 955	0.60	4 966	0.65	4 822	-2.9
New Zealand	436	0.23	447	0.25	417	-6.7
Norway	4 123	0.99	4 380	1.12	3 943	-10.0
Poland	674	0.13	663	0.15	636	-4.0
Portugal	378	0.18	343	0.17	367	6.9
Slovak Republic	113	0.12	106	0.12	110	3.5
Slovenia	76	0.16	81	0.19	73	-10.0
Spain	2 415	0.19	4 278	0.35	2 351	-45.0
Sweden	5 512	1.01	4 894	0.94	5 380	9.9
Switzerland	3 097	0.46	3 582	0.53	3 084	-13.9
United Kingdom	17 940	0.70	18 053	0.70	18 425	2.1
United States	35 261	0.18	34 412	0.19	34 638	0.7
TOTAL DAC	146 600	0.31	144 965	0.32	144 165	-0.6
Average Country Effort		0.38		0.41		
<i>Memo Items:</i>						
EU Institutions	16 450	-	17 106	-	15 967	-6.7
DAC-EU countries	82 699	0.49	82 214	0.52	81 207	-1.2
G7 countries	110 732	0.30	106 256	0.30	109 523	3.1
Non-G7 countries	35 868	0.36	38 709	0.41	34 642	-10.5
<i>OECD non-DAC members (2):</i>						
Estonia	42	0.17	43	0.19	40	-8.4
Israel (3)	342	0.10	351	0.11	320	-8.8
Latvia	32	0.11	30	0.11	31	2.7
Turkey	8 143	0.95	6 488	0.76	9 109	40.4
<i>DAC Participants (4):</i>						
United Arab Emirates	4 595	1.31	4 241	1.21	4 519	6.5
<i>Other Non-OECD members (5):</i>						
Bulgaria	62	0.11	68	0.13	61	-9.6
Croatia	50	0.09	41	0.07	49	19.9
Lithuania	59	0.13	57	0.14	56	-2.6
Malta	26	0.22	21	0.20	25	24.1
Russia	1 194	0.08	1 258	0.10	984	-21.8

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

(2) Chile and Mexico do not provide data on their official development finance flows to the OECD.

(3) 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.

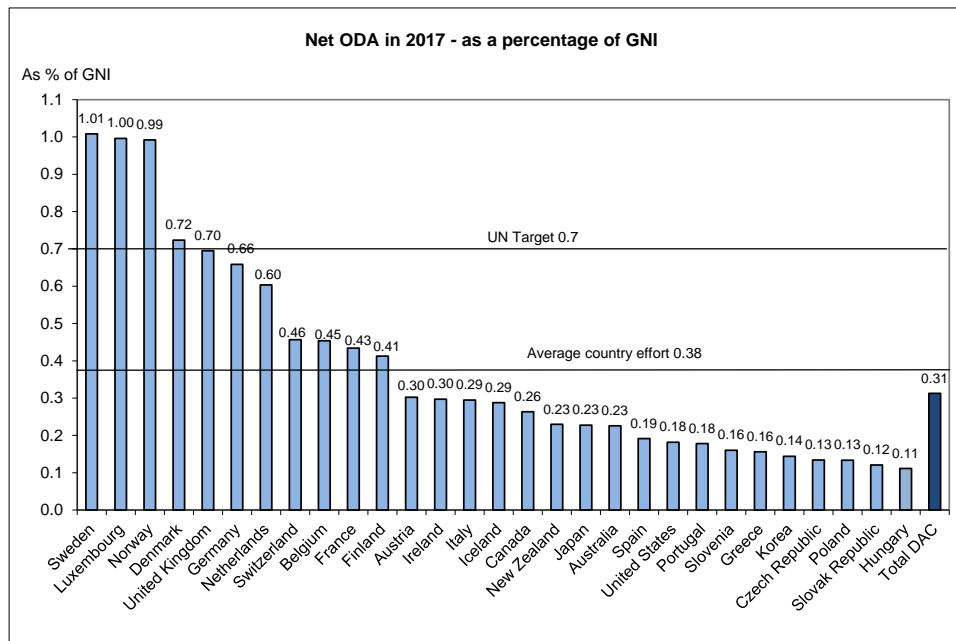
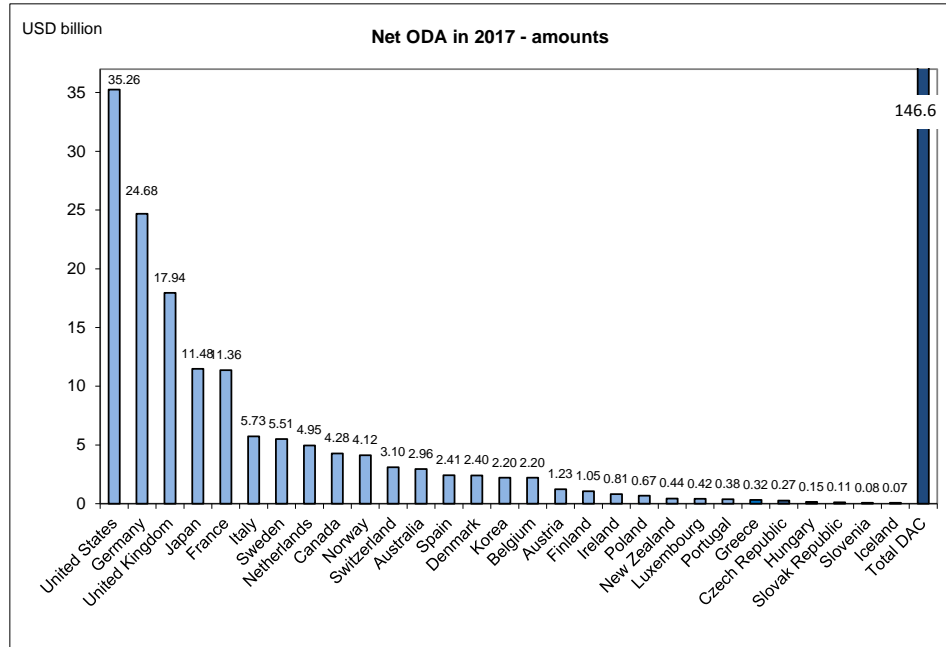
(4) Kuwait and Qatar are also Participants to the DAC. Kuwait did not provide preliminary 2017 ODA figures to the OECD and Qatar does not report on its official development finance flows to the OECD.

(5) Countries that have provided preliminary data on their 2017 flows.

Notes: The data for 2017 are preliminary pending detailed final data to be published in December 2018. The data are standardised on a calendar year basis for all countries, and so may differ from fiscal year data available in countries' budget documents.

Source: OECD, 9 April 2018.

CHART 1: NET OFFICIAL DEVELOPMENT ASSISTANCE FROM DAC COUNTRIES IN 2017
Preliminary data for 2017



Source: OECD, 9 April 2018.

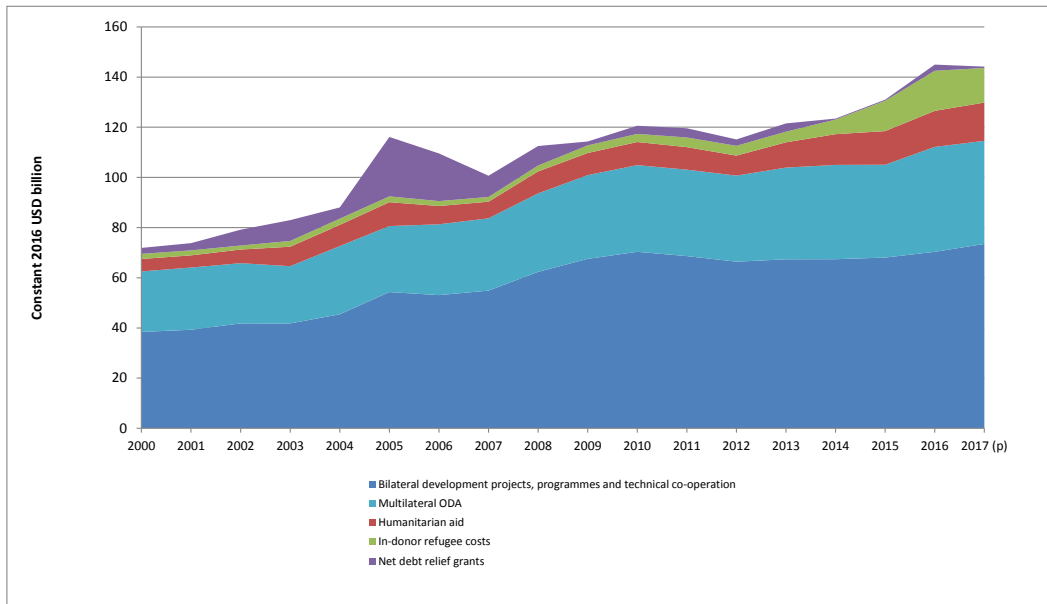
TABLE 2: SHARE OF IN-DONOR REFUGEE COSTS IN TOTAL NET ODA
Preliminary data for 2017

	2017			2016			Percent change ODA excluding in-donor refugee costs 2016 to 2017 (1) At 2016 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	2 957	-	-	3 278	-	-	-15.8
Austria	1 230	153	12.5	1 635	596	36.4	0.0
Belgium	2 204	316	14.3	2 300	376	16.3	-6.0
Canada	4 277	467	10.9	3 930	390	9.9	2.9
Czech Republic	272	22	8.0	260	18	6.9	-1.9
Denmark	2 401	73	3.0	2 369	412	17.4	14.6
Finland	1 054	77	7.3	1 060	130	12.3	2.1
France	11 363	566	5.0	9 622	467	4.8	14.8
Germany	24 681	6 084	24.6	24 736	6 585	26.6	-1.0
Greece	317	72	22.7	369	147	39.8	8.2
Hungary	149	3	2.2	199	10	4.9	-27.8
Iceland	69	25	36.3	59	16	26.7	-8.3
Ireland	808	11	1.4	803	1	0.1	-3.6
Italy	5 734	1 803	31.4	5 087	1 665	32.7	12.3
Japan	11 475	0	0.0	10 417	0	0.0	13.9
Korea	2 205	-	-	2 246	-	-	-6.5
Luxembourg	424	-	-	391	-	-	4.4
Netherlands	4 955	835	16.9	4 966	434	8.7	-11.5
New Zealand	436	17	3.9	447	17	3.8	-6.8
Norway	4 123	150	3.6	4 380	800	18.3	6.1
Poland	674	6	0.9	663	6	0.9	-4.0
Portugal	378	3	0.8	343	4	1.3	7.4
Slovak Republic	113	1	0.6	106	2	1.5	4.5
Slovenia	76	1	1.8	81	7	8.9	-3.0
Spain	2 415	218	9.0	4 278	89	2.1	-49.0
Sweden	5 512	828	15.0	4 894	821	16.8	12.3
Switzerland	3 097	285	9.2	3 582	691	19.3	-3.1
United Kingdom	17 940	491	2.7	18 053	574	3.2	2.5
United States	35 261	1 661	4.7	34 412	1 702	4.9	0.9
TOTAL DAC	146 600	14 170	9.7	144 965	15 960	11.0	1.1
<i>Memo Item:</i>							
DAC-EU countries	82 699	11 565	14.0	82 214	12 343	15.0	0.1

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

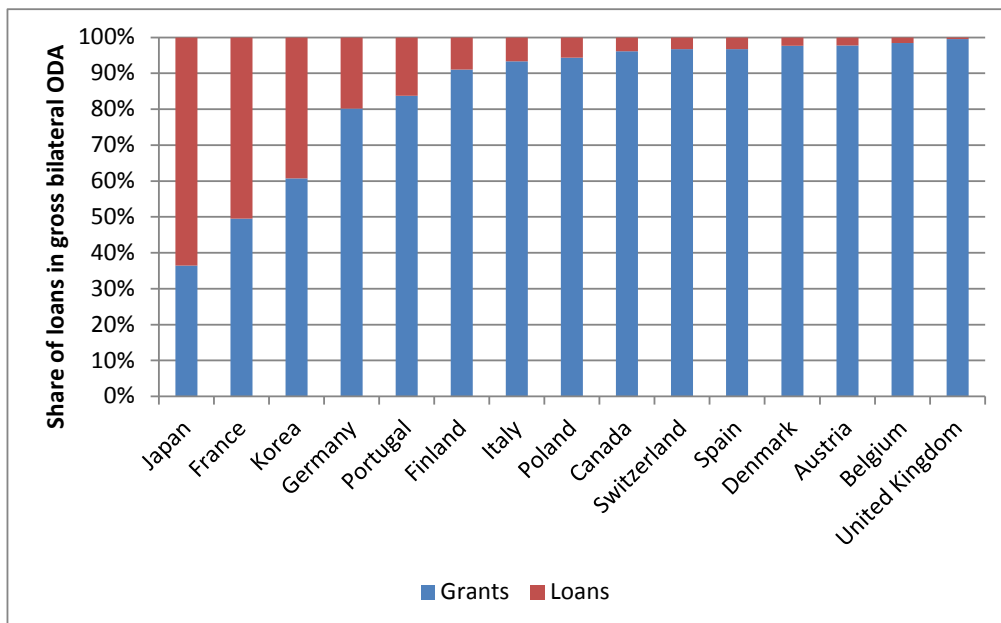
Source: OECD, 9 April 2018.

CHART 2: COMPONENTS OF DAC COUNTRIES' NET ODA



Source: OECD, 9 April 2018.

CHART 3: SHARE OF LOANS IN GROSS BILATERAL ODA FOR LOAN GIVING DAC COUNTRIES
2017 Preliminary data



Source: OECD, 9 April 2018.

TABLE 3: GROSS OFFICIAL DEVELOPMENT ASSISTANCE IN 2017
Preliminary data for 2017

	2017	2016	2017	Percent change
	ODA	ODA	ODA	2016 to 2017 (1)
	USD million	USD million	USD million (1)	2016 to 2017 (1)
	current	current	At 2016 prices and exchange rates	
Australia	2 957	3 281	2 761	-15.9
Austria	1 234	1 642	1 192	-27.4
Belgium	2 237	2 348	2 143	-8.7
Canada	4 325	3 974	4 135	4.1
Czech Republic	272	260	258	-0.8
Denmark	2 477	2 521	2 387	-5.3
Finland	1 064	1 060	1 034	-2.4
France	13 686	11 742	13 317	13.4
Germany	27 418	26 819	26 488	-1.2
Greece	317	369	310	-15.8
Hungary	149	199	140	-29.7
Iceland	69	59	62	5.5
Ireland	808	803	784	-2.4
Italy	5 819	5 159	5 688	10.3
Japan	18 474	16 808	19 100	13.6
Korea	2 293	2 320	2 184	-5.9
Luxembourg	425	392	409	4.4
Netherlands	5 064	5 145	4 929	-4.2
New Zealand	436	447	417	-6.7
Norway	4 147	4 403	3 965	-9.9
Poland	700	689	661	-4.0
Portugal	430	392	417	6.3
Slovak Republic	113	106	110	3.5
Slovenia	76	81	73	-10.1
Spain	2 725	4 672	2 653	-43.2
Sweden	5 546	5 014	5 413	8.0
Switzerland	3 102	3 664	3 089	-15.7
United Kingdom	17 995	18 204	18 481	1.5
United States	35 847	35 121	35 213	0.3
TOTAL DAC	160 204	157 691	157 813	0.1
<i>Memo Items:</i>				
EU Institutions	19 101	18 902	18 541	-1.9
DAC-EU countries	88 555	87 615	86 886	-0.8
G7 countries	123 563	117 826	122 422	3.9
Non-G7 countries	36 641	39 865	35 391	-11.2

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

Notes: The data for 2017 are preliminary pending detailed final data to be published in December 2018. 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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