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Efforts and Policies
of the Members
of the
Development Assistance Committee

Development Co-operation

2000
Report

Report by Jean-Claude Faure
Chairman of the Development Assistance Committee

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Pursuant to Article 1 of the Convention signed in Paris on 14th December 1960, and which came into force on 30th September 1961, the Organisation for Economic Co-operation and Development (OECD) shall promote policies designed:

- to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;
- to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and
- to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

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In order to achieve its aims the OECD has set up a number of specialised committees. One of these is the Development Assistance Committee, whose Members have agreed to secure an expansion of aggregate volume of resources made available to developing countries and to improve their effectiveness. To this end, Members periodically review together both the amount and the nature of their contributions to aid programmes, bilateral and multilateral, and consult each other on all other relevant aspects of their development assistance policies.

The Members of the Development Assistance Committee are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Communities.

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The general approach to development and to combating poverty is witnessing major change. The manifold consequences of this emerging new model, for policies and strategies in the developing countries, and for the focus and practice of their industrialised partners, have still to be fully addressed.

The international development goals were solemnly reaffirmed, in the year 2000, in all quarters of the international community. The priority attached to a determined fight against poverty has taken on new dimensions, with growth beneficial to the poorest, full empowerment of the poor and the assertion and promotion of human rights coming further to the fore alongside the social dimensions and meeting basic needs. Partnership is becoming operational, as the pre-eminent framework for defining strategies and carrying them through. At the same time, development is becoming increasingly integrated in the globalisation process. This is a challenge: the positive results expected will depend on the policies that are adopted to accommodate the process, reduce the inherent risks, and control adverse consequences.

These are all opportunities to be seized, for the renewal of development co-operation at a time when the funding of development itself, in all its aspects, is to be reviewed at a number of international conferences, and when official development assistance is again rising after the downturn of 1992-1997.

This Report highlights the ways in which the Development Assistance Committee and its Member countries are joining in this movement.

I should like, once again, to emphasise how much the Report owes to the commitment, competence and professionalism of the OECD's Development Co-operation Directorate. The team headed by the Acting Director, Richard Carey and his Deputy, Fritz Meijndert, and run on a day-to-day basis by Kerry Burns, who has co-ordinated the editing and production of the Report, have given unstintingly of their time and effort, in addition to performing their usual work. Thanks to the authors, editors, statisticians, secretaries, and the translation and printing services, the Report's content and presentation are constantly improving. Our warmest thanks to everyone concerned. Mention must also be made of the comments supplied by DAC Members, other OECD directorates, the OECD Development Centre and the Club du Sahel. I am most grateful for their contributions.*



Jean-Claude Faure

* Those most involved in this year's Report included: Yasmin Ahmad, Stéphanie Baile, Julia Benn, Francesca Cook, Arthur Fell, Ann Gordon, Jean-Louis Grolleau, Raundi Halvorson-Quevedo, Brian Hammond, Paul Isenman, Michael Laird, Frédérique Lang, Jean-Michel Lebrun, Hans Lundgren, Fritz Meijndert, James Michel, William Nicol, Rudolphe Petras, Diana Rivington, Simon Scott, Jacqueline Van Hoek. (See also the list of authors and contributors at the end of Chapter II.)

Part I

From Vision to Achievement**I**

Chairman's Overview.....	11
1. Introduction.....	11
2. Globalisation and the fight against poverty.....	12
3. Partnership tested: The need for deeper and wider application.....	16
4. An agenda for the future: Development finance, widespread policy coherence and global governance.....	18
Annex: Partnership for Poverty Reduction: From Commitment to Implementation: Statement by the DAC High Level Meeting, Paris, 11-12 May 2000.....	23
Current DAC Work.....	27

III

Progress Towards the International Development Goals.....	41
I. The goals.....	41
Overview.....	41
1. Cutting poverty.....	44
2. Education: Quality is important.....	49
3. Women and girls: Education, not discrimination.....	52
4. Helping children survive.....	56
5. Maternal mortality: Helping mothers live.....	57
6. Reproductive health: Providing knowledge and choices ...	59
7. Making development sustainable.....	61
II. What it will take to achieve the goals.....	64
III. A joint responsibility.....	70
Key authors and contributors.....	72

Part II

Development Finance and Development Assistance Efforts**III**

Towards Sustainable Financing in Less Advanced Developing Countries.....	75
1. The need for a “roadmap”.....	75
2. Highlights of recent trends in external flows.....	77
Private flows.....	77
Official development finance.....	81
External debt.....	81
3. Policy directions for development finance in less advanced developing countries.....	83
4. The new international financial architecture and less advanced developing countries.....	85
Financial systems and poverty reduction: Financial services and “embedded” financial liberalisation in developing countries.....	86
Foreign direct investment.....	87
Aid effectiveness and ODA allocations and volume.....	88

Evaluating the impact of the Enhanced HIPC Initiative on financial resources, growth and poverty reduction	89
International and regional public goods	90
5. Towards the “roadmap”	91
<i>Annex: Measuring resource flows to developing countries:</i>	
Differences and definitions	93

IV

<i>Policies and Efforts of Individual DAC Members and Other OECD Member Countries</i>	95
1. Highlights of aid flows in 1999	95
2. Continuing disparities in donor effort	98
3. Hopeful signs of renewed commitment to ODA	98
4. Notes on individual DAC Members	101
Australia	103
Austria	104
Belgium	105
Canada	106
Denmark	107
European Community	108
Finland	109
France	110
Germany	112
Greece	113
Ireland	114
Italy	115
Japan	117
Luxembourg	118
Netherlands	119
New Zealand	120
Norway	122
Portugal	123
Spain	124
Sweden	125
Switzerland	127
United Kingdom	129
United States	130
5. Notes on non-DAC OECD Members' aid programmes	131
Czech Republic	131
Korea	131
Poland	132
Turkey	132

Part III

Implementing the Strategy

V

<i>Health, Poverty, and Development Co-operation</i>	135
1. The growing importance of health in development strategies	135
2. Development co-operation for health	138
3. ODA flows to health: A statistical overview	139
The DAC statistical definition of aid to health	139

VI

Recent trends	142
Other health-related activities	148
4. More aid to health needed	150
Annex: Measuring aid to basic social services	152

Progress Towards Gender Equality in the Perspective of Beijing +5	157
1. Introduction	157
2. Beijing and the DAC Statement on Gender Equality	157
3. Overview of progress on implementing the DAC gender equality goals	159
4. How are Members implementing the goals?	160
5. A major policy objective: Closing the gender gaps in education.	170
6. Priorities for future action	171

Statistical Annex.....	173
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Technical Notes

(including Key Terms, Definitions, Acronyms and DAC List of Aid Recipients)	275
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Tables

Table III-1. Total net resource flows from DAC Member countries and multilateral agencies to aid recipients..	78
Table III-2. Debt: All aid recipients.....	82
Table IV-1. Net Official Development Assistance from DAC Members in 1998 and 1999	96
Table V-1. DAC statistical definition of “aid to health”	141
Table V-2. Aid to health 1990-98: Annual average commitment and share in total aid	143
Table V-3. Main recipients of aid to health, 1990-98	147
Table V-4. Top Ten recipients of aid to health in Africa, Latin America and the Caribbean, and Asia, 1996-98	149
Table V-5. Other Official Flows to health 1990-98: Annual average commitments.....	150
Table V-A1. DAC Members' bilateral ODA to basic social services, 1997-98, two-year average	154
Table V-A2. DAC Members' bilateral and multilateral ODA to basic social services, 1997-98, two-year average	155

Charts

Chart II-1. Poverty reduction: Progress in some regions – delays and setbacks in others.....	46
Chart II-2. Rising enrolment – but too many children out of school	50
Chart II-3. Enrolment gap between girls and boys – narrowing but still unacceptably wide.....	53
Chart II-4. The outlook for children – improving, but too slowly.....	56
Chart II-5. Skilled care at birth still not available in many places...	59
Chart II-6. Contraceptive prevalence rising in all regions.....	60
Chart II-7. Little progress in improving water supplies.....	63

Chart II-8. Energy efficiency generally improves with economic growth ...but greenhouse gases also increase	64
Chart II-9. More countries are becoming democratic	65
Chart II-10. Crossing the digital divide is essential for being competitive	66
Chart II-11. The growing importance of trade	67
Chart II-12. Aid, on the decline in the 1990s, needs a major boost, especially for the poorest countries.....	68
Chart IV-1. Net ODA from DAC Members in 1999.....	97
Chart IV-2. GNP per capita of selected DAC Members	99
Chart IV-3. ODA per capita of selected DAC Members.....	99
Chart V-1. Aid to health, 1973-98: 5-year moving average.....	142
Chart V-2. ODA/GNP ratio, 1990-98.....	144
Chart V-3. Aid to health as a share of total ODA, 1973-98: 5-year moving average	145
Chart V-4. Sub-sectoral breakdown of aid to health, 1990-98	145
Chart V-5. Aid to health, 1990-98, in constant (1997) prices.....	146
Chart V-6. Aid to health, 1990-98, by region.....	147
Chart V-7. Aid to health, 1990-98, by income group.....	148

Boxes

Box I-1. Basic education to reduce poverty: The Dakar Framework for Action	15
Box I-2. Development Partnership Forum 2000	19
Box II-1. The International Development Goals	42
Box II-2. The goals in action	43
Box II-3. Development risks	45
Box II-4. The governance factor.....	48
Box II-5. In from the edge	54
Box II-6. Private capital flows: High risk, high return.....	69
Box II-7. A Better World for Some?	71
Box III-1. Resource flows to Asia and to the Least Developed Countries	79
Box III-2. The OECD Guidelines for Multinational Enterprises ..	88
Box IV-1. Strengthening the DAC peer review process.....	102
Box IV-2. DAC Peer Review of France, 14 March 2000.....	111
Box IV-3. DAC Peer Review of Italy, 7 June 2000	116
Box IV-4. DAC Peer Review of New Zealand, 15 May 2000	121
Box IV-5. DAC Peer Review of Sweden, 5 October 2000	126
Box IV-6. DAC Peer Review of Switzerland, 17 October 2000.....	128
Box V-1. Co-operation on health between the OECD and the WHO	136
Box V-2. Aid to health as measured in the DAC reporting systems	140
Box VI-1. Institutionalising gender equality: United States Agency for International Development	163
Box VI-2. Progress towards gender equality in New Zealand Overseas Development Assistance	165
Box VI-3. Gender equality and institutions: Two challenges – A “tip sheet” from Sweden’s international development agency.....	167

Part I

FROM VISION TO ACHIEVEMENT

The emerging development paradigm breaks with previous international models. Globalisation is accelerating due to the spreading market economy model, within a new geo-political context characterised by rapid technological change. It also affects a growing number of countries, at very different stages of the development process. This inevitable inequity and vulnerability means that globalisation is a heterogeneous movement, with distinct and diverse rhythms.

Against this background, the international community now perceives that the capacity to manage and guide these changes through a concerted and coherent approach will determine the outcome of poverty reduction strategies, integration or exclusion, reinforced co-operation or mounting confrontations.

1. Introduction

In both thought and action, this last year has witnessed a strengthened resolve to place poverty reduction at the centre of development co-operation, within the framework of the intensifying and diverse process of globalisation.

Last year, the annual report of the Development Assistance Committee (DAC) emphasised that 1999 could well have been a turning-point, from three angles: implementation of poverty reduction strategies; promoting real and operational partnership, based on shared responsibilities; and a systematic focus on the principles of policy coherence and governance. This year is in turn striking by the multitude of studies on globalisation, its diversity and effects. The durable benefits globalisation is able to secure – beyond the financial, commercial or economic spheres – will depend on the policies in place to accompany and guide the process. Heeding the voices of those “left aside” is increasingly recognised as

an essential need when considering how to benefit from globalisation, avoiding exclusion and other negative social consequences.

On the poverty front, the same profusion is manifest. The United Nations, World Bank, International Monetary Fund and the OECD, in their first ever joint report, *A Better World for All*, called attention to the principal challenge confronting the international community – poverty. 1.2 billion people live on less than one dollar a day; a further 1.6 billion on less than two. Thus nearly half the world's population lives within these limits. They reaffirmed their commitment to the international development goals (IDGs), which target the fundamental dimensions of poverty, set down at the United Nations Conferences and Summits of the last decade, and brought together by the DAC in 1996 in its report *Shaping the 21st Century: The role of development co-operation*. At the same time, the reports and deliberations of UNDP, UNICEF, UNESCO, the World Health Organization (WHO), the

World Bank and the International Labour Organisation (ILO) were also giving priority to the struggle against poverty, identifying common principles and actions required to reduce poverty, with the United Nations giving a solemn reminder of the principles and orientations which the international community henceforth embraces, by adopting the resolution submitted to the General Assembly of the Millennium Summit. This global rallying around a renewed model of international co-operation can lead to concerted and determined action. These are thus years of transition, sketching the outline of an imperative – that of systematic implementation at the international level and in partner countries.

This imperative has left its imprint on the activities of the DAC, where poverty reduction is now perceived and treated in all of its dimensions. (See list of current DAC activities, including work on the Poverty Reduction Guidelines at the end of this chapter.) It has also left its mark on the operational decisions, practices and procedures of the development institutions of DAC Member countries, in a united and comprehensive manner. At the same time, there is a more clearly articulated sense of urgency driving the quest for convergence, to ensure that operational responses are not makeshift or segmented, but that they form part of a joint and coherent approach – the approach called for by globalisation, and the necessity of integrating developing partners in the global economy.

But we must not stop here. Development finance will this year be on the agenda of the Third Conference on Least Developed Countries in Brussels and the focus of the 2002 United Nations High Level Event on Financing for Development. Here are two unique opportunities

to tackle development finance issues within the current development policy climate. They can provide elements for a new dynamic for Official Development Assistance (ODA) in the years to come, giving new impetus to reflections on its catalytic role and on the need to increase effectiveness and volume. These events should also help build a coherent vision of development finance, at a time when, in 1999, for the second consecutive year, ODA flows from DAC Members have increased significantly – albeit in a context where their sustainability is far from certain, as specific circumstances largely explain the increase – alongside commitments expressed by several donors towards organised and gradual progression in their ODA allocations.

These developments point to the need to pursue and deepen the policy coherence and governance debate, beyond questions of good public governance. These issues are as much operational as they are political, and even cultural, since they concern practices and behaviours. Thus policies, attitudes, motivations and mutual interest are being revisited, as foundations of international dialogue that could anchor this movement sustainably, with the support of public opinion. A widely shared vision of international co-operation is therefore now clearly emerging. This vision must be encouraged.

2. Globalisation and the fight against poverty

The progressive globalisation of trade, financial flows and investment is not unique to the end of this century, no more than the shift by international firms or market actors away from the rules and standards established by States

alone. This process has always been a factor of integration or source of exclusion, fostering progress and development or justifying the implementation of corrective policies; it has led to strengthened international co-operation but also at times to misunderstanding and confrontation.

If the new paradigm emerging represents a rupture with previous international models, it is because the globalisation process itself is accelerating due to the spreading market economy model, within a new geo-political context and rapid technological change. It also affects a growing number of countries, all at very different stages of the development process. This inevitable inequity and vulnerability makes globalisation a heterogeneous movement, with distinct and diverse rhythms. Finally, the very substance of globalisation is rapidly changing, embracing information, knowledge, technology transfers, the environment and population movements.

Against this background, the international community now perceives that integration or exclusion, reinforced co-operation or mounting confrontations may depend more than ever before on the capacity to manage and guide these changes through a concerted and coherent approach.

This is true too of development in general, if it is to underpin and sustain growth stimulated by trade liberalisation and the opening-up of economies. The continuing controversy over the role of trade liberalisation in growth and development springs from the fact that its benefits are far from automatic. These benefits can only be derived in a sound macroeconomic environment with the necessary accompanying social policies in the areas of health, education and

training, an environment where the most vulnerable are protected by adequate social safety nets and efficient social protection measures, an environment characterised by sound public management and budgetary policies, application of the rule of law and fair labour standards and regulations.

If trade liberalisation is to produce growth and development, there must be strong policy coherence with respect to market access for developing countries and specific initiatives to re-evaluate, for example, special and differential treatment. But beyond trade negotiation proper, developed countries can support the efforts of developing countries to join the global economy by helping them to adopt the reforms mentioned above and to build their human and institutional capacities. Likewise, development co-operation can help partner countries assemble the conditions required by the new growth models. Even if the privatisation movement involves mainly large producers, the activity of small and medium-sized firms, often more flexible and decentralised, will also determine whether strong and sustainable growth can be achieved. And, here again, international co-operation can play a vital role, with a more catalytic approach for ODA, serving national policies induced by the new content of growth.

It is within this framework that the poverty reduction strategies are being designed and implemented. The urgent need to reduce poverty is now acknowledged by all. Extreme poverty continues to ravage the poorest and jeopardise their future. It is not just a question of solidarity but of successful integration in the global economy, which can only be achieved by reducing poverty. The poorest countries cannot participate in this process

so long as the energy of governments and citizens is directed exclusively towards survival and minimal livelihoods. At the same time, the opportunities offered by integration must be seized, as no country can enjoy sustainable development, in the fullest sense of the term, if it remains isolated and excluded. Indeed, it is becoming clear that global dynamics render even more unacceptable – and perilous – the social ills associated with poverty: disease, crime, conflict, illegal migration, political instability or environmental degradation.

This conscious shift in development policies towards global strategic frameworks, such as those that the IMF, the World Bank and the United Nations are encouraging and employing in a number of partner countries, is making a major contribution towards integrating the concept of poverty reduction in a wider, more coherent global perspective. This will influence both the design and implementation of the multidimensional approach to poverty reduction, on which the Ministers and High Level Representatives of DAC Member countries agreed last May, through the adoption of a High Level Statement to this effect (see Annex I-1). The commitment of the international community as a whole – partner and donor countries alike – to these strategies and principles is already leading to the formulation, by the poor countries themselves, of a growing number of Poverty Reduction Strategies Papers (PRSPs), which are subsequently discussed and refined with partners before becoming operational.

Empirical analysis shows that one force driving development is rapid growth, based to the extent possible in a sustainable and coherent way on open markets and economies and on the necessary accompanying

policies. Of course, the fundamental conditions for such growth are the same throughout the developing world. But studies also show that income growth amongst the poorest categories of the population often depends on the nature and the content of growth itself. Pro-poor growth must be promoted, both at the level of investment in basic social services or, more generally, in production, improved access to land, adapted financing, human capacity building, and access to health care and education. (See Chapter V on Health, Poverty and Development Co-operation, and Box I-1 on the recent Dakar Conference on Education for All.)

Pro-poor growth also implies equitable policies in the field of employment, at the microeconomic level; an enabling environment which fosters individual initiative; equitable revenue distribution, including measures to combat inflation and discriminatory market policies. This is the responsibility of partner countries and will depend to a large degree on the strength of their political resolve. But donors can also bring their support to these endeavours, by capacity and institutional building. Pro-poor growth also implies the active participation of the poor in the economy, in decision-making, and their capacity to take initiatives and exercise responsibility in a legal and regulatory framework respectful of human rights, in the widest sense of the term. Moreover, pro-poor growth requires political security, social protection, civil peace and the absence of violence. These are the three dimensions – economic and financial; social; and rights, governance and democracy – which underpin the poverty reduction strategies to promote opportunity, lessen vulnerability, integrating these strategies into the whole range of policies which together ensure that maximum advantage is drawn from the globalisation process. All these

Box I-1.

Basic education to reduce poverty: The Dakar Framework for Action

An estimated 113 million children do not attend school. Two-thirds of these children are girls. 150 million drop out of school before completing four years, *i.e.* before acquiring basic literacy skills. One of four adults in the developing world – an estimated 880 million adults – is unable to read or write.

Quality in basic education is a major problem. In-depth surveys conducted in 40 developing countries indicate that in many cases the minimum conditions of teaching and learning are not met. Nevertheless, over the last decade, considerable progress has been made in a number of countries, with both enrolments and quality.

While the situation varies considerably within and between regions, conditions in Africa are the most dramatic. If current trends continue, it is estimated that by 2015, 75 million African children will be out of school. Three “worlds” of education can be identified: one which is making progress; another which remains static, and a third which is regressing. This latter group includes some 60 countries in situations of crisis or conflict.

The World Education Forum held in Dakar, Senegal on 26-28 April 2000 enabled the international community to take stock of developments since the 1990 Jomtien Conference on Basic Education. Over 1 500 participants from 182 countries, many of them represented by their Ministers, 150 civil society organisations as well as numerous bilateral and multilateral agencies attended the Dakar Forum.

The concrete output of the Forum is the Dakar Framework for Action. It confirms the expanded vision of education outlined at Jomtien and sets out new goals and strategies for basic education. An important commitment made in the Framework is that “no country seriously committed to education for all will be thwarted in their achievement of this goal by lack of resources”. It also emphasises that special attention and support will also need to be given to countries that have yet to develop coherent basic education strategies and those affected by conflict, and post-conflict conditions.

DAC Members have recognised the central importance of the education for all (EFA) goals, which are key elements of the partnership strategy adopted by the DAC in 1996. One key role of education lies in its inherent important benefits for individual development and opportunity. The other is the crucial role played by education in helping the poor to increase their incomes, in strengthening democracy and good governance, in improving health practices (ranging from child nutrition to protection against unwanted pregnancies or HIV/AIDS). It is because of such benefits that two of the international development goals focus on education (achieving universal primary enrolment by 2015 and eliminating gender disparities in primary and secondary education by 2005). Girls’ primary education in particular is widely accepted as top priority in anti-poverty strategies.

Many agencies are taking further steps in light of the Dakar Framework for Action. UNESCO, for example, is devising a strategy for a global initiative to support national efforts towards EFA. UNICEF country offices will take action in support of EFA plans and forums, and will report annually on progress. CIDA is developing a new Basic Education Action Plan. The Netherlands has embarked on a multi-donor joint evaluation exercise to draw out lessons learned for donors in support of basic education. The World Bank has set up a special Task Force on Basic Education. These are some examples of development agency initiatives in the wake of the Dakar Forum. It will be important to monitor the implementation of these and other efforts through appropriate mechanisms.

dimensions call of course for empowerment of the poor and equal access to services or opportunities among them. Gender often remains a domain where decisive policies and action are needed, both in partner countries and in development co-operation activities (see Chapter VI).

Given the priority of policy coherence, the DAC, together with the OECD as a whole, will produce this year a “policy coherence checklist” setting out the principles to guide action in this field. Synergies between poverty reduction strategies and overall policies – economic, financial and social – are here at stake. And policy coherence constitutes the central element of all this.

Such a “coming together” so to speak of policies and strategies is perhaps the only means of dissipating the misunderstandings surrounding globalisation and of strengthening the commitment to the jointly agreed objectives and the actions needed to attain them. Without this convergence, the controversy on issues such as fairer working conditions, access to education and health care, the role of trade in accelerating growth or the preservation of the environment – a controversy often echoed by civil society – will weaken support for what in fact underpins globalisation, that is trade and investment liberalisation, and the promotion of global markets.

3. Partnership tested: The need for deeper and wider application

The more diverse, open and complex development model which is now emerging is shaping the concrete framework within which bilateral and multilat-

eral donors are operating, lending support to the policies and strategies conceived first and foremost by the developing countries themselves and implemented under their responsibility.

Partnership is thus a necessity, both at the design and implementation phases. Furthermore, full participation of populations in difficult and demanding decisions is essential for achieving partnership, as is the need to fully recognise the specificity of national situations and the diverse responses they call for.

This is the challenge confronting development co-operation: to make partnership a daily reality, with valid and effective results in the field, and making efficient use of resources, national or external, public or private.

Partnership practice is gradually changing. The launching of the first PRSPs in the framework of the Enhanced Highly-Indebted Poor Countries Initiative (Enhanced HIPC Initiative) must contribute to this process of change. These papers constitute a first sketch of formal national poverty reduction strategies in line with comprehensive development frameworks. Some twenty PRSPs will have been finalised by the end of 2000. Most of them, establishing the debt forgiveness decision point, will be interim strategies. Four partner countries are, for their part, engaged in the preparation of more comprehensive PRSPs for adoption at the completion point of the Enhanced HIPC Initiative.

Partnership – based on the principle of ownership by the partner countries – is thus materialising against a background of comprehensive policies focused on growth, macroeconomic elements and poverty reduction taken in all

of its dimensions. It is a real-life experiment, in which all donors – bilateral and multilateral – are participating. It deserves close attention, because it can lead to more flexible, less numerous and less “all-purpose” conditionalities, where the monitoring of programme implementation itself plays an essential role in the piloting of the entire process. The rate of progress will of course not be the same for all countries, but will depend on national capacities and, where necessary, strengthened programmes to implement these capacities.

Finally, the model and its overall structure will in all probability not be standardised, as it embodies the specific priorities and constraints of individual countries. These aspects are now being fine-tuned through an ongoing and in-depth dialogue between bilaterals, multilaterals and partner countries. This dialogue demonstrates the practical consensus on approaches and actions needed to achieve partnership, at the same time as the partnership concept is becoming operational.

In the same vein, the concrete implementation phase of partnership is an opportunity to promote a broader consensus, at both design and completion phases, on the relationships between the poverty reduction strategies, comprehensive development frameworks and national strategies for sustainable development. Sustainable partnership cannot be attained if it seeks to respond to objectives of the same nature through compartmentalised approaches, each with its own dynamics, logic and schedule. This concern led the DAC to propose an in-depth dialogue between bilateral donors, multilateral institutions and partner country representatives, which was set in train at the end of last year.

Finally, the development community considers that effective implementation of partnership, in a practical “day-to-day” manner, depends on ownership of the process by the partner countries themselves who are responsible for achievement in this respect, whether it be the co-ordination of aid or its coherent “piloting”, at each stage of the process. From this point of view, the practices and procedures of each donor in aid allocation, disbursement and monitoring can generate constraints of various magnitudes. The complexity and profusion of donor practices and procedures, and their implications in terms of deadlines for meeting programme objectives, often hinder effective action by partner countries.

A systematic and pragmatic evaluation leading to the simplification, and whenever desirable and possible, the harmonisation of approaches, is today imperative for the donor community as a whole, bilateral agencies and multilateral institutions alike. The 2000 DAC High Level Meeting requested that these issues be addressed, in order to make partnership more effective and reinforce ownership by partners. This is an end-product of the process instigated in 1996, when the DAC adopted the development partnership strategy. And the objective of simplifying and harmonising procedures is shared by the multilateral institutions which have launched similar processes. The joint World Bank and IMF Development Committee has been invited to submit a report, at its Spring 2001 session, on progress on this front. The Informal Multilateral Secretariats Group (IMSG) which regularly brings together the DAC, the World Bank, IMF, UNDP, UN, the regional development banks and the EC, represents in this respect a unique forum for concertation on issues relating to the promotion and implementation of

ownership, the systematic use of the comprehensive development frameworks and strategic approaches, as well as methods to strengthen national capacity to manage development and build statistical capacity in partner countries.

At the same time, there is a need to encourage ***a much wider use of partnership approaches***, reaching beyond governments, both in the North and the South. The development partnership strategy must be underpinned by a dynamic private sector and the full participation of civil society in identifying strategic objectives and methods of implementation. This calls for increased effectiveness, in the field, with more decentralised, pluralistic and participatory systems. The development strategies and objectives adopted at the local level must be the result of an open and constructive dialogue between local authorities, civil society and the private sector on the one hand, and external partners on the other. The Development Partnership Forum, organised jointly by the DAC, the Development Centre and the OECD, devoted its December 2000 session to these issues (see Box I-2).

Bringing the private sector into the partnership dialogue is today all the more essential given that growth largely depends on private sector activity and investment decisions based on an environment conducive to its activities – whether this be at the macroeconomic level or the level of human capital and its development. Employment and labour rights and standards are at the heart of pro-poor growth, in particular with regard to revenue distribution. The dynamic nature of small and medium-sized firms must be encouraged. Financial liberalisation is one of the major areas where reform is needed. Liberali-

sation can be dangerous – and can even increase poverty and income inequalities – if it is not accompanied by sound legal and administrative institutions. This implies that liberalisation is able to reap the benefits of strengthened capacity in the financial sector through policies and decisions based on a close dialogue with the private sector.

Finally, it should be noted that the positive repercussions of an increase in foreign direct investment will largely stem from the manner in which flows are monitored, promoted and guided by public policies. Their capacity to drive development will be reinforced if they adopt a “bottom-up” approach, clarifying investment choices efficiently, whereas the “top-down” approach tends to treat all investment opportunities in the same way, ignoring the individual merits and the priorities of specific sectors, particularly in periods of financial crisis or difficulty. This points to the need for a fundamental dialogue and a partnership relationship, in its widest sense, with government.

4. An agenda for the future: Development finance, widespread policy coherence and global governance

These last months have thus witnessed further and sustained adjustments in development co-operation policies. Practical consequences in terms of partnership have been drawn from them, leading to an encouraging evolution in the framework for action, even if it has not yet yielded all the expected results.

Box I-2.

Development Partnership Forum 2000

OWNERSHIP AND PARTNERSHIP: THE ROLE OF NORTHERN AND SOUTHERN CIVIL SOCIETY IN THE POVERTY REDUCTION STRATEGIES

11-12 December 2000

The Development Partnership Forum 2000 brought together over 150 participants from governments and civil society, including representatives of business associations, NGOs, churches, trade unions, media, and Parliamentarians, both from DAC Member countries and partner countries, together with DAC Member delegations and observers.

The Forum proposed a large number of concrete measures to strengthen the enabling environment for greater participation of civil society. A detailed report by the DAC and the Development Centre will be made available in 2001. The following points provide a preliminary overview of the Forum.

1. The involvement of civil society, in addition to partner country governments and the private sector, is becoming an operational feature of poverty reduction strategies, for reasons which are both political (ownership) and practical (active participation in pro-poor growth policies, effective and accountable implementation and realism check). To establish and implement successful participatory poverty reduction strategies, country ownership must involve all stakeholders.
2. Civil society is not homogeneous. It comprises many and diverse actors, each with their own interests and responsibilities. While this may complicate the consultation process, narrowing the selection of actors involved could hinder the entire process.
3. Adequate consultation processes need time. The absence of adequate consultation of civil society may speed up the process, but it does not foster true ownership. The sense of urgency in the launching of PRSPs should not result in the neglect of this imperative.
4. Engaging citizens and civil society actors in the consultation process is a formidable challenge in terms of time and resources for partner countries. Fostering partnership and participation of all stakeholders in an effective manner will require investment in capacity building and further evolution in aid agencies' operations, in particular simplification and harmonisation of their procedures. It must be a joint endeavour.
5. Creating the enabling environment for civil society capacity building also calls for recognition of the importance and cost of international networking and South-South collaboration by civil society actors. Development co-operation may have a decisive role in this respect.
6. Civil society should be allocated resources to support the specific activities chosen by civil society actors, but clearly governed by standards for accountability (in particular with respect to the poor), transparency, efficiency and effectiveness. Bilateral and multilateral official aid agencies should share these standards.

(continued on next page)

Box I-2. (cont.)

Development Partnership Forum 2000

7. Donors should increase efforts to inform and educate public opinion on the objectives, principles and implementation of the partnership strategy, setting whenever appropriate a target percentage for the financing of development information and education in their own countries.
8. Civil society actors in partner countries should be encouraged to play a more active role in advocating sound and effective poverty reduction strategies.
9. Opening up space for the advocacy role of civil society actors in partner countries will be of particular importance in situations where entering into a genuine partnership for poverty reduction has not yet been established as a policy priority, or when partnership is impeded by conflict situations.
10. Accountability and transparency can be enhanced through increased support for the media (traditional print and communications as well as modern IT applications). Moreover, the media is an important guardian against corruption. Media coverage of the whole partnership process at work, e.g. the elaboration of PRSPs, should be facilitated through real dialogue and not restricted to briefings and press handouts. This is important in order to stimulate local participation and ownership, and should lead, in the North, to increased confidence in and understanding of policy making in the South.

The time has therefore come to revisit *development financing* itself, to promote an overall coherent approach where each of the following aspects will have an important role: domestic resources; better distributed and guided expansion of private external flows for development in partner countries, including the poorest of them; and a renewed role for development assistance, linked to increased efficiency and adequate volume. The international High Level meeting the United Nations is preparing for 2002 will examine the whole range of national and international problems relating to development finance, in a comprehensive perspective, that of globalisation and interdependency.

This is an opportunity for all participants to reach a dynamic consensus on the objectives to be attained – at the level of the principles involved and the actions required to mobilise, in a sus-

tainable manner, the financial resources needed in order to meet the international development goals. This is indeed why the OECD and the DAC have joined in the preparatory work currently underway. Preliminary orientations which can be gauged from consultations among bilateral donors indicate their interest in a systemic and integrated approach to the development finance issue, to clarify the relationships between public and private financing, external and international resources, financial systems and formal and informal intermediaries, without neglecting sound resource management and capacity building in partner countries. The international development goals and the new comprehensive development frameworks should constitute a common basis from which to identify the multiple dimensions of ODA, going beyond issues of aid effectiveness and governance to review questions of aid volume and

allocation. A determined and forward-looking analysis of development finance, reflecting the evolution of development co-operation policies, is the only way to achieve this.

Financing development and growth will also be on the agenda this year of the Third United Nations Conference on Least Developed Countries. This will be an opportunity to deal with development aid issues taking account of the general evolutions mentioned above, but also of the need for differentiated and specific country approaches, in the context of diverse situations and perspectives.

Finally, the current adaptations in development policies and poverty reduction strategies show that **policy coherence and governance must evolve further.**

With regard to policy coherence, the multidimensional character of the fight against poverty, the closely related objectives and actions in this area and their necessary synergy underscore the need for a global approach, comprising different elements which require a comprehensive treatment. Beyond coherence, in the strict sense of the term, what is necessary is a balanced and comprehensive treatment of all these elements in a global approach. We are thus in all probability witnessing a new policy unity. This is a necessary prerequisite for aid effectiveness and political relevance, at the level of multilateral institutions and bilateral donors as well as partner countries. The checklist of items that governments need to address in order to reinforce policy coherence, which the OECD and the DAC are preparing, will thus provide a practical instrument serving a more ambitious objective – that of strengthening the unity of policies in place. This is the

setting in which the international community is currently positioning itself.

Finally, there is now strengthened conviction that good and efficient governance fosters economic development, social and political cohesion and the protection of the environment, to the extent that it allows full participation by all individuals. This conviction is gaining strength at the same time as development and poverty reduction policies are becoming comprehensive. The way in which the power and activity of government and private sector are embodied and exercised, and, *mutatis mutandis*, that of civil society, calls for stable and equitable rules of the game, which allow partnership to function in practice on the transparent basis acknowledged as essential by all. This also calls for a market climate where competitiveness can stimulate efficiency, innovation and investment in conditions which determine the framework within which private or collective power is exercised.

The governance principles called upon to direct, in an increasingly wide-ranging way, interactions between States, markets and civil society, are embodied in formulations and implementation which are of course proper to each type of actor, but which share common foundations: legitimacy, the rule of law, transparency, accountability, foresight and adaptability – in a word, participation. These are indeed the vital ingredients for the emergence of the common and more collective management of globalisation.

The adaptation of concepts and modalities calls for a clearly articulated political perspective, in order to reach the objectives, fully mobilise decision-makers and public opinion and

strengthen the relevance and efficiency of the process. Poverty reduction; sustainable development; the effects of globalisation – all these elements must be fully integrated in the general movement of international relations, at the economic level but also the political level.

Development co-operation has an important role here, to promote growth and the expansion of trade, a well-functioning international financial architecture and to diffuse knowledge and technologies and also, to promote access to information, help spread

human, economic and social rights, invigorate the dialogue between cultures and pursue peace and security. Recognition of this mutual interest, the participation of all in the management of global risks, the collective responsibility for human dignity can, in turn, ultimately depend on progress on these fronts also. Ownership of policies is a two-way street – with commitment by both developed and partner countries as an essential element for their success. Such commitment and ownership is the foundation of political will and citizen adherence.

Annex I-1

Partnership for Poverty Reduction: From Commitment to Implementation*Statement by the DAC High Level Meeting, Paris, 11-12 May 2000*

At the beginning of the century we reaffirm our commitment toward achieving the international development goals and endorse the following key orientations and actions for the implementation of development co-operation policies.

Four years ago we set out a vision of a global development partnership. In our report *Shaping the 21st Century: The Contribution of Development Co-operation*, we focused attention on the following goals from the commitments reached by the international community at the major UN Conferences of the 1990s:

- Reduce by at least one-half the proportion of people living in extreme poverty in developing countries by 2015 (Copenhagen).
- Universal primary education in all countries by 2015 (Jomtien, Beijing, Copenhagen).
- Demonstrated progress toward gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005 (Cairo, Beijing, Copenhagen).
- Reduction of infant and child mortality rates by two-thirds by 2015 (Cairo).
- Reduction of maternal mortality by three-fourths by 2015 (Cairo, Beijing).
- Access through the primary health-care system to reproductive health services for all individuals of appropriate ages, including safe and reliable family planning methods, by 2015 (Cairo).
- National strategies for sustainable development in operation in all countries by 2005, so as to ensure, by 2015, a reversal of current trends in the loss of environmental resources and the accumulation of hazardous substances (Rio).
- Continue addressing qualitative aspects of development that are essential to the attainment of the aforementioned goals; these include capacity development for effective, democratic and accountable governance, the protection of human rights and respect for the rule of law (Copenhagen, Vienna).

In the past four years, in partnership with developing countries and multilateral organisations, we have made major strides towards the common ground of a more effective model of development co-operation, including an agreed set of indicators to monitor progress towards achieving the international development goals. Our meeting has provided an opportunity for us, with the United Nations, the World Bank and the International Monetary Fund, to reconfirm shared commitments to this broad partnership. We look forward to enhanced collaboration in country-level frameworks.

Poverty Reduction

Development co-operation now relies on a broad, multidimensional understanding of poverty.

Eradicating poverty is a shared objective of the international community. We are establishing a broad and multi-dimensional perspective on poverty reduction. This includes the policies needed to generate pro-poor economic growth, producing broadly based rises in incomes through private sector-led, activity. Investment in basic social services (education, health and water) is also fundamental in this perspective. At the same time, this approach extends to addressing, with governments and civil society, issues of equity and the risks and vulnerability the poor face, as well as to supporting their empowerment to change the unacceptable conditions of their lives, through the active exercise of their rights and their capabilities.

Development co-operation is ultimately about our joint interest in peace and sustainable development, and our commitment to the respect for the equal rights of all human beings. These universally accepted norms are manifested in the UN Charter, in the UN Declaration on Human Rights and in the Conventions based on the Declaration.

Gender equality and the empowerment of women to fully share in all aspects of economic, social and political life has to be an integral part of this comprehensive effort to fight poverty. The promotion of environmental

sustainability is equally important. This calls for a systematic integration of these dimensions into all areas of development.

We have mandated the DAC to develop guidelines on poverty reduction, laying out the essential building blocks of coherent and more effective policies and action.

Ownership and Partnership

Partnership with developing countries which have ownership in the process is the foundation of our co-operation.

The main responsibility for combating poverty lies with the government and the people of each developing country. The role of development co-operation is to support national policies based on self-reliance and responsibility by the partner countries. Ownership and partnership – involving in particular national and local government, but also civil society and the private sector in both donor and partner countries – based on a shared view of countries' needs, capacities and objectives are the foundation of our co-operation with partner countries. This requires the building and strengthening of the developing country's own capacity to diagnose and act on its anti-poverty agenda and other development issues.

An agenda for strengthening ownership and partnership has already emerged in recent years: common frameworks for programme implementation; partner-led co-ordination; transparency, simplification and, wherever feasible, sustained progress towards harmonising donor procedures, in particular those concerning auditing and procurement of goods and services; continuing efforts toward untying; discouraging the proliferation of isolated projects; enhanced use of local capacities; joint monitoring and evaluation; improved coherence; and innovative ways of financing.

While we underline the importance of transparency and accountability in the use of aid, including for our own constituencies, we must pursue concerted efforts to reduce multiple procedural requirements which impose a serious burden on limited partner country capacity. Such requirements translate into separate procedures for each donor, for example on reporting, procurement and project supervision. And where projects establish stand-alone management structures, they often hire away the best talent from government and

civil society, at the expense of strengthening existing government and other institutions. We must end such practices and work together to support national programmes, involving government and civil society.

We welcome the convergence within the international community around comprehensive country-level development frameworks, integrating national anti-poverty strategies (as captured in country-owned Poverty Reduction Strategy Papers). There are promising experiences in implementing partnership principles on the ground in a number of partner countries. Now, this effort has to spread and become the guide for development co-operation. Country ownership takes time to fully develop and requires mutual trust between the developing country's government, its people and its external partners. Some key challenges remain, however, to be addressed, both by recipients and donors. We call upon the DAC to consider the guidance needed to implement the partnership agenda.

Pursuing a partnership approach to development will tend to focus bilateral co-operation on those countries that have demonstrated willingness and ability in taking ownership of their own development process. This is important to increase aid effectiveness, and builds on the results of intensive research on how to maximise returns from aid in terms of poverty reduction.

At the same time, we are deeply concerned by the situation in those countries where such willingness and/or ability does not yet exist. Where willingness exists, we will support governments to strengthen institutional capacity and ability in order to improve their governance and policies. All too often, national capacities in these countries are further diminished by recent or ongoing conflict and ravaged infrastructures, compounding the challenges of poverty and human misery, in many instances against the backdrop of overpopulation. Furthermore, some of these countries pose continuing risks of embroiling neighbouring countries in violent conflict. In addition to humanitarian assistance, we can best help these countries by encouraging them to pursue policies that will prevent future conflict as well as otherwise address issues of sustainable poverty reduction and by helping them build human and institutional capacities.

Globalisation and Policy Coherence

Greater policy coherence is essential so that developing countries can take advantage of the globalisation process to reduce poverty.

Global co-operation, exchange and integration are in the interest of all. Globalisation is bringing new opportunities to the partnership with developing countries, especially in areas such as trade and investment, finance, knowledge and technology. The challenge is to ensure that globalisation will benefit poor people.

In many parts of the world major economic and social progress has been made. In other parts of the world successful development is still all too rare or fragile, and depends on meeting complex challenges of governance, conflict resolution, demography and disease. A concerted effort in partnership is urgently required to prevent diseases such as HIV/AIDS, malaria and tuberculosis from becoming even greater obstacles to development.

Developing the social and economic capabilities needed to participate in an increasingly competitive global economy is also a major frontier for many developing countries. For developing countries to take advantage of the globalisation process and to minimise the risks, the international community will have to take some key actions in areas such as security, transparent and stable financial systems, trade access, agricultural policies and the environment. In these areas, regional and broader South-South co-operation is also important. We will encourage and support progress and programmes at these levels.

In the area of trade, we welcome the wide recognition among developing countries that liberalising trade and investment, as an essential part of a comprehensive development strategy, is instrumental to sustained poverty-reducing development and that they have a major responsibility for their own policies in this regard. We clearly recognise that the efforts of the OECD countries to promote policy coherence are essential as well. This involves, for example, policies relevant to providing enhanced access to our markets, improved rules under the WTO system, appropriate responses to environmental and social concerns, and effective participation of developing countries in international negotiations and system building. It also calls for the devel-

opment of competitive capacities of partner countries in international trade. We must contribute to enhancing the capacities of developing countries to benefit from the globalisation processes and to participate in the development of the international framework, as provided under the WTO system.

We are committed to promoting greater coherence of overall OECD Member policies in pursuit of the international development goals. We have mandated the DAC to develop a checklist on policy coherence that can be a reference point throughout our public policy systems. In this connection, we encourage the OECD in its commitment to systematically integrate development issues throughout all its work.

Governance

Human rights, democracy and good governance form the foundation for poverty reduction.

The success of the fight against poverty depends on the will and capacity of individual countries to pursue policies that promote equitable growth and social development. Recent analyses of impediments to poverty reduction – including that by Nobel Prize winner Amartya Sen – have shown that, for the incomes and the general well-being of the poor, women and men, to rise, human rights and freedom are essential prerequisites for them to take part in the development process. Democracy, participatory development and good governance are thus central to poverty eradication.

Good governance requires a broad approach to partnership extending beyond government and parliaments to include civil society and the private sector. Together with partner countries, we will intensify our efforts to effectively involve local Civil Society Organisations, as well as other key development stakeholders – including professional associations – in the early stages of program and project planning.

However, with responsibility and partnership go accountability, transparency and predictability. Recent financial crises have brought home the importance of improvements in corporate governance, domestic and international, to a stable financial framework. The OECD Convention on Combating Bribery in International Business Transactions has been an

important milestone in international corporate governance.

Financing Development

The role of official development finance, both in qualitative and quantitative terms, is crucial in complementing domestic and private resources for development.

Looking at the future of development financing, it is important that developing countries progressively rely on their own domestic resource mobilisation, complemented increasingly by sustained long-term private capital flows. A role of aid is to contribute to this process and to support efforts to diminish aid dependence, particularly in those countries, regions and sectors where access to private capital flows is still elusive or limited.

In the field of global public goods, aid will have to play an active role in financing crucial

inputs to development that private investors or individual countries are themselves unable to produce. These include, for example, appropriate health and medical research, environmental programmes which can only be produced by collective action, regional and global peace and security, as well as respect for human rights.

Aid has a crucial role in achieving the international development goals by supporting the efforts the developing countries are undertaking themselves to make development progress, especially in the area of poverty reduction. In committing ourselves to this course for the future, we will continue improving the quality of our aid flows. We further recognise that an increased volume of aid, linked to its effective use, is an essential contribution towards achieving the international development goals. We will increase our efforts to make additional funds available. In so doing, most Members are guided by the 0.7 per cent ODA/GNP target.

Current DAC Work



This section provides information on work underway and planned in the Development Assistance Committee (DAC) in the following areas:

- Partnership.
- Poverty reduction.
- Digital divide.
- PARIS21.
- Using IT to promote aid effectiveness.
- Conflict, peace and development co-operation.
- Aid evaluation.
- Environment and sustainable development.
- Gender equality.
- Trade and development.
- Trade capacity.
- Anti-corruption.
- Untying of ODA to Least Developed Countries.
- Biennial Review of DAC Subsidiary Bodies.

In this year's *Development Co-operation Report*, further information on work underway or planned in the Committee can be found in Chapters IV (strengthening DAC peer reviews), Chapter V (health and basic social services) and Chapter VI (gender equality). Further information can also be found at www.oecd.org/dac.

Partnership

In their Statement, "Partnership for Poverty Reduction: From Commitment to Implementation" (reproduced in Annex I-1), the DAC High Level Meeting in May 2000 called upon the Committee to consider the guidance needed to implement the partnership agenda. They recognised the need for further efforts to facilitate the public management tasks of partner countries, including joint work with the United Nations and the Multilateral Development Banks towards simplification and, where necessary, harmonisation of donor procedures.

Subsequent discussions in the DAC led to the proposal to establish a *DAC Task Force on Donor Practices* whose terms of reference were endorsed at the Senior Level Meeting in December. The objectives of the Task Force are to identify donor practices which could reduce the burden on the capacities of partner countries to manage aid and reduce the transaction costs involved in delivering aid. To achieve these objectives, the Task Force will take account of relevant work underway outside the DAC, most notably by the Multilateral Development Banks, the United Nations and the Strategic Partnership with Africa (SPA). At its first meeting,

scheduled for January 2001, the Task Force will decide on its programme of work.

Poverty reduction

In support of the international goal of reducing extreme poverty by half by 2015, the *DAC Informal Network on Poverty Reduction* (POVNET) has formulated guidelines for improving donor performance in helping partner countries reduce poverty. These guidelines will be submitted for endorsement by Ministers of Development Co-operation at the DAC High Level Meeting in 2001.

The ***DAC Guidelines on Development co-operation for Poverty Reduction*** (see Box) reflect a broad consensus among DAC Members on concepts and approaches for understanding and measuring poverty; country assistance programming for enhanced poverty reduction; good practice in instrumental approaches to poverty reduction; institutional learning and change in aid agencies; and the coherence of Members' overall policies which have an impact on poverty reduction in developing countries. The Guidelines are the outcome of combined expertise in Member countries, supplemented by the work of DAC subsidiary bodies specialised in the areas of gender, environment, evaluation, capacity development, good governance and conflict prevention. Within the new framework of country-led poverty reduction strategies, the Guidelines are geared to helping donors transform their mode of operation in accordance with the requirements of partnership and ownership.

DAC Scoping Study of Donor Poverty Reduction Policies and Practices. As a first

step in approaching this task, the POVNET conducted a comprehensive survey, assessing the poverty reduction policies, programmes and operations of each DAC Member, the World Bank and UNDP. The main findings of the Scoping Study were that development agencies are increasingly determined to ensure that aid is directed towards improving the lives of the poor, applying partnership principles and participatory approaches and gender analysis as tools for reaching the poor. But the Scoping Study also found that donors often lack an effective operational focus on poverty reduction, and little is known about the actual impact of their interventions to reduce poverty. The Scoping Study proved to be an exceptionally rich source of information about the strengths and shortcomings of donor efforts to reduce poverty, pointing the way to areas where agreement and consensus by DAC Members on common approaches, priorities and tools would best be focused.

Digital divide

The Secretariat is working with the Digital Opportunities Task Force and the United Nations' Information and Communications Technology Task Force to seek ways to use development co-operation to help countries to bridge the digital divide. The work includes a survey of donor responses to addressing the divide and making OECD work on e-commerce, etc. accessible to developing countries. This will be the subject of a major forum with invited participants from governments, civil society and the private sector – from both OECD and developing countries – and of international and regional organisations. The Forum will be held at the OECD in Paris on 5-6 March 2001. Details are available at www.oecd.org/dac/digitalforum.



DAC Guidelines on Poverty Reduction – *Preview*

In endorsing these Guidelines at the DAC High Level Meeting in April 2001, Ministers will express a unity of purpose and commitment to work with greater resolve to reduce poverty in solidarity with poor people and in the interest of securing universal human rights. Their efforts will consequently be more coherent and mutually reinforcing, both among DAC Members and across the international system, given the full compatibility of the Guidelines with similar international frameworks.

In recent years, an unprecedented degree of commitment and convergence has emerged in the international community around the central goal of reducing poverty. The World Bank, the IMF, the United Nations system, the regional development banks and the bilateral agencies are now moving from commitment to action by integrating relevant international development goals. (See Chapter II of this Report for details of the goals) and partnership modalities in their policies and co-operation programmes.

The 2000/2001 World Development Report, *Attacking Poverty*, the UNDP *Overcoming Human Poverty* Report, the World Bank *Sourcebook for Poverty Reduction Strategies* are all recent publications providing analytical tools and practical policy guidance needed for effectively achieving the IDGs relating to poverty reduction and human welfare over the next 15 years.

As a further contribution, the DAC undertook, over the past year, to formulate a set of guidelines to help its Members improve the focus and impact of their poverty reduction efforts. These Guidelines have been developed in partnership with a broad cross-section of poverty experts from government and civil society in a series of consultations held in Africa (Tanzania, March 2000), Asia (Indonesia, April 2000) and Latin America (Chile, June 2000). The insights, concerns and views emanating from these dialogues have shaped the contents of the Guidelines and, in particular its prescriptions for working in partnership.

The result is a challenging agenda, calling for changes in the way agencies think about poverty, plan and implement related assistance, organise themselves in the field and at headquarters, enhance the coherence of their external policies, and strengthen internal capacities to respond more effectively to the tasks at hand. The Guidelines are organised in five parts, which set out new directions in the following areas:

Common concepts and approaches for understanding, measuring, and focusing on poverty: Part I sets out a functional overview of poverty concepts and approaches and develops a framework for understanding the nature and causes of poverty. It aims to help the development practitioner understand the multidimensional nature of poverty, and suggests strategic approaches for reducing it.

Forging poverty reduction partnerships: A crucial challenge for the development community remains the need to align development agency support behind the poverty reduction objective and partner government leadership. Part II discusses how agencies can best co-operate with others in building strong partnerships in diverse country situations and support national efforts to devise sound strategies for reducing poverty.

Effective programming, frameworks and instruments for reducing poverty: Part III discusses practical ways of working in partnerships, focusing more closely on existing frameworks for organising and implementing development co-operation. It illustrates a wide array of instruments and effective modalities, discussing their relative merits in the light of evolving practice and prospects for impact.

(continued on next page)

DAC Guidelines on Poverty Reduction – *Preview (cont.)*

Ensuring that OECD Members' policies are coherent with the poverty reduction objective: Policy coherence across DAC Member governments (for example, trade, agriculture, and environmental policies) is the subject of Part IV, which illustrates with examples taken from a range of policy areas the importance of: i) ensuring that Members' efforts to reduce poverty are not undermined by the policies and actions of other parts of government; and ii) enhancing Member country policy interactions with developing countries.

Institutional learning and change: The OECD's 21st Century Strategy is creating a strong impetus for development agencies to transform the way they conduct business in accordance with the principles of partnership, ownership and accountability. Part V of the Guidelines focuses on the inner workings of development agencies, examining how organisational structures, management practices, and institutional cultures can be changed to increase their capacity to contribute effectively to reducing poverty.

PARIS21 – Partnership In Statistics for development in the 21st Century

PARIS21 was founded in November 1999. It is a global consortium of policy makers, statisticians, and users of statistical information in support of development. The consortium aims to build statistical capacity as the foundation for effective development policies by helping to develop well managed statistical systems that are appropriately resourced. In the longer term, PARIS21 aims to help to promote a culture of evidence-based policy making and monitoring. This in turn will serve to improve transparency, accountability and the quality of governance.

PARIS21 promotes and assists strategic planning to meet the information needs of national development frameworks. It is a source of international expertise and encourages South-South co-operation. It facilitates lesson learning and the sharing of best practice. It fosters

more effective dialogue and co-ordination in international technical co-operation. It is creating advocacy materials, which will be disseminated in 2001.

PARIS21 builds on existing national, regional and international work and aims to generate a step increase in resources devoted to building statistical capacity. PARIS21 acts as a catalyst, stepping aside as the development partners take this work forward on a country-by-country basis.

As requested by the first annual PARIS21 Consortium meeting in June 2000, the programme for 2000-2001 includes a series of regional workshops to raise awareness and explore the scope for regional co-operation. These will be followed by national and regional capacity building efforts, bringing together users and producers of statistics and civil society in a policy context.

The initial focus, in line with current policy attention, is on helping countries to maximise use of existing information in



preparing national Poverty Reduction Strategy Papers (PRSPs) while laying the foundations for sustainable statistical capacity building to help in implementing them. This includes all HIPC and other low-income countries, and covers those piloting the United Nations Development Assistance Framework (UNDAF) and the World Bank's Comprehensive Development Framework (CDF).

PARIS21 members include people from governments, regional, and international organisations, professional bodies and academic institutions. In November 2000 there were almost 400 members from over 100 countries representing 196 agencies. Over two-thirds of country members are from developing countries. Details of PARIS21 work can be found at www.paris21.org, and at the back of this publication.

Using information technology to promote aid effectiveness

In November 2000, the DAC and the World Bank jointly organised a workshop on using information technology to promote aid effectiveness. The workshop sought: *i)* to launch a discussion among donors aiming to develop a strategic vision on the implications of the Internet and the networking revolution for aid co-ordination and aid effectiveness; and *ii)* to clarify among donors the technical and some of the institutional, attitudinal and policy aspects of enhanced data and knowledge sharing.

The workshop focused in particular on technology that facilitates the sharing of information on development activity and can help make aid delivery more effective. The DAC, with its partners in the United Nations and World Bank, was asked

to continue to offer a forum to debate these issues and share good practices. It was recognised that the discussion needed to be widened to include partners from the developing countries, civil society, as well as public and private sectors. More work was needed to better understand the needs of various users for: *i)* good quality, timely information on the activities of the various development actors and lessons learned; and *ii)* ways to improve aid delivery throughout the project cycle.

The workshop suggested follow-up – with broad consultation – in three areas: *i)* to see where IT as a tool can support better co-ordination and assist partner countries (and donors in-country) in their efforts to simplify and harmonise procedures and reporting; *ii)* to provide greater transparency of and easier access to information on donors' and partners' activities; and *iii)* to develop the standards necessary to harmonise procedures and facilitate information sharing.

As part of the *Global Development Gateway*, the DAC had worked with a number of partners to make the information on DAC Members' project activities, as reported to the Creditor Reporting System, available to the aid effectiveness module of the Gateway. A pilot of this module – the Integrated Development Activity Information (IDAI) – was presented at the workshop (see <http://gateway.arsdigita.com/>). Participants suggested that the pilot should be consolidated and further discussed among DAC Members with a view to gaining common ground regarding enhanced standards for sharing data on development activity, supported by state-of-the-art technology. Together with other partners, the DAC was seen to have a key role to play in guiding dialogue on the harmonisation of data on development activity and disclosure policies.

The workshop recommended practical pilots should be used to explore the requirements, see what works best and then share the lessons widely. They should be tied in with action to develop and support locally-owned development strategies (e.g. CDF/UNDAF/PRSPs) and be linked to other existing initiatives, such as on procedures in Tanzania and on locally-owned donor co-ordination in Mali, linking to the Club du Sahel's work there.

It was suggested that the new DAC Task Force on Donor Practices could provide an umbrella under which these follow-up actions could bring together the bilateral and multilateral donors and anchor the work to existing policy and institutional initiatives to improve aid efficiency and effectiveness.

Conflict, peace and development co-operation

The *DAC Informal Task Force on Conflict, Peace and Development Co-operation* (TF-CPDC) completed its update to the DAC Guidelines on Conflict, Peace and Development Co-operation on the Threshold of the 21st Century in the form of a policy note. The Guidelines were endorsed at the OECD DAC High Level Meeting in 1997. The note distils recommendations and provides guidance to aid actors and external partners in the area of development co-operation and conflict prevention. The note is meant to assist the consideration of crucial conflict/peace issues for the international development community, as emphasised by the United Nations Millennium Assembly and the G8 Okinawa Summit.

The note builds on analytical work and consultations carried out by the Task Force based on evolving experience and lessons learned. These confirm the continuing relevance of the Guidelines and identify best practices in emerging priority areas, including conflict prevention and security sector reform. Issues addressed include: the role development co-operation can play in providing incentives and disincentives in conflict situations (based on four case studies on Afghanistan, Bosnia and Herzegovina, Rwanda and Sri Lanka); the importance for development of proper systems of security and best practices in security sector reform; the application of good governance principles for the peaceful management of violent conflict; the challenges of reconciliation and justice in divided societies; the role of regional co-operation in preventing conflict and rehabilitating violence-torn countries; strengthening the knowledge base and the capacity to use conflict analysis; integrating a conflict prevention approach into other activities, and policy coherence (e.g. arms exports or minerals imports).

These topics and key elements of the Guidelines were considered in a series of informal regional consultations with partner countries in Africa (Addis Ababa, 15-17 November 1999), in Latin America (Cartagena, 12-14 July 2000), and in Asia and the Pacific (Bangkok, 25-27 October 2000). The consultative process involved policy makers, academics and civil society representatives from developing countries.

Aid evaluation

During 2000 the *Working Party on Aid Evaluation* (WP-EV) continued to share



selected pieces of work on evaluation and aid effectiveness with a broader, interested public. This year three new publications were released in the Evaluation and Aid Effectiveness series: *Evaluating Country Programmes – Vienna Workshop, 1999*; *Donor Support for Institutional Capacity Development in Environment: Lessons Learned*; and *Effective Practices in Conducting a Joint Multi-Donor Evaluation*.

They follow the publication in November 1999 of “Guidance for Evaluating Humanitarian Assistance in Complex Emergencies”. These state-of-the-art publications sum up lessons learned and provide evaluation guidance.

In the area of results-based management (RBM), progress was made during 2000 by way of a review of a number of RBM agency systems and experiences. While some agencies have fully operational systems, many others are still at an experimental stage. Further in-depth work is continuing and will include key interviews with users and managers of the systems in various donor agencies. This work will lead to a series of good practice notes, for review by WP-EV and subsequently published.

A glossary of terms in evaluation and results-based management, for publication in 2001, is currently being prepared by a task force comprising a number of bilateral agencies, the World Bank and the UNDP. The glossary will contain a compilation of key evaluation and RBM terms drawn from a broad review of agency glossaries and terms. This operational tool aims to remove the confusion surrounding terminology which can impede effective dialogue among development partners.

Improving feedback and communication of evaluation results is a major challenge for evaluators. WP-EV held a major workshop in September 2000, hosted by the Government of Japan, on “Evaluation Feedback for Effective Learning and Accountability”. The purpose was to share information and lessons about effective practices for feedback and communication with internal and external partners among development agencies. Work is underway on a publication to share the results of the workshop.

Environment and sustainable development

The DAC Working Party on Development Co-operation and Environment (WP-ENV) has focused on the environmental goals articulated in the OECD 21st Century Strategy.

National strategies for sustainable development (nssds). A key goal of the *21st Century Strategy* is to have a national strategy for sustainable development in the process of implementation in every country by 2005. A review of experience in supporting nssds highlighted the importance of integrating social and environmental objectives within existing economic development planning and policy processes. Based on a series of informal consultations in Bolivia, Tanzania, and Thailand, as well as a detailed review of experiences in Burkina Faso, Ghana, Namibia and Nepal, WP-ENV has set out to develop policy guidance for donors on helping developing country partners formulate and implement sustainable development strategies. In close collaboration with the United Nations and Bretton Woods Institutions, this work aims to clarify the relationships among various

strategic planning processes underway in developing countries, including National Visions, Local or National Agenda 21, the Comprehensive Development Framework and the Poverty Reduction Strategies. The objective is to foster convergence around comprehensive, country-level development frameworks integrating poverty reduction strategies and sustainable development.

Global Conventions on the Environment: climate change, biodiversity and desertification. In support of the *21st Century Strategy* goal of reversing current trends in the loss of environmental resources by 2015, work is underway to identify practical ways for donors to help developing countries meet their obligations under the three Rio Conventions. The central objective is to translate the objectives of the Conventions in practical terms in order to formulate operational guidance for aid agencies. This includes identifying the trade-offs and synergies between these objectives and other socio-economic goals. Harmonising the reporting of Contributions by developed countries to the implementation of the Conventions in developing countries was identified as a high priority. A pilot study of aid targeted at the Rio Conventions is underway to identify means of improving statistical data on DAC Members' aid activities in supporting implementation of the Conventions in developing countries, using the DAC's existing Creditor Reporting System (CRS). This initiative is a collaborative effort of the *DAC Working Party on Statistics* (WP-STAT) and *Working Party on Development Co-operation and Environment* (WP-ENV) as well as the Secretariats of the Biodiversity, Desertification and Climate Change Conventions.

Poverty-environment linkages. Work is underway with the *DAC Poverty Reduction*

Network (POVNET) to identify the linkages between poverty reduction and environmental management strategies and policy implications for donors. This work involves close collaboration with a wide range of partners, including multilateral development organisations and non-governmental organisations.

Contribution to OECD-wide work on sustainable development. The Secretariat is contributing actively to this OECD-wide initiative, focusing on the role of OECD Members in supporting non-members in their efforts towards sustainable development. In this connection, an Informal High Level Meeting on Climate Change and Development was convened in July to provide the opportunity for senior officials from OECD countries dealing with climate change from the environment and development co-operation points of view to develop a common understanding of future challenges, in the lead-up to the Sixth Conference of the Parties of the United Nations Framework Conventions on Climate Change (UNFCCC). Discussions focused on how to integrate climate change in long-term development co-operation strategies and how to support developing countries' efforts to develop the necessary capacity and institutional frameworks to face the challenges of climate change.

Gender equality

Assessing implementation of the DAC Gender Equality Goals. Members of the *DAC Working Party on Gender Equality* (WP-GEN) completed their report, *Progress towards Gender Equality in the Perspective of Beijing +5*, which assesses progress made and lessons learned in their Ministries/Agencies since Ministers of Development Co-operation and Heads of Aid Agencies



adopted the DAC Policy Statement on Gender Equality in 1995. It also tested the use of the DAC Guidelines on Gender Equality and Women's Empowerment (1998) and the DAC Source Book on Concepts and Approaches Linked to Gender Equality (1998). It was discussed and endorsed by the DAC High Level Meeting in 2000 and made available as a collective contribution to the United Nations' Beijing +5 Review in June 2000.

Incorporating the gender perspective in sector-wide approaches (SWAs).

Knowledge on mainstreaming gender at the macroeconomic and sector level, and on incorporating the gender perspective

in sector-wide approaches (SWAs) is growing, with increased focus on experience in the areas of agriculture, education and health accumulated over recent years. Background papers will be discussed at a workshop in early 2001 and consolidated in a policy note. The papers provide an overview of practical methods to introduce the gender dimension in economic and sectoral analyses, and into policy-making instruments such as national budgets, public expenditure reviews and sector programme reviews.

Co-operation with the UN System. Over recent years, the United Nations Inter-Agency Committee on Women and

Gender mainstreaming in the DAC

In line with the DAC/DCD Gender Action Framework agreed in 1996, each DAC subsidiary body has endeavoured to integrate gender perspectives in its work.

During 2000 the *Working Party on Aid Evaluation* disseminated the results of a workshop hosted by Sweden in late 1999 on "Evaluating Gender Equality and Women's Empowerment". The results bring attention to a number of issues on gender mainstreaming for evaluation staff and managers. This includes the need to have gender expertise in the evaluation teams assessing programmes and policies

The *DAC Peer Reviews* have continued to deepen the coverage and analysis of Members' policies and approaches on gender equality. For example, a thorough assessment of Sweden's gender equality policy and implementation was carried out during its review. The process included a field mission to Viet Nam to review Sweden's mainstreaming activities in gender equality.

The *Informal Network on Poverty Reduction*, in close collaboration with the WP-GEN, systematically integrated gender into the forthcoming poverty reduction guidelines.

As a contribution to the *DAC Guidelines on Development co-operation for Poverty Reduction*, the *Working Party on Development co-operation and Environment* reviewed in detail the linkages between Poverty, Gender and Environment.

The *Working Party on Statistics* reviewed Members' reporting on aid targeting gender equality. Gender-specific "marker" data on project and programme commitments are becoming more comprehensive, and are being used as appropriate in analyses. Some Members are also beginning to apply the gender marker system in evaluating implemented projects and programmes.

Gender Equality, composed of gender experts from UN specialised agencies, together with bilateral and multilateral donors represented in WP-GEN, have held joint annual workshops to exchange experience and promote common strategies. Workshops have discussed: how to mainstream a gender equality perspective in participating organisations (1997); the relationship between a rights-based approach to development and gender equality (1998); human security issues and women's empowerment (1999); and governance, poverty reduction and gender equality (2000).

Trade and development

Horizontal work in this area aims to i) foster a better understanding of the links between openness, growth and development strategy; ii) establish why the concerns and interests of developing countries are best addressed in the context of the rule-based multilateral trading system; and iii) provide developing countries with the tools and institutional instruments to become more fully integrated into the multilateral trading system. The contribution of the DAC/DCD to this horizontal work focuses in particular on the first and third theme. With respect to the second theme, *e.g.* reinforcing the interest of developing countries in the multilateral trading system, DAC/DCD will provide input into the analysis that is primarily being undertaken by the Trade Committee. In particular, DCD is contributing to the work on the links between openness, growth and development. The analysis aims to: i) explain why convergence in income levels between and within countries has not yet been observed more widely; ii) clarify the relative contribution of openness to economic growth; and iii) examine the evidence for the claim that open markets have contributed little to

poverty alleviation. The objective is to identify the conditions for open markets to contribute *via* economic growth to poverty alleviation.

The “story line” emerging from the analyses so far is that: i) the liberalisation of trade and investment is the driving force behind the globalisation of the production process; ii) some non-OECD countries are starting to participate in and benefit from this process, but many others are still lagging behind; iii) compliance with WTO standards and technical requirements is far more demanding on the human and institutional capacities of many poor countries than the process of removing market access barriers; iv) the codification of rules and regulations for trade in goods and services in the WTO Single Undertaking has brought benefits to non-member countries. However, more remains to be done, in particular with respect to i) further liberalisation of market access; ii) operationalisation of the provisions for Special and Differential Treatment; and iii) effective trade capacity building.

Trade capacity

The development partnership strategy emphasises the importance of integrating developing countries into the global economy as an essential means of avoiding marginalisation, generating resources for development, achieving sustainable development and contributing to the reduction in poverty called for in the international development goals. Yet many of the poorest developing countries have not yet been able to integrate successfully into global markets, and hence to participate in the growth-inducing, and potentially poverty-reducing benefits of trade.



Biennial review of DAC subsidiary bodies

In February/March 2000, the DAC conducted its biennial review of the mandates of subsidiary bodies and discussed the DAC subsidiary body architecture in general. The decisions taken on the basis of this review are summarised below.

Strengthening the link between the DAC and its subsidiary bodies

- Chairs of DAC subsidiary bodies will meet annually with the DAC back-to-back with the annual June meeting on the DAC's Programme of Work.
- Chairs of DAC subsidiary bodies will be invited to the annual Development Partnership Forum in December.

Working Parties

- The mandates of all present Working Parties, *i.e.* the *Working Party on Statistics*; the *Working Party on Financial Aspects of Development Co-operation*; the *Working Party on Aid Evaluation*; the *Working Party on Development co-operation and Environment*; and the *Working Party on Gender Equality*, were renewed. As of 1 January 2001, these mandates will have a duration of four years.
- Major reviews of mandates will be conducted by the DAC every four years, the next review taking place in 2004, with work programmes being considered by the DAC every two years, and next in 2002.
- The *Working Party on Statistics* should inform the DAC Senior Level Meeting, as deemed necessary, of major reporting questions and issues of statistical reporting performance.
- The *Working Party on Aid Evaluation* should have a defined role in the peer review process, the precise modalities of which should be discussed in the Working Party and then submitted to the Senior Level Meeting for discussion and consideration. The Working Party should also play a greater role in work on conflict, peace and development co-operation.
- The *Working Party on Development co-operation and Environment* should develop further interactions with the Environment Policy Committee (EPOC).

Informal Networks

- The *Informal Network on Poverty Reduction* will continue as an informal network through to the 2001 High Level Meeting, by which time a decision will be taken as to whether it should become a working party (in which event its mandate would run until end-2004, as for other DAC working parties).

The *Informal Networks on Participatory Development/Good Governance and on Institutional/Capacity Development* were authorised by the DAC to merge – becoming the GOVNET, with a two-year time horizon.

Task Forces

- The *Task Force on Peace, Conflict and Development co-operation* will continue as an informal network as of January 2001.
- As of January 2001 a new *Task Force on Donor Practices* may be established with a two-year mandate to strengthen local ownership through identifying and documenting donor practices which could reduce the burden on the capacities of partner countries to manage aid and lower the transaction costs involved.
- Work on policy coherence and horizontal issues will be handled by the DAC itself; discussions on specific issues will, if deemed necessary, be prepared by *ad hoc* task forces.

For less advanced developing countries to achieve this objective requires a comprehensive development strategy that seeks to create the conditions for private sector-driven development. This could be achieved through, *inter alia*, continued efforts towards liberalising trade and investment regimes, building supply-side capacities, and enhancing the competitiveness of the private sector. This requires major efforts to help these countries strengthen their basic human and institutional capacities in the trade area. For these reasons, and because of their growing stakes in the WTO, requests from developing countries for support to strengthen their capacities in the trade area have increased significantly.

Guidelines on Capacity Development for Trade in a New Global Context. Bilateral donors have a potentially important role in working with the international community to meet these growing demands and support partner country efforts to participate more effectively in the global trading system. The DAC is currently preparing a set of guidelines with a view to identify ways in which bilateral donors individually, collectively, and with other multilateral agencies can take a more active role in building the trade capacity of developing countries, enhance co-ordination and implementation on the ground, and ensure that trade capacity initiatives are demand led by and locally owned. A workshop was held on 30-31 May at the OECD to consider developing country needs and donor responses in four specific countries: – El Salvador, Ghana, Senegal and Viet Nam – as well as in the expanding Enterprise Networks in Africa. The draft guidelines will be circulated widely for comment and subsequently submitted to the 2001 DAC High Level Meeting for endorsement.

Anti-corruption measures

Increasing awareness of the costs and consequences of corruption, and strengthening countries' ability to fight corruption, are regarded as crucial elements of the dialogue with partner countries. The *Working Party on Financial Aspects of Development Assistance* (WP-FA) has reviewed the measures taken by Members in compliance with the 1996 DAC Recommendation on Anti-Corruption Proposals for Aid-Funded Procurement and assessed their impact in tackling corruption. The review shows that all Members have introduced or strengthened anti-corruption provisions in their procurement systems, in full compliance with the Recommendation. The review of experience with these provisions shows that, in different ways, they have made important contributions to efforts to identify and tackle corruption. At a general level, the provisions taken pursuant to the Recommendation have sent strong and clear signals that donors, collectively, are resolved to fight corruption through common and co-ordinated approaches. This has also facilitated a constructive dialogue with other stakeholders – partner countries, the private sector and civil society.

At a more specific level, the Recommendation has strengthened the ability and authority of Members to take action, including legal action, in cases where there has been evidence of corruption. While the Recommendation specifically targets the area of aid-supported procurement, the review also shows that Members consider combating corruption as an integral part of the broader development agenda, especially in relation to good governance. In this respect, transparency, monitoring and review procedures, are considered to be critical to combating corruption.



Untying of ODA to Least Developed Countries

The DAC is continuing its efforts to complete agreement on a Recommendation on untying ODA to the Least Developed Countries. The OECD Ministerial Council Meeting in June 2000 urged that, in order to increase the effectiveness of aid, discussions continue to reach agreement as soon as possible. Further encouragement was given at the July 2000 Okinawa Summit by G8 leaders, who emphasised their resolve to untie their aid to the Least Developed Countries on the basis of progress made in the DAC to date and a fair effort-sharing mechanism to be agreed with OECD partners.

Present work in the DAC focuses on reaching agreement on a mechanism to promote effort-sharing, which should then complete discussions on the Recommendation. The effort-sharing issue arises because of the approach agreed among DAC Members to the coverage of the Recommendation (*i.e.* how it addresses the

different categories of ODA) and the differences that exist between Members in respect of the volume, composition and present degree of untying of their programmes in the Least Developed Countries. As a result of the interplay of these two factors, there will be sizeable differences between DAC Members with respect to the effort required to implement the Recommendation, *i.e.* the volume of presently tied aid that will be untied as a result of the Recommendation.

Perspectives on the objectives of an effort-sharing mechanism differ between Members. Some see it as a means to promote a more balanced distribution among Members of untying efforts in the Least Developed Countries; others take a broader perspective, focusing more on the volume of ODA to these countries. Present discussions are investigating possible alternative approaches to address both of these perspectives, bearing in mind that they share the same overall objective, *i.e.* to increase the volume and share of untied ODA to the Least Developed Countries.

The international development goals address that most compelling of human desires – a world free of poverty and the misery that poverty breeds. The goals will not be easy to achieve, but if some countries can make great progress towards reducing poverty in its many forms, others can as well.

It is everyone's responsibility to help ensure the goals are achieved. This is why partnerships are so important – between developing countries and high-income countries, governments, civil society and the private sector, and between international organisations. Partnership is a question of taking responsibilities jointly – in the North and South alike – to work to achieve the goals that have received unprecedented universal endorsement.

I. THE GOALS

Overview

Since the OECD's Development Assistance Committee (DAC) published the international development goals (see Box II-1) in 1996 in *Shaping the 21st Century: the Contribution of Development Co-operation*, the commitment to halve world poverty has become the focus of the development policies of the majority of donor organisations. Indeed, many donors measure their performance – and some set their budgets – by the contribution that they make towards achieving this goal (see Box II-2). This focus on poverty reduction, long central to UN programmes, is now key to future IMF and World Bank lending to low-income countries, which is to be provided in support of locally-owned, participatory poverty reduction strategies, usually in connection with debt relief.

The international development goals address that most compelling of human

desires – a world free of poverty and the misery that poverty breeds. They come from the agreements and resolutions of the world conferences organised by the United Nations in the first half of the 1990s. These conferences provided an opportunity for the international community to agree on steps needed to reduce poverty and achieve sustainable development.

Each of the seven goals addresses an aspect of poverty. They should be viewed together because they are mutually reinforcing. Higher school enrolments, especially for girls, reduce poverty and mortality. Better basic health care increases enrolment and reduces poverty. Many poor people earn their living from the environment. So progress is needed on each of the seven goals.

This chapter describes progress in the 1990s. It elaborates on the first-ever joint IMF/OECD/UN/World Bank report: *2000 – A Better World for All*.¹ This section provides an

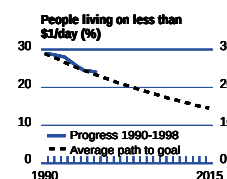
1. See www.paris21.org/betterworld. *2000 – A Better World for All: Progress towards the international development goals* (henceforth referred to simply as *A Better World for All*). The report, published in June 2000, was co-signed by Kofi A. Annan, Secretary-General of the United Nations; Donald J. Johnston, Secretary-General of the Organisation for Economic Co-operation and Development; Horst Köhler, Managing Director of the International Monetary Fund; and James D. Wolfensohn, President of the World Bank.

Box II-1.

The International Development Goals

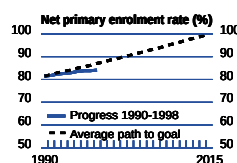
Reduce the proportion of people living in extreme poverty by half between 1990 and 2015

As growth increased globally in the mid-1990s, poverty rates fell – rapidly in Asia, but little or not at all in Africa. Income inequality is a barrier to progress in Latin America.



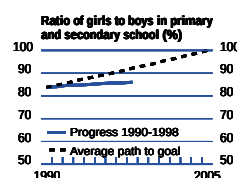
Enrol all children in primary school by 2015

Although enrolment rates continue to rise, they have not risen fast enough. On current trends, more than 100 million school-age children will not be in school in 2015.



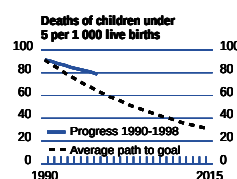
Make progress towards gender equality and empowering women by eliminating gender disparities in primary and secondary education by 2005

Getting more girls through school is essential but not enough. The gender gap may be narrowing, but girls' enrolments remain persistently behind those of boys.



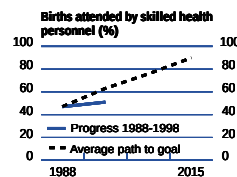
Reduce infant and child mortality rates by two-thirds between 1990 and 2015

For every country that cut infant and under-5 child mortality rates fast enough to reach the goal, 10 lagged behind – and another one moved backwards, often because of HIV/AIDS.



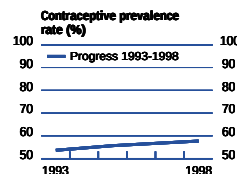
Reduce maternal mortality ratios by three-quarters between 1990 and 2015

Skilled care during pregnancy and delivery can do much to avoid many of the half million maternal deaths each year. But the proportion of births attended by skilled personnel rose slowly in the 1990s.



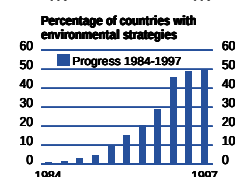
Provide access for all who need reproductive health services by 2015

Contraceptive use is one indicator of access to reproductive health. With increasing access to reproductive health services, the rate of contraceptive use is rising in all regions.



Implement national strategies for sustainable development by 2005 so as to reverse the loss of environmental resources by 2015

Despite their commitments at the Rio Earth Summit in 1992, fewer than half the world's countries have adopted strategies, and even fewer are implementing them.



Box II-2.

The goals in action

The United Kingdom's Department for International Development (DFID) has made the international development goals central to its policies and programmes. In its 1997 White Paper it pledged: "We shall work closely with other governments and organisations to eliminate poverty, and use our influence to encourage others to achieve the international development targets. We shall pursue these partnerships with poorer countries, which are also committed to them. We shall measure how effective our efforts are against the internationally agreed targets." DFID has set intermediate targets, by which its results will be judged. These include:

- Improved education systems in the top ten recipients of DFID education support demonstrated by an average increase in primary school enrolment from a baseline established in 2000 of 75% to 81% on the basis of data available in 2004.
- Improvements in child, maternal and reproductive health in the top ten recipients of DFID health-care assistance demonstrated by: a decrease in the average under-5 mortality rate from 132 per 1 000 live births in 1997 to 103 on the basis of data available in 2004; an increase in the proportion of births assisted by skilled attendants from a baseline established in 2000 of 43% to 50% on the basis of data available in 2004.

The World Bank adopted the goals in its Strategic Compact in 1997 and reports annually on progress toward the goals in the *World Development Indicators*. This year the Bank's annual report and the *World Development Report, Attacking Poverty*, include a section, adapted from *A Better World for All* showing an overview of progress. The poverty and social goals make up the first tier of the Bank's internal corporate scorecard. They appear in the Comprehensive Development Frameworks (CDF) and Poverty Reduction Strategies Papers (PRSPs) prepared by member countries in a participatory manner. These strategies and frameworks are being produced in close collaboration with the IMF which, in 1999, published the goals on a small card called the "seven pledges of sustainable development". The PRSPs are critical for ensuring that debt relief in heavily-indebted poor countries (HIPC) is directed to poverty-reducing programmes.

overview of progress. The following sections describe each of the seven goals in turn, putting forward the policies required to achieve the goals and the need to act on those recommendations.

The goals will not be easy to achieve, but progress in some countries and regions shows what can be done. China reduced its number in poverty from 360 million in 1990 to about 210 million in 1998. Mauritius cut its military budget and invested heavily in health and edu-

cation. Today all Mauritians have access to sanitation, 98% to safe water, and 97% of births are attended by skilled health staff. And many Latin American countries moved much closer to gender equality in education.

If some countries can make great progress towards reducing poverty in its many forms, others can as well. But conflict is reversing gains in social development in many countries in sub-Saharan Africa. The spread of HIV/AIDS

is impoverishing individuals, families and communities on all continents. And sustained economic growth – that vital component for long-run reductions in poverty – still eludes half the world's countries. For more than 30 of them, real *per capita* incomes have fallen over the past 35 years. And where there is growth, it needs to be spread more equally.

So, the goals can be met. But it will take hard work and management of development risks (see Box II-3). Success will require, above all, stronger voices for the poor, economic stability and growth that favours the poor, basic social services for all, open markets for trade and technology and enough resources for development, used well.

1. Cutting poverty

Goal: Reduce the proportion of people living in extreme poverty by half between 1990 and 2015

Despite the economic boom in the western world, notably the United States, global poverty remains a serious problem. Across the globe, one person in five lives on less than \$1 a day; and one in seven suffers from chronic hunger. True, the world-wide number and proportion of people living in extreme poverty or on less than \$1 per day declined slightly through the mid-1990s (see Chart II-1). But most of that decline was in East Asia, notably China. Overall progress slowed temporarily in some Asian countries in the late 1990s, and ground to a halt or reversed in others. In the rest of the world, while the proportion of people in poverty declined, population growth meant that the number of poor people increased. And in the countries of the

former Soviet Union, undergoing economic and social transition, the proportion of poor more than trebled.

The numbers of poor are greatest in South Asia, but the proportions are highest in sub-Saharan Africa. Most of the poor live in rural areas, but urban poverty is growing faster. Women are more likely than men to lack rights to land and other assets. They also have difficulty getting access to credit. And they lack adequate employment and economic security in old age.

In many developing countries, the poor struggle at the margin of the formal economy. They lack political influence, education, health care, shelter, personal safety, regular income and food. An important symptom of poverty is malnutrition. People who are ill-fed and undernourished are less productive and spend a greater proportion of their meagre budgets on medication and health care, thus reinforcing the effects of poverty and making it harder to escape it.

There are 150 million underweight children in the developing world. The proportion is falling everywhere except Africa. Being underweight, even mildly, increases the risk of death and inhibits mental and physical development. The problem extends itself from one generation to the next, simply because malnourished women are more likely to have underweight babies. Malnutrition and income poverty can be reduced, by providing all citizens with income-earning opportunities, access to basic resources, security and political empowerment.

Opportunity and access

Providing economic opportunity is a precondition for achieving growth that is

Box II-3.

Development risks*

The international development goals serve as a benchmark by which development can be measured in the coming decade. They are ambitious, and possibly over optimistic. But if the goals have a weakness, it is not so much their optimism as the implicit assumption that the international economy and geopolitics will remain benign in the next 15 years, and that both partners – donors and recipients – will behave responsibly. Global economic risks, such as a possible oil price induced slowdown in the international economy, a hard landing for the US economy, or another generalised emerging markets crisis similar to the Asian/Russian/Brazilian traumas, could setback the achievement of these goals by limiting the funds which industrialised countries are able, or willing, to channel to developing countries. Global political risks, for example renewed conflict in the Gulf or the Balkans, could also detract attention and constrain financing.

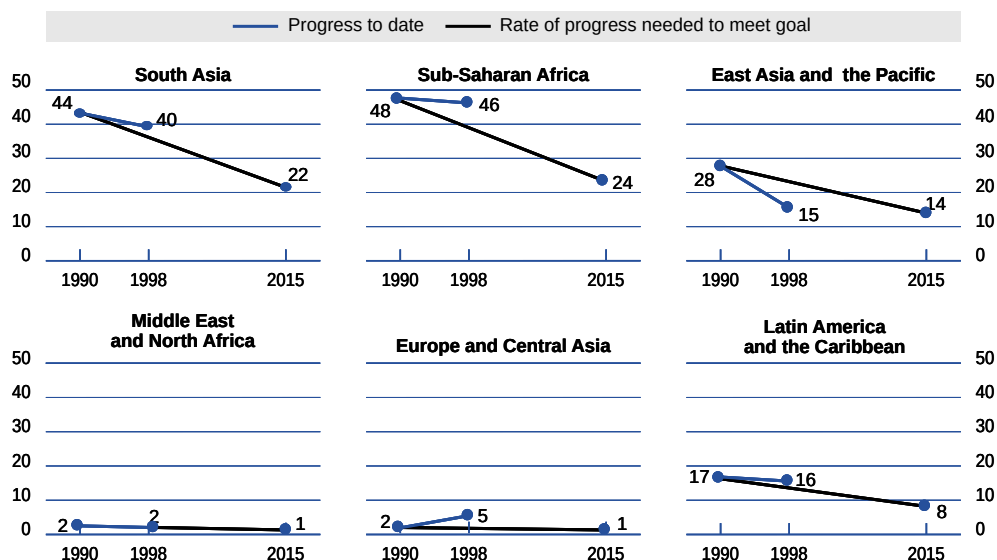
There are also other risks. Inadequate funding of the IMF and the World Bank and the problematic support of major donors concerned by these organisations' aims, methods and influence could constrain their capacity to boost their lending to developing countries in the years ahead. Implementation capacity is limited, both on the part of donor nations and recipient governments. Aid fatigue is still manifest among donors whose electorates often appear increasingly reluctant to pay higher taxes in return for improved domestic social services, not to mention foreign aid projects (witness the fuel protest crises in the major European economies). And recipient governments are still struggling with structural adjustment and have little scope for large-scale investment in key social areas such as education, health-care and infrastructure. These factors could prevent the achievement of the goals.

With privatisation shrinking the public sector in industrialised and developing countries alike, private-sector participation will be required to achieve these goals. Country risks – political instability and inefficacy, policy mismanagement, structural constraints and liquidity inadequacies – already constrain private capital flows to developing countries (see Box II-6). It is unclear how, in a profit-oriented global marketplace, the international organisations intend to design incentives which – without incurring sizeable debts for either themselves or the recipient countries, or accelerating the rapid and potentially environmentally damaging exploitation of natural resources which fuelled much of the growth of the 1990s (particularly in Latin America) – might persuade companies to collaborate in the large-scale infrastructure development needed to reduce poverty, increase the length and quality of life and protect the environment.

Swift and significant progress in two areas – international debt relief/restructuring and international trade liberalisation – are priorities if the agenda is to retain credibility. With many developing countries often paying out more in non-productive debt service payments (as measured by debt service/GDP) than they gain through national income growth in any given year, their domestic savings capacity and hence ability to invest in social sectors will be limited until their debt burden is eased, either through restructuring or relief. This is as true for medium-sized, middle-income developing countries such as Brazil or Argentina as it is for less developed countries. Trade barriers in industrialised countries restrict the export capacity of many developing countries, whose main comparative advantage lies in low value-added primary products. International trade liberalisation would help boost exports, and consequently national savings, in a best-case scenario providing scope for countries to reduce their debts and releasing funds for investment. More importantly, both these initiatives would empower developing countries and their peoples by giving them greater control over their income and boosting earnings capacity.

* Invited contribution from David Anthony, Economist Intelligence Unit, London.

Chart II-1. Poverty reduction: Progress in some regions – delays and setbacks in others
Proportion of people living on less than \$1 a day (%)



The first graph shows that poverty in South Asia fell from 44% in 1990 to 40% in 1998. Without more effort, South Asia will not meet the 2015 target of 22%. East Asia and the Pacific, by contrast, are ahead of target. However, the proportion of people living on less than \$1 a day has risen in Europe and Central Asia.

both sustainable and equitable. Governments should introduce reforms that spur growth: a sound pro-poor macroeconomic framework and policies that promote low inflation and fiscal discipline. Governments should also promote integration into the global economy to stimulate trade and investment and spur private sector activity. However they may need external assistance to determine the pace and order of integration so that the benefits can spread as widely as possible.

Reforms that improve the access of poor people to markets should also be pursued. Regulations that pose a heavy burden on small firms could be changed, such as the recent simplification of the tax system for small firms in Bolivia. Access to credit should be improved, following the example set by the Grameen

Bank and other microfinance institutions in Bangladesh and elsewhere. Investments in basic assets have also to be carried out – in schooling and skill development, food security, preventive health care, rural infrastructure and credit systems.

Governments have not only to ensure that these investments reach the poor, but that the poor have the capacity to take advantage of them. The policy can work. Take China for instance: by building upon its investment in people, by empowering them through training and education, not only was China able to reinforce its rapid growth, but also to reduce the gap between the average income of its people and that of the rest of the world to half of what it was 40 years ago. Viet Nam is another country to have

reduced its poverty rate from 58% to 37% between 1993 and 1998, thanks primarily to land reform that created opportunities for people to improve agricultural yields and incomes.

Empowerment

Empowerment gives people dignity, a sense of inclusion and the moral strength to help themselves economically. Providing a voice in decision-making means pursuing the involvement of poor people and society at large in policy and programme design and implementation. Indeed, responsive and accountable governance has often been found to be the missing link between anti-poverty efforts and poverty reduction (see Box II-4).

Security

Poverty reduction clearly cannot happen without peace. All too many countries are suffering from (often local) conflicts, which are reversing gains in social development in many countries, notably in sub-Saharan Africa. Moreover, poor people are more exposed to such risks than richer ones.

Conflict is only one dimension of the security issue, since the poor also tend to be exposed to natural disasters, such as flooding. They face economic risks too, like crop collapse and sudden falls in commodity prices. Reducing poverty demands providing poor people with greater security, which requires mechanisms to help manage risks (even before a crisis strikes) and mitigate the impact of local and national crises. These include cushioning the impact of sudden price shocks on the most vulnerable people and mechanisms to keep children in school; public works and “food for work” programmes that provide work at slack times;

and sustainable, well-designed pension, unemployment and social assistance programmes. Such programmes need not necessarily be provided by the public sector. Private systems, particularly traditional self-help systems, can also play a major role.

Thailand, which is redirecting its development strategy to reduce inequality, has provided safety nets of this kind in the aftermath of its crisis. Similar programmes have been set up in Indonesia and Korea. In Brazil, the Bolsa Escola programme helps parents keep children in school by providing assistance to families whose children attend class regularly.

While poverty reduction begins at home, developed countries also have their role to play. As aid donors, they should focus more strongly on questions of governance, provide adequate funds for cohesive programmes to address all aspects of human poverty and deprivation drawn up by governments, and measure progress. They can also continue easing the debt burden on the poorer countries.

Globalisation of markets, the volatility of commodity prices, the availability of knowledge, and flows of private and official capital have a powerful impact on poor countries and their ability to reduce poverty. As the experience of the 1990s has shown, financial crises can wipe out a decade of progress. Rich countries can do more to open up their markets to trade with developing countries, so that heavily-indebted countries in particular can generate more export earnings. They should also support the provision of global public goods, such as vaccines against malaria and AIDS, and research into agricultural advances, particularly in those areas that enjoy wide public support.

Box II-4.

The governance factor

Poverty has traditionally been considered as a lack of means. It is certainly that in part. Without resources, people cannot satisfy even their most basic physiological needs. But poverty can be more meaningfully defined as deprivation of capability, a concept associated with Nobel prize winner Amartya Sen, and elaborated in the UNDP's 1997 *Human Development Report*, which called it "human poverty". Capability deprivation means that people are unable to play a full part in society, are economically inactive, marginalised by conflict or discrimination. While they lack income, simply providing more money will not be sufficient for them to escape their deprivation. In any case, being incapacitated inhibits people's abilities to earn a living.

As highlighted in the UNDP's *Human Development Reports* and most recently in the study entitled *Voices of the Poor*, conducted for the *World Development Report 2000/2001*, the poor themselves often allude to the importance of non-material deprivation. They often define their own lot in these terms. Not "lack of money" but lack of empowerment. Resources are important, and a measure of economic dynamism is a prerequisite for making progress on poverty reduction. But while the economic engine may be revving, the transmission may be missing a vital link. Governance is often that link.

In today's developing world, the overall lack of resources is commonly not the stumbling block, but rather the way they are used. In countries where progress towards poverty alleviation is slow, public spending intended for basic social services is not put to best use and may not always reach the needy. (See also Annex V-1, "Measuring aid to basic social services".) Sound governance makes the links more solid between resources and needs. If people have a say in the choice of elected decision-makers, can give expression to their views through a free media, and can have fuller access to information about government activities, resources are more likely to be used productively.

Empowering the poor is itself a means of overcoming poverty, because it allows the poor to gain greater control over their lives rather than remaining the hapless recipients of benefits delivered from some far-away centre. Take the case of Andhra Pradesh in India. There, village women have organised themselves into self-help groups and with their own resources are increasingly able to respond to the growing needs of the poor for access to credit, information, skills and technology. Similarly, in Cambodia's Seila initiative, local communities are encouraged to formulate their own anti-poverty projects. In Ghana, district authorities are raising their own revenues for poverty reduction projects. In Uganda, the government has made efforts to increase the transparency of its budget procedures, both at the central and at the local government level, and set up a poverty reduction strategy, the Poverty Eradication Plan, with broad participation.

These examples demonstrate that through governance, the leaders of the poorest countries have the power to make a direct attack on poverty. By helping to decentralise power and authority, promote land reform, encourage community solidarity and the emergence of independent civil society organisations, governments can make a difference.

Local and global action in these areas will help address not just income poverty, but other dimensions of deprivation as well, such as malnutrition and exclu-

sion, as there are powerful linkages between them. However, there is no simple relationship between rising income levels and improved nutrition levels or

life expectancy, access to formal education, and so on. Improvements in the quality of life depend not only on the resources available, but also on public priorities. Investments in primary education and in rural infrastructure have helped countries like Costa Rica, Cuba, Sri Lanka and Viet Nam to attain higher standards of health, larger reductions in mortality rates and higher literacy rates than other countries with similar or greater economic resources. These improvements have helped to alleviate many of the worst manifestations of poverty, even without increases in income levels. Conversely, improvements in social standards, combined with other policies, often form the basis of an increase in incomes.

Poverty reduction is an attainable objective, but meeting the goal of halving income poverty by 2015 is only part of the battle. As the world's population is projected to increase to 7.1 billion by 2015, the number of poor stands to rise. So even if the goal of halving the proportion is reached, almost 900 million people will still be left living on less than \$1 per day. Nonetheless, the price of doing nothing would be very great indeed. By acting now, there is a chance that poverty reduction efforts will be sustained over the long run.

2. Education: Quality is important

Goal: Enrol all children in primary school by 2015

Providing universal primary education in developing countries remains a great challenge – and a great opportunity. Educational success would give millions

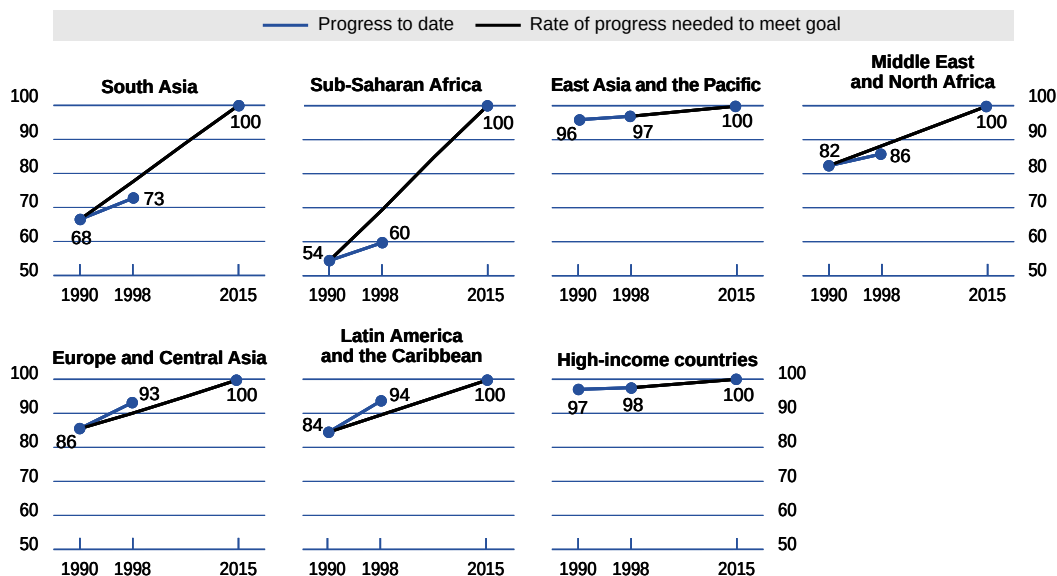
more the skills to rise out of poverty. But failure would fuel an educational – and social – crisis in the decade ahead. In developing countries, one child in three does not complete five years of schooling. Improving on that figure is only part of the challenge. Enrolment rates are in fact rising in most regions (see Chart II-2), but the quality of education has been suffering. Education for all is important, but the quality of education is just as important. At the World Education Forum in Dakar in April 2000, the international community agreed that providing good education must be at the top of the agenda. (See also Box I-1.)

Providing quality education means investing in training teachers, improving facilities, providing materials, and making sure what is being taught is relevant. It means increasing family and community participation and eliminating the gender bias that is impairing girls' education.

Many developing countries are now choosing to make quality education a top priority. In 1994, Malawi decided to address the issues of inadequate access and inequality, high repetition and drop-out rates and poor infrastructure in its school system. More government money for schools and the elimination of fees boosted enrolments by 50% and focused Malawi's education system on helping the poor. In 1994-95, the poorest fifth of the population received 16% of all public education spending, up from 10% in 1990-91, while the share going to the richest fifth declined from 38% to 25%.

Bangladesh's education minister, Abu Sharaf Hifzul Kader Sadique, acknowledged at the E9 (nine high-population countries) in February 2000, that in his country's "rush for numbers, quality missed

Chart II-2. **Rising enrolment – but too many children out of school**
Net primary enrolment rate (%)



Latin America, Europe and Central Asia are on track to get all children enrolled in primary school ahead of the 2015 target date.

out”. Bangladesh has since made great strides in literacy, although difficulties in quality remain. China acknowledges the same problem: at the same E9 meeting, Lu Fuyuan, Deputy Minister for Education, stated that the “overall quality of school teachers leaves much to be desired”; he was referring in particular to the difficulty in reaching remote areas. Bangladesh and China are not alone. Brazil, Malawi, and Mexico, along with most countries that have made major strides towards education for all, are now turning their attention to improving quality.

**Teacher training, improved facilities,
relevant curricula and children able to learn**

Improving the quality of education entails several steps. Teachers have to

be trained. Having achieved 96% primary school enrolment, Brazil is now concentrating its efforts on improving the quality of instruction, as almost half of the country’s pupils repeat one or more classes. A recent nation-wide study showed that teachers with university-level education helped their pupils make much faster progress than teachers without it. But today only about half of the 1.5 million teachers in State primary schools in Brazil have a higher-education qualification. Important efforts to boost in-service training for teachers are now being made by the Brazilian authorities.

Once teachers are trained, they must of course be retained. Paradoxically, as some countries are upgrading teacher training, others are watching as qualified, talented

teachers desert the profession for better paid work in computers or tourism. Teaching suffers from a brain drain provoked by low status and low salaries. There is a need to restore value, both morally and materially, to the function of teachers and educators and give them the status, recognition and dignity their profession deserves within their society. Financial constraints and political sensitivities have made this difficult in the past; change is now required. However, in many developing countries, teachers' salaries already amount to as much as 95% of public education budgets and any improvement in teachers' employment conditions will therefore clearly require increased funding.

Improving facilities and materials is also important. A good school environment has a positive impact on attendance and success rates. The opposite is also true. A UNESCO/UNICEF study in fourteen least developed countries in Asia and Africa found that at least 35% of schools (often much more than that) needed repairing or rebuilding. Many had no furniture or running water. Most developing countries face serious problems in producing and distributing appropriate textbooks and teaching materials. Again, it is a question of political will and increased funding. In the case of learning materials, sound national strategies are often lacking. Countries such as Namibia, South Africa, Nigeria and Ghana, where African publishing is developing most rapidly, are exemplary because they have managed to establish close co-operation between the book trade, governments and national publishers' associations.

Another problem is that education systems in many countries are becoming obsolete: what is being taught in school

is simply not always relevant. When education programmes exist out of context, without a bearing on the surrounding job market, or on the local culture, sooner or later they lose their "clients". Proper teacher training would help to resolve this, as would the establishment of relevant curricula and appropriate textbooks and materials.

Finally, external factors influence the quality of education, not least the pupils' social status and state of health. After all, quality education does not only involve good teachers and materials. It also needs pupils to be healthy, well-nourished and so ready to learn. The rapid spreading of HIV/AIDS and its alarming implications for the children of those affected and also the development and planning of the education system as a whole call for urgent action, as for example through formal and non-formal education. Adequate basic education must be established and/or ensured also in countries affected by political instability, crises, military conflicts and natural disasters. And in countries emerging from conflict or crisis in particular, what is needed is not just basic education but also peace education of a long-term nature to help prevent recurrences.

A privileged pursuit

Today, 113 million children, most of them girls, are excluded from education. 110 million of them live in developing countries. An excluded child might be a street child, or a boy from a South American hill tribe recruited into a militia, or a girl who is a sex worker in an Asian slum. But there may be more mundane reasons for exclusion, though the effect is just as pernicious, such as an African child – usually a girl – who is kept at home to tend

crops, fetch water or look after younger siblings. Or simply the fact that families cannot afford school fees.

A mixture of socio-cultural, economic and physical factors excludes children from education. Schools exclude when they do not welcome families as partners; the education bureaucracy excludes by failing to back their teachers; and governments exclude by failing to pursue pro-child policies. As governments have been slow to embrace non-formal education, non-governmental organisations provide most of the schooling to children in need. But for real advances to be made, more effective partnerships between non-governmental organisations, communities, parents and governments must be built.

Declining birth rates may cause the world's school-age population to increase by only 9 million in the next 15 years, but there are large regional differences. In East Asia the school-age population will decline by 22 million, thanks to reduced fertility rates. But in sub-Saharan Africa it will rise by 34 million. Added to the 46 million children not in school in 1998, that means building schools, training teachers and providing textbooks for an extra 80 million children in the next 15 years. South Asia, the Middle East and North Africa face a similar challenge.

These prospects make the need to improve the efficiency of education systems all the more urgent. Today, in South Asia and sub-Saharan Africa, only around two in three pupils reach grade 5. In terms of measuring efficiency, up to a third of school systems' resources are spent on repeaters and school drop-outs. In fact, a quarter of the 96 million pupils who entered school for the first time in 1995 are likely to abandon their schooling before grade 5. Schools have to cater

for the needs of the many ordinary and low-achieving pupils in order to become open and accessible to all.

3. Women and girls: Education, not discrimination

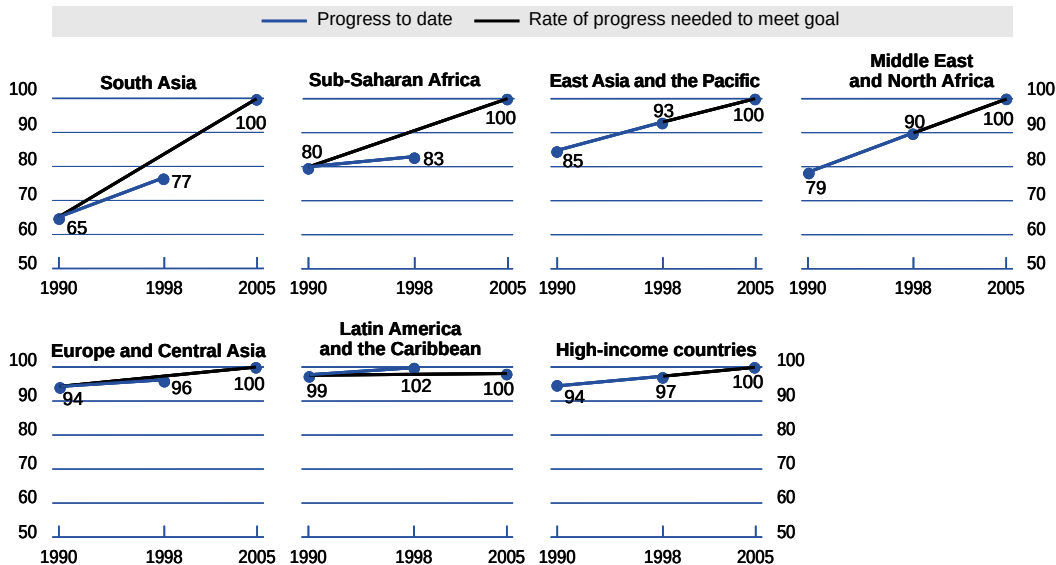
Goal: Make progress towards gender equality and empowering women by eliminating gender disparities in primary and secondary education by 2005

In many developing countries, girls do not go to school simply because they are girls and must work instead. Sick babies die because their mothers cannot read the prescription on the medicine bottle. Parents often remove their daughters from school at puberty, for fear of unwanted pregnancy, and marry them off early.

Such is the plight of girls in many developing countries: they continue to be systematically more disadvantaged than boys solely because of discrimination by gender (see Chart II-3). Some 60% of the 110 million children not in school in developing nations are girls. The gender gap continues to be unacceptably wide despite the fact that the education of girls and women is now on the agendas of policy makers in most developing nations and the fact that 44 million more girls now attend primary schools in developing countries than in 1990.

Education can make a great difference to a girl's life, not just economically, but also in terms of human development. And as Kofi Annan, Secretary-General of the United Nations, has stressed, it is a social development policy that works, with immediate benefits for family planning, nutrition, health, economic productivity as well as social and political

Chart II-3. Enrolment gap between girls and boys – narrowing but still unacceptably wide
Ratio of girls to boys enrolled in primary and secondary school (%)



Girls are catching up fast in the education stakes, but not fast enough in South Asia and sub-Saharan Africa.

participation. The United Nations announced a ten-year Girls' Education Initiative at the recent World Education Forum in Dakar in April 2000, the objective being to encourage the main countries affected to come up with national action plans by 2001 that promote gender equality and sensitivity in all aspects of education. The initiative aims to help countries release funds for girls' schooling by assisting them to get the most from development co-operation, policy and education reform. It is hoped that by 2015, all children everywhere – boys and girls alike – will be able to complete primary school education; and boys and girls will have equal access to all levels of education.

Governments are increasingly recognising the importance of striking a balance in meeting the needs of girls' and boys'

education. The Egyptian government is successfully integrating a concept of girl-friendly community schools – by using female teachers, active learning and child-centred class management – into the formal education system. In Mashan County in China, villages and households that take effective measures to send girls to school are awarded priority for loans or development funds. And a promising initiative in Tanzania aims to help girls speak out about their problems and find solutions to overcome obstacles to their own social and academic development. In other countries, older girls mentor younger girls and coach them out of school hours.

But education problems affect boys too. Sometimes boys are pulled out of school and sent to work to boost family income. In Jamaica, the drop-out rate of

Box II-5.

In from the edge

The importance of promoting gender equality cannot be overestimated. While all the international development goals are intertwined, a few of them, like reducing poverty, improving education and lowering maternal mortality, would have little hope of being achieved without simultaneous empowerment of women and progress towards a more even *rapport de force* between the sexes. Inequality keeps women poor, illiterate and unhealthy in many countries; it undermines the lives of children; in short, it places a dead hand on economic potential.

Gender mainstreaming is one way of bringing about transformation. The aim is to reinforce processes that will empower women by addressing discrimination through programmes and strategies so that they increase the abilities of women (or men, if they are at a disadvantage) and their opportunities, as well as fostering a better understanding of their rights through information dissemination, training and education. The emphasis has to be on all development activities so that they help women (and men) to become the agents of their own development and empowerment. For example, an irrigated rice project in Northern Cameroon failed to attract farmer interest and approximately a third of the area remained uncultivated. The project designers had not used any gender analysis and failed to understand the intra-household conflicts over labour allocation and compensation. Women were not assigned land, but were expected to work in their husbands' rice fields. According to traditional practices, women were entitled to a cash payment from their husbands in return for work in their rice fields. Many women felt the payment they would receive was insufficient and they therefore reduced the time they devoted to rice cultivation. The good and potentially productive land remained unused.*

Mainstreaming must be integrated at all stages of implementation, including monitoring and evaluation stages. It is not always easy to measure results of efforts towards equality and qualitative feedback can be a key component.

Experience shows that development strategies are more successful in addressing women's and men's differing needs and opportunities when they are based on a prior analysis of the possible effects of a development initiative. This means that an analysis has been made of the needs, desires and skills of the people concerned. Based on this, a projection has been applied to estimate the ways in which opportunities, skills, knowledge, income or well-being may be increased or decreased because of a development activity, project or programme. The same activity may be positive for one sub-group of people in a community and negative for another. A dilemma is then apparent around which decisions can be made, or the activity adjusted so as to impact more equally on the various groups. One obvious sub-group division is men and women. To ensure women and men benefit equitably also means making gender equality and gender analysis a routine concern in government communications, policy formation, legislation, resource allocation, and so on.

Several countries, like the Philippines, Jamaica, and South Africa, have gender mainstreaming policies in place which seem to be bearing fruit. Literacy rates are up, if slightly, and more women are to be found working in civil services and in top business. These may be exceptions, but they are a start.

The message is that mainstreaming programmes can work, because they ensure that the perspectives of women and men become a normal part of the decision-making processes, from design to implementation and monitoring.

* See Zwarteveen (1994) and Sida Equality Prompt Sheets (2000).

(continued on next page)

Box II-5. (cont.)

In from the edge

But while mainstreaming might have the makings of a silver bullet for resolving gender inequality, it is not that easy to put in place. In practice, a number of criteria are needed for it to work. One is the explicit commitment of leaders (development ministers and heads of agencies, ministers within developing countries) to a clearly articulated and effectively communicated policy. The establishment of women's ministries, laws governing the use of gender analysis in policy formulation (South Africa), pro-active election statutes (India), laws for equal rights for women in labour and employment (Philippines) – all these help to institutionalise mainstreaming. They are especially constructive when accompanied by information campaigns to demonstrate the positive effects of greater equality to the economy and to livelihoods.

Progress is facilitated by a network of concerned individuals to share knowledge, information, experience and best practice, using practical instruments, such as the internet and electronic gateways. These networks do not grow out of thin air, but it is surprising how quickly, in the civil society arena, groups of interested bodies can come together in partnership – government, business, NGOs – once the initial efforts are made.

Such groups have to know what they want and how to achieve it. Policy makers can take a lead, by equipping their public servants with the skills needed to identify issues and design actions. They can encourage the private sector to do the same. There have to be reporting processes, evaluation and monitoring on a continued and transparent basis. Naturally, for all this to work, financial resources have to be committed. This may be the hard part (and donors can no doubt help), but the returns, in terms of improving the condition of women and of society, reducing poverty and stimulating whole areas of the economy, make it well worthwhile.

boys is higher than that of girls. The government is investigating effective measures to reduce this distortion.

Still, overall there is a gender gap and African and South Asian countries in particular have a long way to go to close it. An average six-year-old girl in South Asia can expect to spend six years in school – three years less than a boy of the same age. Girls based in rural areas are at an even greater disadvantage, since they are three times more likely to drop out of school than city boys. Moreover, discrimination is reinforced in the classroom, as research shows that both male and female teachers tend to give more attention to boys, a trend now

being addressed by gender-sensitive training programmes.

Traditional beliefs and practices are often at the root of the gender gap, keeping girls at home to supplement family welfare by working and caring for siblings and the household. The weight of these beliefs and a shortage of alternative opportunities to supplement household income and welfare often cause parents to distrust the education system or to feel they have no alternative.

Studies show that girls with literate mothers are more likely to go to school than girls without. UNESCO underlines the necessity of reaching both girls and

their mothers in the same initiative. It is a dual approach which has reaped rewards in rural Mali, where an imaginative community-based campaign, involving village women in literacy and income-generating activities, is beginning to change long-held attitudes towards girls and women.

4. Helping children survive

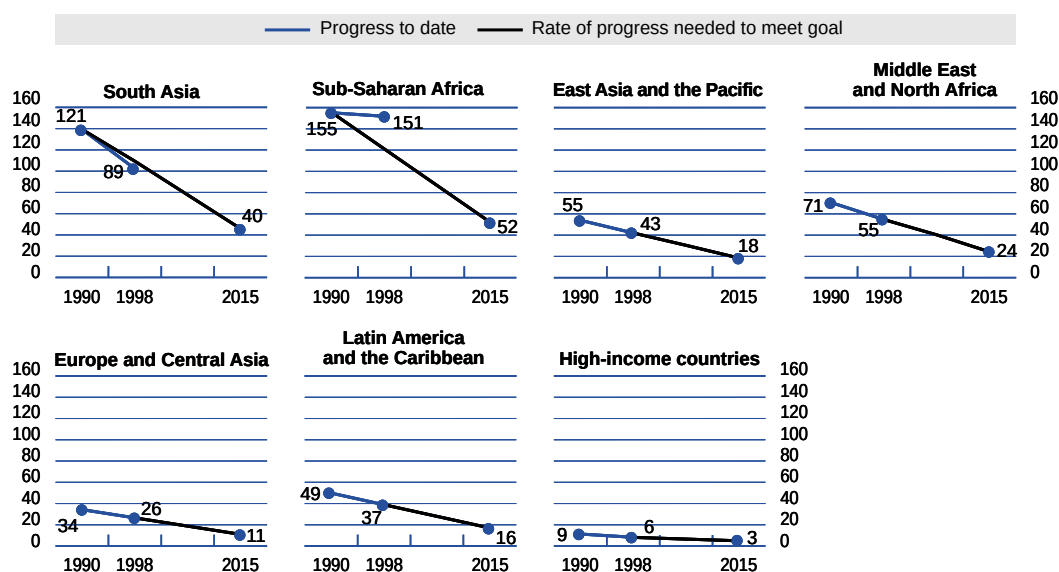
Goal: Reduce infant and child mortality rates by two-thirds between 1990 and 2015

Today, some 30 million infants in developing countries are not protected by routine vaccination, and some 11 million children under five die each year, mostly of preventable causes. The under-five mortality rate, one of the best

single indicators for measuring social progress, fell by a mere 5% during the 1990s. This is hardly progress enough (see Chart II-4).

Most countries under-invest in their children's well-being. Governments in developing countries spend, on average, less than 15% of the national budget on basic social services – some \$150 billion. Industrialised countries channel, on average, about 11% of their targeted aid – some \$4 billion – to these services. (See Annex V-1 for details.) This is not enough. About \$100 billion more per year is needed in global spending on basic social services for each and every child to get a good start in life. This may appear as a large sum of money, but it represents only a 0.33% of total world income.

Chart II-4. The outlook for children – improving, but too slowly
Under-5 mortality rates (deaths per 1 000 live births)



Child mortality rates are falling worldwide but sub-Saharan Africa will be far from its target in 2015 at the current rate of progress.

The goal of reducing child mortality requires relatively few resources and yet it is certainly not being reached. It is here that the arguments become more complex. It is one thing to invest more in children, but quite another to achieve the equity and efficiency needed to make the investments work. It is partly a question of management, but also a matter of dealing with major hurdles, like the spread of HIV/AIDS, malaria, diarrhoeal diseases and pneumonia, all of which need vaccines to be developed. When one adds to this the problem of armed conflicts and the crippling debt burden, reducing child mortality becomes more than a question of mere budgets.

There are some relatively simple ways to address these challenges. As has been noted above, education, particularly of girls, is vital. Moreover, the risks of under-five mortality and child malnutrition are closely associated with the level of education of the mother: a child is two to three times more likely to be malnourished or to die before five when its mother is illiterate than when the mother has completed primary education.

There is also a relationship between education and HIV/AIDS control. In several African countries, HIV infection rates are falling rapidly among educated people. Even in the most affected countries that have seen their under-five mortality rate increase in the 1990s, the risk of premature death among children whose mother has post-primary education has declined. Put simply, education can provide some protection against HIV infection and other deadly childhood diseases.

The widening education and mortality gaps reflect the growing income inequities between the rich and poor in many countries. Children are a particularly sen-

sitive group that have fallen victim to these trends. A small increase in the global budget and some imaginative policies in education and other social areas would considerably reduce premature deaths in developing countries.

5. Maternal mortality: Helping mothers live

Goal: Reduce maternal mortality ratios by three-quarters between 1990 and 2015

More than 500 000 women died during pregnancy and childbirth in 1995 – and many more millions suffered without treatment. Large as the problem is, resolving it might not be as difficult as many believe. Pregnancy-related complications account for 514 000 deaths each year, the vast majority of these in the developing world. For every woman who dies, many more suffer disabilities that can affect them for the rest of their lives. The neglect that contributes to the deaths of women also compromises the health and survival of the babies they are carrying and the older children they leave behind.

Deaths during pregnancy or childbirth are unlike other deaths in developing countries. They happen essentially to younger women, not because of disease, but during what is – or should be – a normal process. Human survival depends on childbirth and society therefore must ensure that women are have safe pregnancies and childbirth.

In the developed world, the maternal mortality ratio averages around 21 maternal deaths per 100 000 live births. By contrast,

in developing countries the ratio is 20 times higher, at 440 per 100 000. The risk of maternal death is most acute in sub-Saharan Africa and in parts of South-East Asia. In some regions, such as eastern and western Africa, the ratio may be as high as 1 000 deaths per 100 000 live births. This means that a woman in Africa faces a one in 16 lifetime chance of dying from pregnancy-related causes. By contrast, in the developed countries, the risk is one in 2 500. The rate of maternal mortality is one of the widest differentials between rich and poor countries, wider even than the gaps in child mortality.

Maternal deaths can be prevented in simple and cost-effective ways. Infections, blood loss and unsafe abortion account for the majority of deaths. Yet all these causes are often within the abilities of health workers with midwifery skills to tackle. The management of infection, shock, blood loss and convulsions, and surgical procedures, such as caesarean delivery, do not require high technology equipment or expensive drugs.

There is a strong association between levels of maternal mortality and the proportion of births that are assisted by a skilled health-care worker. Indeed, the proportion of births attended by skilled personnel is a key indicator for tracking progress in reducing maternal mortality. Globally, just over half of all deliveries are attended by a skilled birth assistant; for many of the rest, mothers have only the help of relatives or traditional birth attendants; millions deliver entirely alone. Poor mothers are much less likely to have access to a skilled birth attendant than richer ones; they are therefore less likely to survive childbirth.

The development goal aims to change this situation by having skilled atten-

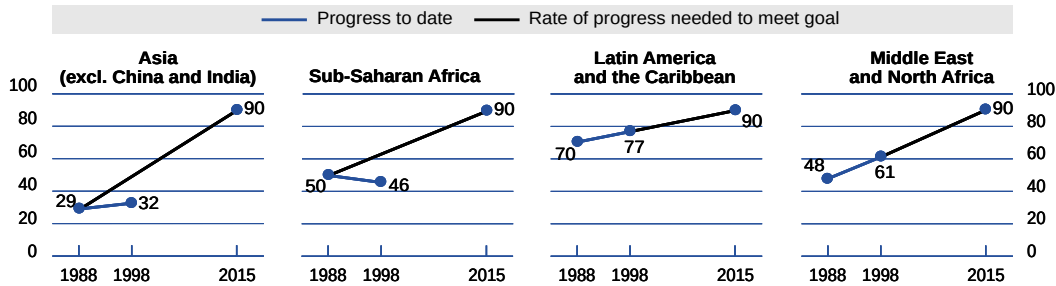
dants at 90% of births by 2015 in regions where they are not routinely available. It is a tough challenge, and progress has been relatively modest over the past decade (see Chart II.5), with an average annual increase in care coverage at delivery of under 1% in 1988-1998. Significant improvements in coverage have occurred in some countries, notably Bolivia, Egypt, Indonesia, and Morocco, but in sub-Saharan Africa as a whole, there has been a decline. This disturbing trend is often caused by barriers to access like the high cost of services and drugs, transport difficulties and costs, and distrust of the services provided.

When three dollars go a long way

Reducing maternal mortality is not necessarily dependent on economic development. It would cost only about \$3 per person per year in low-income countries to provide the essential services needed to tackle the problem. That would cover a skilled health worker to assist every delivery, access to essential obstetric care for mothers and their infants when complications arise, and family planning information and services so that unwanted pregnancies and unsafe abortions can be avoided.

No country is so poor that it cannot afford the key interventions needed. Indeed, no country can afford not to put resources and energy into safe pregnancy and childbirth, for as other sections in this chapter show, neglect of women's needs drives poverty and deprives the next generation of a better future. What is lacking is not the level of national wealth, but the degree of commitment to act. China, Cuba, Iran, Malaysia and Sri Lanka have all been able to achieve and maintain significant reductions in levels of maternal

Chart II-5. Skilled care at birth still not available in many regions
Proportion of births attended by skilled health personnel (%)



Progress in improving skilled care at birth is lagging in Asia and Africa. Maternal deaths can be reduced when the birth process is followed by basic medical care.

mortality by allocating the resources where they were needed.

Decision-makers at political, economic, social, religious and household levels – and these are mainly men – have to realise that pregnancy and childbirth can and should be made safer. After all, the very fabric of their societies depends on it.

6. Reproductive health: Providing knowledge and choices

Goal: Provide access for all who need reproductive health services by 2015

Gains have been made in recent years in the area of reproductive health services, but with rising numbers of people in poor countries passing through their reproductive ages, the pressure is on to sustain and build upon this progress in the decade ahead. Increased attention is now being paid to the quality and range of services provided, including offering a wider choice of contraceptives, so as to

meet the individual needs of women, men and adolescents.

Reproductive health services provide people with the knowledge they need to protect their health and that of their families. The services include provision of family planning methods, prenatal and postnatal care, preventing and treating sexually-transmitted diseases, including HIV/AIDS, and discouraging harmful practices against women, such as genital mutilation. There is growing recognition of the need to integrate such services into primary health-care and to afford them priority when it comes to reform and decentralisation.

Take the example of the Islamic Republic of Iran, which in 1989 integrated a national family planning programme into its extensive primary health-care system. This move not only led to increased access, but also helped to promote greater choice of contraceptive use. And in response to the 1994 Cairo International Conference on Population and Development (ICPD), the scope of the programme was widened to include other components of reproductive health. It

proved to be a successful strategy. Between 1989 and 1997 the contraceptive prevalence rate among married women aged between 15 and 49 in Iran rose from 49% to 73%.

Measuring access to reproductive health services is anything but straightforward, since not only do questions like proximity to delivery points, the types of services available and their affordability have to be taken into account, but consideration also has to be given to the extent to which women feel free to utilise the available services.

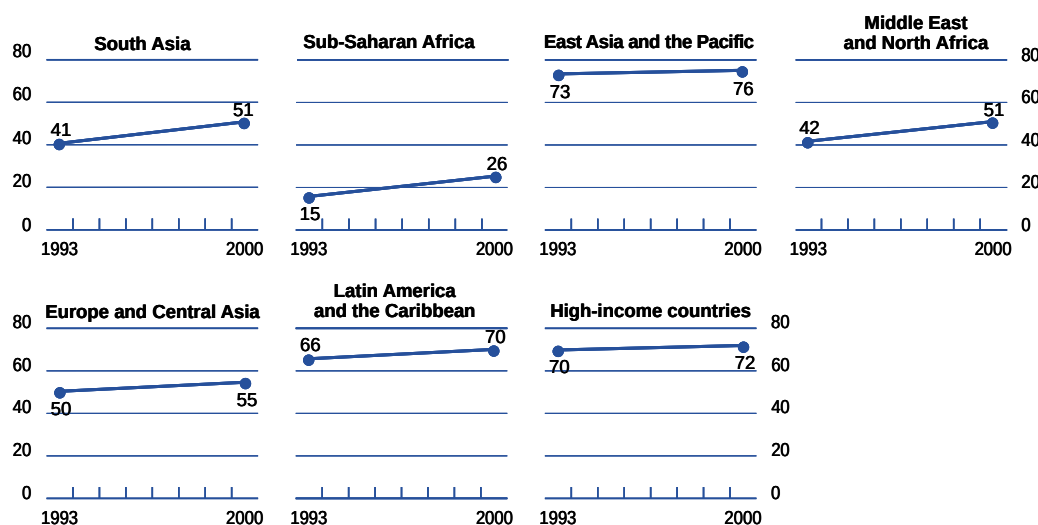
Contraception is a case in point. Its use increased in all regions in the 1990s, but Africa lags markedly behind other regions, especially in the poorest African countries (see Chart II-6). Expanding the use of contraception clearly depends on

access and information, but gender relations and power balances within couples are also important. Reproductive health depends on the extent to which men discipline their own sexual behaviour and support their partners' rights and health. Power relationships are often embedded in culture and customs, which is why education plays such a determining role.

Adolescent problems

Another major challenge is to increase access to reproductive health information and services for adolescents. There are currently more than 1.1 billion adolescents aged between 10 and 19, the largest number ever in this age group. Many adolescents lack formal education, work, and beneficial recreation; many live in extreme poverty; and many are not sufficiently

Chart II-6. Contraceptive prevalence rising in all regions
Married women using contraception (%)



Although the use of contraception has risen in the last decade in most countries, in sub-Saharan Africa it is still practised by only 26% of married women.

aware of the dangers they face, ill-equipped to protect themselves and willing to take potentially life-threatening risks.

Globally more than 14 million adolescent girls give birth each year. A large proportion of those pregnancies are unwanted, and an estimated 4.4 million abortions are sought by adolescent girls each year. Many adolescents also face serious risks of contracting sexually-transmitted diseases, including HIV/AIDS. At the end of 1999, 33.6 million men, women and children were living with HIV/AIDS, 95% of them in developing countries. More than half of new HIV infections occur among 15 to 24 year olds. Effective national programmes, together with strong international support, can help attack the pandemic at its root, offering hope to millions.

This is the thinking behind the ICPD +5 goal, which aims to ensure that by 2005 at least 90% of men and women aged 15 to 24 will have access to the information, education and services they need to reduce their vulnerability to HIV infection. The aim is to cut the HIV infection rates in persons aged 15 to 24 globally, and by 25% in the most affected countries. Reducing levels of HIV/AIDS requires not only expanded access to quality reproductive health services, but also major changes in human relationships and behaviour, in values and norms, and so on. That means education, *via* formal and informal programmes and media campaigns. But changes in behaviour also require support from political, religious and community leaders, who have to acknowledge the seriousness of the problem. This may be one of the biggest challenges of all.

7. Making development sustainable

Goal: Implement national strategies for sustainable development by 2005 so as to reverse the loss of environmental resources by 2015

In developing countries, activities based on natural resources, such as agriculture, forestry and fisheries, still contribute more to the economy than industry or services. And since many of the world's poor depend directly on these activities for a living, environmental degradation disadvantages the poor disproportionately. The poor in these countries are exposed to air and water pollution and are highly vulnerable to desertification and to land becoming infertile, as well as disasters such as floods and landslides. Better environmental management can directly improve their lives, increase their productivity and build momentum towards sustainable development.

Maintaining the integrity of key environmental resources is a precondition for improving the immediate welfare and safeguarding the long-term economic opportunities of the poor. This includes reconciling the needs of different users and preventing competing claims over increasingly scarce resources from degenerating into violent conflicts.

At the Rio Conference on Environment and Development (UNCED) in 1992, governments committed themselves to formulating and implementing national strategies for sustainable development. Five years later, at a UN General Assembly in Special Session, a growing feeling of urgency led governments to set a target date of 2002 for the introduction of such strategies in all countries. The OECD's

strategy for development co-operation, *Shaping the 21st Century: The Contribution of Development Co-operation*, commits donor countries to supporting developing countries meet this target.

There is no single sustainable development strategy. Each country must formulate its own approaches, in line with its social and economic priorities, its cultural values, institutions and political structures. Moreover, the wide range of environmental challenges faced by different countries, depending on their respective geographical, ecological and climatic features, makes country-specific approaches indispensable.

Introducing a sustainable development strategy need not necessarily imply establishing new processes, new plans or new institutions. While a country may have policies and institutional mechanisms conducive to sustainable development, such as to ensure that industrial development plans take account of the long-term consequences on, for example, air and water resources, it may not necessarily have a formal sustainable development strategy. Conversely, a country may have a formal sustainable development strategy which is not implemented. Assessing whether a country has or is developing the basic “building blocks” of a sustainable development strategy is not straightforward. Does the country have the capacity to identify key development constraints and opportunities, to mobilise private and public players around shared goals, and to integrate sustainability into its development policies?²

One country to demonstrate this is the Philippines, which established a council for sustainable development after the 1992 Rio Summit. The rallying point for government, civil society and private business was the phasing-out of leaded gasoline in April 2000. Philippine Agenda 21 is the country’s blueprint for sustainable development. Key businesses have taken initiatives, such as re-using by-products, controlling pollution and including environmental provisions in collective bargaining agreements with labour unions.

Local and global monitoring

Many environmental problems, such as climate change and deforestation, have clear global dimensions. But, in general, the impact of environmental damage is felt at the local, national or regional level. Water shortages and contamination, soil erosion or forest, mangrove or coral reef degradation harm first and foremost the local communities which are directly exposed. Most indicators of environmental conditions are primarily relevant at the local level. For example, the severity of air pollution is highly variable in the different areas of a single city, and even more so in an entire country. Developing the capacity to monitor environmental conditions and the impact of degradation on people’s lives therefore plays an important role in defining a country’s sustainable development strategies.

Yet there are universal indicators of human development which a good development strategy can use. Access to safe water

2. To help answer such questions, the DAC is elaborating good practices for donors to help developing countries formulate and implement sustainable development strategies. Partnerships are central to the building of such strategies and the work of the DAC is being carried out in consultation with civil society and the private sector.

is one of these. Almost 20% of the world's population depends on unimproved water supplies to meet their daily needs (see Chart II-7). Urban populations are better served than rural, but even piped water from municipal supplies may be contaminated by disease-bearing organisms and industrial pollutants. Those without access to safe water supplies must struggle daily to meet their needs and face the constant danger of water-borne disease.

Another issue of global concern is deforestation. Without human interference, large parts of the world would be covered with forests. Through unsustainable harvesting and degradation, the world has lost millions of acres of forests and with them the economically essential wood and non-wood products they supply. In the early 1990s approximately 17 million hectares of tropical forest – four times the size of Switzerland – were cleared annually. If this rate of deforestation continues, 5-10% of tropical forest species will face extinction in the next

30 years. The impacts go beyond this, to soil erosion and the disruption of hydrological systems, as well as climate patterns. Deforestation also directly undermines the livelihoods of forest-dwellers, often indigenous tribes who are among the most marginalised and vulnerable of the world's populations.

Energy use (and mis-use) and its atmospheric effects is another global challenge. It requires adjustments mainly by developed countries in order to allow for faster growth in developing countries without further damaging the atmosphere. The objective of the United Nations Framework Convention on Climate Change (UNFCCC) is to achieve the stabilisation in the total stock of carbon dioxide (and other greenhouse gases) in the atmosphere, before it reaches a level that could result in disruption in the global climate. The move towards climate-friendly economic development will hinge on the extent to which economic growth and energy use can be delinked.

Chart II-7. Little progress in improving water supplies
Population with access to improved water sources (%)

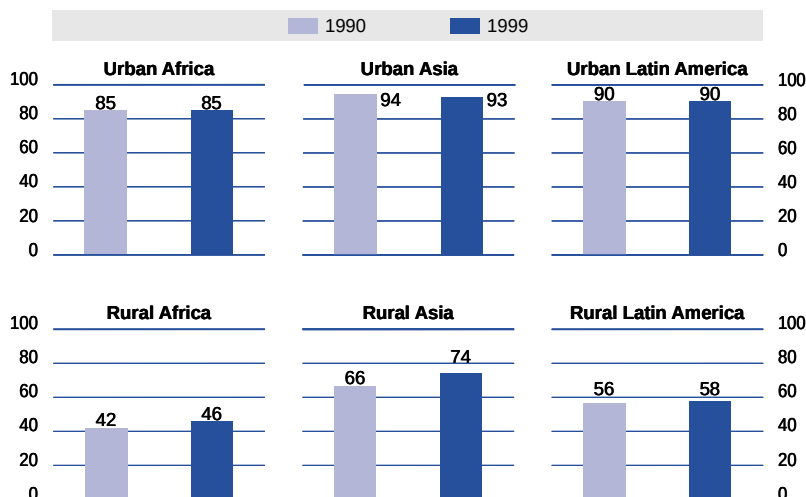
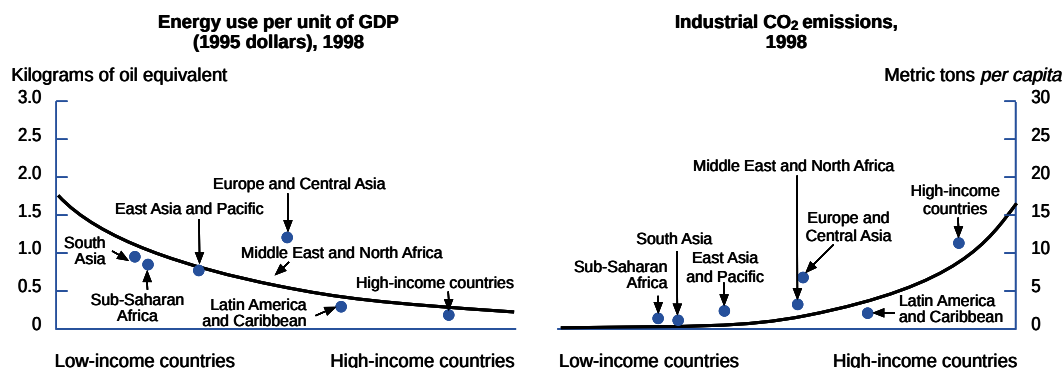


Chart II-8. Energy efficiency generally improves with economic growth... but greenhouse gases also increase



High-income countries make more efficient use of energy and may have cleaner technology, but they produce larger total emissions. As poor countries develop, they can also become more energy-efficient, producing more goods and services from the same quantity of energy. But total energy savings from efficiency gains will be more than offset by growth in total consumption. And if poor countries simply follow the model of the high-income countries today, their total energy use will continue to grow, and with it their emissions of greenhouse gases (see Chart II-8).

Fortunately, policies to reduce global greenhouse gases, such as improving energy efficiency in transport or industry, overlap with those to reduce local pollution. This applies both to rich countries – the biggest emitters of carbon dioxide – and to developing countries. Long-term solutions to the climate change problem will depend on a radical transformation of energy consumption patterns in both developed and

developing countries, away from dependence on fossil fuels. The shift will require strong political commitment and global co-operation, as well as institutional, technical and social innovation.

II. WHAT IT WILL TAKE TO ACHIEVE THE GOALS

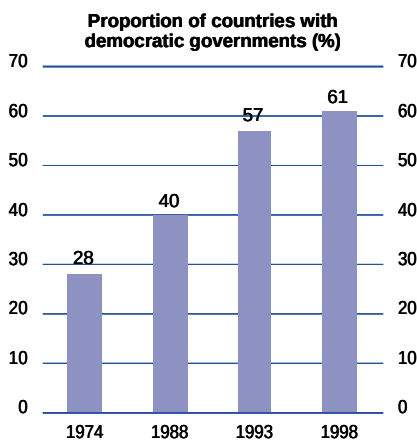
Malaysia, Morocco and the Republic of Korea form a select group of countries that halved the proportion of their people living in poverty in less than a generation. The Indian states of Haryana, Kerala and Punjab have achieved similar progress. Another dozen countries – including Botswana and Mauritius – reduced poverty by a quarter or more. Their experiences are well-documented and other countries can learn much from them. After all, if they have succeeded, others can as well. The question is, how?

Stronger voices and choices for the poor; economic stability and growth that favour the poor; basic social services for all; open access to trade and technology; and sufficient development resources, used well – these are the five sets of policy recommendations to reduce extreme poverty put forward in *A Better World for All*, and outlined below.

Voices and choices

Empowering poor people is the starting point of the proposed strategy. That means opening political space for poor people to organise. It also means providing opportunities for women and minorities, by encouraging them to participate as fully as possible in the political process and its institutions. Democratisation, from which the majority of countries now benefit (see Chart II-9), has to go beyond elections, to promote an independent judiciary, an open civil society and a free media, all of which can make governments accountable for their promises and actions.

Chart II-9. More countries are becoming democratic



Empowering people requires a commitment to respect fundamental human rights and the rule of law. One important way of showing that commitment is for countries to adopt treaties. Today, half the world's countries have ratified all six human rights conventions, such as the Convention on the Elimination of Discrimination Against Women (CEDAW) and the Convention on the Rights of the Child (CRC). This is up from a tenth of countries just ten years ago.

Democratisation also demands overcoming corruption. Honest and responsive government fosters – indeed embodies – human development. Empowering people, maximising the resources for development and reducing poverty go hand in hand with building sound, effective institutions, expanding administrative capacity, encouraging local participation and improving the business environment.

Pro-poor growth

Economic growth is not a guarantee of poverty reduction, although it is clearly essential for sustaining poverty reduction in the long term. What is needed is pro-poor growth, which means generating better income-earning opportunities for poor people, helping them unleash their productive potential and allowing them to meet at least their families' basic needs. It means stimulating activity in small, even informal, businesses, both urban and rural. In most cases, it requires measures to improve property rights, bargaining power and access to credit, training and new technology. In short, pro-poor growth should aim to reduce inequities by creating better opportunities for all groups in society, particularly poor women. China and Malaysia are examples of countries that

have achieved pro-poor growth. The problem is that many other countries today need substantially faster pro-poor growth, among them the 30 developing countries whose real *per capita* incomes are lower today than they were 35 years ago.

Basic social services for all

Providing basic social services is of course essential to any pro-poor growth and long-term development strategy. At the Copenhagen Social Summit in 1995, the world's leaders suggested as a rough guideline that 20% of budgetary expenditure and 20% of aid flows should be allocated to basic social services. Although the budget allocations to such services have recently increased in many countries, such as the Dominican Republic, Guatemala, Malawi and Namibia, few developing countries or donors meet the guideline. Yet there is an urgent need to invest in education (particularly girls' education, where the returns are high) and in high-quality and cost-effective services to the poor in health care, water, sanitation and other basic services.

One way of contributing to the cost of these services is to build a broad, equitable and fair tax base. On average, taxes actually collected in low-income countries accounted for less than 10% of GDP in 1994-98, compared with some 20% in middle-income countries and over 25% in high-income ones. The issue is one of improving tax collection, rather than raising tax rates.

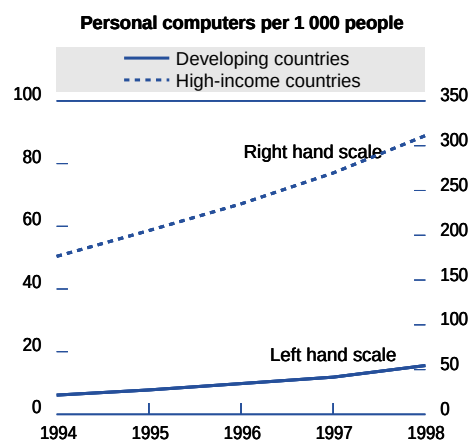
Open access to trade and technology

Globalisation offers enormous opportunities for development. It

provides better ways of tapping the world's knowledge, technology for delivering products and services, and access to the world's markets. Several countries have taken advantage of these new opportunities, such as India, which is building a strong reputation for itself in new technologies.

Opportunities have been enhanced by the plummeting cost of telecommunications in the past two decades, while the spread of cellular telephones and the Internet has been a boon, for example, to cocoa traders in Ghana who need to track world prices. The transfer of knowledge and ideas is critical to development everywhere and a major challenge is to plug all of civil society and business in developing countries into these promising networks (see Chart II-10). Though this would obviously entail large investments in telecommunications and power supplies, costs are falling, while new (particularly cellular) technology is becoming easier to deploy.

Chart II-10. Crossing the digital divide is essential for being competitive



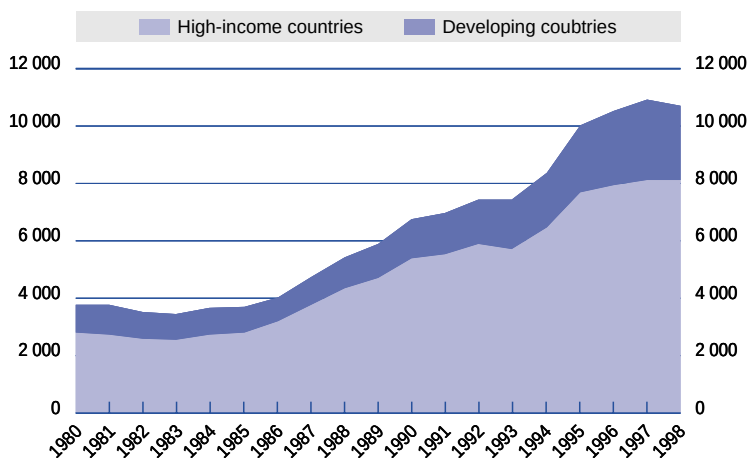
Having the technology is not enough of course. The high-income countries have a clear responsibility to reduce tariffs and other trade barriers to imports from developing countries, particularly in the food and textiles markets. And richer countries should help poorer ones to build their capacity to trade effectively, such as by helping them to negotiate with trading partners and, where possible, to reduce their economic dependence on commodities. For countries themselves to benefit from globalisation, they have to lower their tariffs and other trade barriers, especially for sectors which stand a fighting chance of competing on world markets and for which exposure to world competition would bring clear benefits in terms of capital and growth (see Chart II-11). They should streamline their systems for the flow of imports, exports and finance. They also have to do their best to minimise volatility by maintaining consistent fiscal and monetary policies that broadly support pro-poor growth.

Using resources effectively and equitably

Development costs money. Much comes from the investments by people and much from the investments by government. What has spurred the growth of many East Asian countries is their high savings rates, which are often more than 30% of gross national product. Many African countries, by contrast, have had total savings rates of only 10-15% of national income, too low to sustain growth fast enough to lift more people from poverty.

Money must be spent wisely – on projects with long-term development prospects and on basic services for the poor, rather than on subsidised services for the rich, such as lavish hospitals in town centres. Being able to rely on predictable resources, like tax and customs revenues through a working tax

Chart II-11. The growing importance of trade
Exports and imports of goods (US\$ billions)



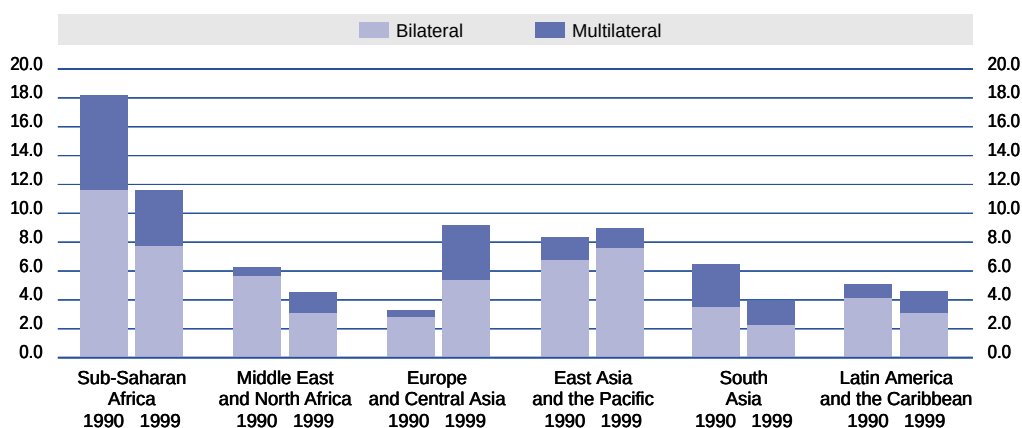
collection system and indeed aid flows, and having the capacities to deliver public services efficiently, will lead to a better return on development spending.

Some regions rely almost entirely on aid for their external finance. Private capital flows can add much to what countries put into their development efforts. But these flows are concentrated in fewer than twenty developing countries, and some, such as bonds and bank lending, can be volatile – witness the Asian crisis of the late 1990s. Countries need to create the conditions that attract longer-term investments from overseas as well as locally (see Box II-6). Countries like Mozambique and Uganda are beginning to do just that, by providing a stable political and economic environment and a welcoming and transparent regulatory environment. External aid plays an important part in supporting development, especially in poor countries (see Chart II-12). Only Denmark, the

Netherlands, Norway and Sweden have met the target to provide 0.7% of their GNP as aid (see Chapter IV for details). Worse, the inclination to help developing countries declined in the 1990s. In just five years, from 1992 to 1997, OECD aid fell from 0.33% to 0.22% of GNP, a decline that halted in 1998 and 1999. Donors need to provide more aid to poor countries. Accelerated debt relief is also critical if the poverty goals are to be met.

But donors must also offer easier access to their markets, including duty-free and quota-free access for poor countries. And they should finance programmes that will benefit many countries at once, such as research on vaccines for tropical diseases. Indeed, reducing human suffering and the number of violent conflicts, sustaining the environment and stemming the spread of such global threats as HIV/AIDS, are all key to promoting growth and reducing poverty in the poorest and least developed countries.

Chart II-12. Aid, on the decline in the 1990s, needs a major boost, especially for the poorest countries
Aid by region (in 1998 US\$ billions)



Box II-6.

Private capital flows: High risk, high return*

Private capital flows can add much to what countries put into their development efforts. But these flows are concentrated in fewer than 20 developing countries. Can private investors do more?

While official sector flows into developing countries rose from \$30 billion to \$80 billion over the last 20 years, private sector investment grew even more – from \$45 billion to peak at \$300 billion during the same period. Clearly, developing nations are fertile ground for private investors. But flows tend not to go to many of the world's neediest countries. While there are opportunities for high returns in developing countries, doing business there is also fraught with risk. Developing nations, with the help of bilateral and multilateral organisations, need to create favourable conditions for private investors if they are to continue attracting long-term investments from overseas.

Risk managers weigh the potential gains and risks with business acumen. Is the country economically stable and politically reliable? Is corruption a factor and is there a risk of capital flight? Will finance ministers from the country be prepared to signal early should they have difficulty repaying? The answers to these questions are often strong predictors of the success of a contract.

Private sector debt is now four times higher than multilateral and official debt and many loans have to be restructured or refinanced. That means banks must work with the country's finance minister to find a solution for repayment or partial payment. Latin America has generally dealt efficiently with private banks, keeping communication open during its debt negotiations. Chile was among the first countries to use debt-equity instruments, an initiative that was helped by privatisation. And Mexico succeeded in rescheduling its private debt during the late 1980s and early 1990s. But every country is a specific case. So while Latin American countries came forward early, and actively participated in creating a process for debt repayment, relationships with some African countries were not as straightforward. There are a few exemplary countries, but rather than talk about a repayment problem, there was often silence.

Along with working closely with banks to renegotiate the terms of their loans, countries in Latin America have made great strides toward creating more transparency in their banking systems. That Argentina, Brazil, and Chile are now borrowing at cheaper rates than a decade ago is partly proof of this strategy's success, although low world interest rates are also a factor. Asia's banking crisis a few years ago explains why transparency is so critical to private investors. The system was not transparent or friendly to foreign investors and so many private investors were taken unaware when the banking system began spinning into crisis.

Countries with no stock market, or an unstable one, pose different problems. Fund managers have to take an active role in the management of a company when necessary, buying enough of the company to have several seats on the board, where they can try to effect change. An example is African Lakes, which several years ago had negligible capital and was trading in "old economy"

* Invited contribution taken from interviews with: Marie-Christine Crosnier, Société Générale, Paris; James Graham-Maw, Blakeney Management, London; Jean-Louis Terrier, Credit Risk International, Paris; Harlan Zimmerman, Foreign & Colonial Emerging Markets, London.

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Box II-6. (cont.)

Private capital flows: High risk, high return

industries like plantations, motor sales and mining. Noting a 14-year wait for telephone service in Nigeria and a seven-year wait in Zimbabwe, external investors saw a massive opportunity in the telephony sector. Today African Lakes is the sub-Sahara's largest Internet service provider (outside of South Africa) and there has been a 1 000% return on the investment. Huge margins for growth like this are the main attraction for private investment into developing countries.

For poor countries with few resources or those heavily dependent on commodities, information systems and communications may just be the way to a better economy and a more equitable society. Mobile phones are having a powerful influence. They are a real asset in countries where the public telephone network is notoriously inefficient.

Information is clearly a powerful weapon against the corruption and poor governance that plagues so many African countries. Media coverage of developing countries tends to focus on topics like natural disasters, war, and disease; a new business start-up does not make headlines. But in Africa, there are many businessmen and women who are eager to move forward, and countries that are moving in this direction. This could help African *per capita* GDP to rise sharply between now and 2015. And when incomes start to grow, people join the formal economy, they open bank accounts, start saving, begin buying consumer goods, and eventually the tax net widens.

But is this optimism well founded? What of the obstacles on the way? One the greatest barriers to private investment in developing economies is inadequate protection for minority shareholders. The private sector asks donors to fund legal and regulatory reforms that would encourage greater transparency of banking systems and greater protection for minority shareholders.

Another problem to overcome is perceptions, which are at least partly responsible for keeping private investors away from some poorer countries. Improving these perceptions is an area where donors can have great impact. As "catalytic investors", the major international organisations provide desperately needed capital, and at the same time communicate a perception of confidence in a region, which private investors then follow. They can lay the groundwork for private capital, such as restructuring sectors of economies, or invest in sectors that are important but often the last to attract foreign capital. But as soon as the private sector is prepared to provide capital through internal or external investment, these limited capital resources should be invested in a similar catalytic role elsewhere.

III. A JOINT RESPONSIBILITY

A number of non-governmental organisations have strongly criticised *A Better World for All* for not adequately addressing the problems of unfair trade, declining aid, inadequate debt relief and the governance structures of the international financial institutions (see Box II-7).

They argue that without profound changes in these areas, a significant reduction in poverty will remain illusory. In their view, the report is one-sided because it dwells too much on what developing countries must do and not enough on the responsibilities and commitments of the industrialised world, commitments that they believe have not been met.

Box II-7.

A Better World for Some?*

The launch of *A Better World for All* at Geneva 2000 marked a new stage in the development of closer bonds between the UN, the OECD, the World Bank and the IMF. Predictably, it received both praise and criticism. Praise that the international development goals were receiving some much-needed renewed impetus; criticism to be presented once again with the simplistic advocacy of trade liberalisation.

Clearly, there is a crisis in development policy and financing. If OECD Member countries were in the midst of a protracted recession and decline, the lack of substantive commitments to the development goals would be somewhat easier to understand. But amidst the longest boom in a generation it stands as an indictment of the governments of the developed countries, and a source of shame for their citizens.

This selfishness was highlighted by accusations that the US Congress' debate on foreign aid was manipulated to deceive the American people into thinking their government is far more generous than is actually the case.** Far from giving away 10-15% of the national budget in foreign aid, as most Americans apparently believe, the figure in 1998 was a mere 0.09% of GNP, half what it was in 1992, and the average for the OECD was only 0.23%. And most of this did not go to the poorest countries. As Jeffrey Sachs points out, the average American only pays \$4 a year in taxes towards helping the world's poorest 600 million people.***

The issue which raised the most ire from civil society groups was the simplistic assertion: "Countries have to lower their tariffs and other trade barriers", given OECD countries' own experience of the immense complexities of development and industrialisation policy. France, Germany, the United Kingdom and the United States all developed their domestic industries behind tariff walls and with below market-rate loans. Indeed, tariffs were positively correlated with economic growth for these and six other developed countries between 1875 and 1914. More recently, Japan, Chinese Taipei and South Korea all used measures which were anything but "free trade" to industrialise, many of which are now banned under WTO rules or soon will be.

This is not to suggest that a simplistic policy of blanket infant industry protection is the solution – the bloated and inefficient "infants" which refused to be weaned in so many countries testify to the risks of that path. Encouraging exports is definitely important, but there must be a more highly nuanced approach to each country's particular situation and stage of development – and a recognition that comparative advantage is dynamic and can be acquired. Rapid trade liberalisation for all developing countries in every sector may condemn countries to low levels of industrialisation and dependence on narrow ranges of commodities for export. Developing countries should have the freedom to decide for themselves how much they will expose their nascent industries to the power of those who have had over a hundred years' head start on them.

The current processes of economic integration and liberalisation take little account of the particular needs of developing nations. Merely adding an extra five or ten years to the WTO agreements for developing countries' compliance, plus inadequate resources for technical assistance will not work. Simply implementing the agreements can cost an entire year's development budget for many countries, hardly an efficient use of their resources in the context of the development goals.

* Invited contribution from Brett Parris, Global Economic Issues Group, World Vision. (World Vision is a partnership of Christian NGOs working in 87 countries on over 4000 development, relief and advocacy projects.)

** Krugman, P.R., "Delusions of Generosity", The New York Times, 19 July 2000.

*** Quoted in Krugman, *loc. cit.*

(continued on next page)

Box II-7. (cont.)

A Better World for Some?

It is unreasonable for OECD Member country governments to continue to call for a new trade round while cutting aid budgets, delaying effective debt relief, denying duty and quota-free access to all exports from least developed countries, and endlessly stalling and back-loading agreements on tariff reductions in such crucial areas for poor countries as agriculture, textiles and processed goods. OECD country leaders with vision must end this unjust and myopic approach if there is to be any hope of meeting the development goals and achieving a more prosperous and equitable world in the 21st century.

Finally, the steps taken by the OECD and the other international organisations towards greater dialogue with civil society are to be applauded, and this process must continue – though not simply with large NGOs, but also with smaller groups and representatives of the poor themselves. The World Bank's *Voices of the Poor* was encouraging, though the findings of this project now need to be incorporated into the day-to-day work of the institutions. Dialogue with NGOs, while important, is no substitute for encouraging participation by the poor themselves in the decisions affecting their lives.

In fact, the report avoids finger-pointing. Rather, it highlights the broad policy recommendations which, if adopted, could significantly reduce poverty by 2015. It is everyone's responsibility to help ensure these goals are achieved. This, as *A Better World for All* underlines, is why partnerships are so important – between developing countries and high-income countries, governments, civil society and the private sector, and between international organisations like the United Nations, the World Bank, IMF and OECD,

institutions that must remain open to discussion and debate on development progress and policies, while ensuring that undertakings are matched with action. Partnerships are not a question of imposing one view over another, but rather taking responsibilities jointly – in the North and South alike – to work to achieve the goals that have received unprecedented universal endorsement. This is not an easy challenge, but it is a feasible one and the international community should rise to it.

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Part II

**DEVELOPMENT FINANCE
AND DEVELOPMENT ASSISTANCE EFFORTS**

Significant changes in the demand for and supply of external financing for development, and the activities they support, are setting a new agenda for development finance. That agenda is not only much broader than before, but it also implies a more systemic and integrated view of financing for development, with sustainability, governance and effectiveness as essential elements. The key to meeting the financing needs associated with the international development goals lies with domestic resource mobilisation. While aid can contribute to the process of strengthening domestic resource mobilisation, it cannot replace it.

1. The need for a “roadmap”

The last few years saw a sharp correction to the boom in private finance for development that peaked in 1996. However, there was a moderate recovery in private flows in 1999, particularly due to the continued expansion of foreign direct and equity investment. Total net resource flows to developing countries (USD 248 billion in 1999) are increasing again, after a sharp contraction in 1997 and especially in 1998. While still some way below their 1996 peak, hindsight shows that peak was unsustainable, particularly for bank and bond lending. Private flows, at USD 159 billion in 1999, represented 64% of total external flows, compared to 78% in 1996, a year that simultaneously recorded the highest level of private flows and the lowest level of official development finance (ODF). However, foreign direct investment (FDI) and “other” private flows (including equity investment) held up well in the face of changes in the demand and supply of external private finance. Official

development assistance (ODA), at USD 51 billion in 1999,¹ maintained its 1998 recovery, but largely due to special factors, such as assistance to Asian crisis countries and support for international actions in Kosovo and East Timor.

These trends indicate that lessons are being learned from the corrections of the international financial markets. And there is a renewed commitment by donors to focus on comprehensive approaches to poverty reduction and aid effectiveness. Significant changes in the demand for and supply of external financing for development, and the activities they support, are setting a new agenda for development finance. That agenda is not only much broader than before, but it also implies a more systemic and integrated view of financing for development, with sustainability, governance and effectiveness as essential elements.

Both suppliers and users of private financing are pursuing new and more cautious approaches closely connected to

1. As measured in terms of disbursements from bilateral and multilateral donors. The 1999 ODA level of USD 56 billion cited in Chapter IV is measured in terms of bilateral disbursement plus bilateral contributions to multilateral organisations. For a discussion of the different ways international agencies measure flows to developing countries, see Annex III-1.

sustainability – and in particular to macroeconomic, governance and investment fundamentals. The widespread shift from State-led to private sector-led development strategies has created new needs and opportunities for private finance, both domestic and external, and a deeper awareness of the conditions (policies, markets and institutions) for stable and sustainable private finance. These conditions are now more clearly perceived as central issues for the international community, as witnessed by efforts to strengthen the international financial architecture.

Governance is also a key consideration for official flows. Linking aid allocations to aid effectiveness is leading to policy shifts in the ways aid is mobilised and used. With debt reduction in poor countries now a high political priority, the Enhanced HIPC Initiative offers the prospect of a sounder base for mobilising private financing, combining financial integrity and comprehensive approaches to tackle poverty within country-level frameworks. And the debate on international public goods may yield an array of innovative approaches to addressing the chronic underfunding of collective action in areas such as peace, health and financial stability, in ways that cut across established institutional boundaries and public/private sectors.

Looking at the future of development financing, the policy statement, *Partnership for Poverty Reduction: from Commitment to Implementation*, adopted at the DAC High Level Meeting in May 2000, notes that “it is important that developing countries progressively rely on their own domestic resource mobilisation, complemented increasingly by sustained long-term private capital flows. A role of aid is to con-

tribute to this process and to support efforts to diminish aid dependence, particularly in those countries, regions and sectors where access to private capital flows is still elusive or limited”. OECD Ministers, at their annual meeting in June 2000, endorsed these efforts to mobilise private domestic and external resources. And G8 leaders at the Okinawa Summit in July 2000 called for a “roadmap” to guide developing countries moving in this direction.

The need for such a “roadmap” is emphasised by what some refer to as the “depressing arithmetic” of what is entailed in order to meet the international development goals. Estimates vary, but taking the example of sub-Saharan Africa, some estimates suggest that the region needs annual growth of 6-8% over the next twelve to fifteen years. Achieving such unprecedented growth rates will, among other things, require investment to move from current levels of around 15% of GDP to 22-25% over the next decade, and much of that must come from the private sector. Private external flows, currently 2% of GDP, cannot start to fill the financing gap until the region in general becomes much more attractive to international investors and lenders. Neither can aid, despite some calls for a doubling of aid volume and for bilateral donors to meet the United Nations 0.7% ODA/GNP target. The political reality of aid suggests that, at the aggregate level, expectations of these magnitudes will not be met. Even if they were, it would not solve the problem, nor could many developing countries deal effectively with any such surge. However, at the level of individual developing countries, there could be significant increases in aid once such countries get the “green light” on aid effectiveness indicators.

More than anything else, however, and as indicated in the DAC High Level Policy Statement, the key to meeting the financing needs associated with the international development goals lies with domestic resource mobilisation. Significant increases in domestic savings and investment will require progress in various fields, *e.g.* political and macro-economic stability, good governance, sound financial systems, effective debt relief, a dynamic private sector and increased international trade. Aid can contribute to the process of strengthening domestic resource mobilisation, but not replace it. The medium-term outlook for the developing countries (including the least developed countries, other than those involved in conflict or with unresolved governance problems) is quite positive and much better than was the case in the last decade. This provides a firmer platform than before for actions by governments and the international community to support development strategies revolving around openness, growth and poverty reduction. More, and more effective, finance from all sources will be necessary to help developing countries reach the rates of growth required for sustainable levels of domestic resource mobilisation, expanding export capacities and access to international financial markets. In Africa, for example, there remains a major conundrum: if growth is to be led by the private sector, and it must be, how can it be financed essentially by raising aid levels? Certainly, higher aid, based on good quality Poverty Reduction Strategy Papers (PRSPs), could pump more purchasing power into African economies, which could stimulate the private sector if the policy framework is good and corruption and capital flight are tamed. However, raising domestic investment levels to the

extent necessary implies significant financial infrastructure and management deepening, in which substantial foreign involvement, particularly through FDI, will be needed.

2. Highlights of recent trends in external flows

Total net resource flows to developing countries in 1999, at USD 248 billion, increased by 17 billion (7%) on 1998, but were still well below the 1996 peak of USD 354 billion. (See Table III-1) The main feature of the overall trend since 1996 has been the steady growth of foreign direct investment at the same time as the retreat of international bank and bond lending in the wake of the Asian financial crisis. But there have also been changes in the patterns and composition of ODF flows, with some increase in ODA in 1998 which has been maintained in 1999.

This section looks at developments in the main components of external resource flows to the developing countries as a whole which, of course, conceals important differences with respect to regions and income groups (see Box III-1).

Private flows

Underlying the aggregate picture, essentially one of adjustment to and recovery from the Asian financial crisis of 1997/98, the following components are noteworthy:

- *Foreign direct investment* (FDI) from DAC countries reached a new peak of USD 132 billion, 12 billion up on the

Table III-1.

Total net resource flows from DAC Member countries and multilateral agencies to aid recipients

	Current US\$ billion								Per cent of total		
	1992	1993	1994	1995	1996	1997	1998	1999 (p)	1992	1995	1999 (p)
I. OFFICIAL DEVELOPMENT FINANCE (ODF)	78.3	82.4	84.5	87.6	73.5	75.3	88.4	84.9	49.1	33.0	34.2
1. Official development assistance (ODA) ^a	58.3	55.5	59.6	59.1	55.8	47.7	49.7	51.3	36.6	22.3	20.7
of which: Bilateral	41.4	39.4	41.3	40.6	39.1	32.4	35.2	37.9	25.9	15.3	15.3
Multilateral	17.0	16.1	18.3	18.4	16.7	15.3	14.5	13.4	10.6	7.0	5.4
2. Official Aid (OA)	6.0	6.0	6.9	8.4	5.6	5.6	7.0	7.6	3.8	3.2	3.0
of which: Bilateral	5.2	5.2	5.5	7.1	4.0	4.0	4.5	4.7	3.3	2.7	1.9
Multilateral	0.8	0.7	1.3	1.3	1.5	1.6	2.5	2.9	0.5	0.5	1.2
3. Other ODF	14.0	21.0	18.1	20.1	12.2	22.0	31.7	26.1	8.8	7.6	10.5
of which: Bilateral	8.0	11.4	12.2	14.0	5.7	5.9	12.8	10.4	5.0	5.3	4.2
Multilateral	5.9	9.6	5.8	6.1	6.5	16.0	18.9	15.6	3.7	2.3	6.3
II. TOTAL EXPORT CREDITS	1.0	-3.0	6.3	5.6	4.0	4.8	8.3	4.0	0.6	2.1	1.6
III. PRIVATE FLOWS	80.1	86.3	134.7	172.0	276.2	241.3	134.0	159.2	50.2	64.9	64.2
1. Direct investment (DAC)	30.2	41.6	52.1	59.6	68.9	102.3	119.8	131.8	19.0	22.5	53.2
of which: to offshore centres	9.5	9.4	10.8	6.3	16.7	19.1	20.3	30.0	6.0	2.4	12.1
2. International bank lending ^b	34.6	4.8	32.1	76.9	86.0	12.0	-80.4	-75.5	21.7	29.0	-30.4
of which: Short-term	25.0	7.0	44.0	40.0	40.0	12.0	-74.2	-38.4	15.7	15.1	-15.5
3. Total bond lending	7.5	28.7	32.0	26.0	81.9	84.8	40.6	36.7	4.7	9.8	14.8
4. Other (including equities) ^c	1.8	5.5	12.5	3.5	33.8	37.0	48.4	59.4	1.1	1.3	24.0
5. Grants by non-governmental organisations	6.0	5.7	6.0	6.0	5.6	5.2	5.6	6.7	3.8	2.3	2.7
TOTAL NET RESOURCE FLOWS (I + II + III)	159.4	165.7	225.5	265.1	353.7	321.4	230.8	248.0	100.0	100.0	100.0
Memorandum items (not included):											
Interest paid by aid recipients ^d	-68.0	-64.5	-83.2	-112.3	-108.4	-118.4	-124.1	-115.2			
Net Use of IMF Credit ^e	0.8	3.3	0.6	15.6	0.3	14.4	18.8	-12.8			
Non-DAC donors (ODA/OA)	1.1	1.3	1.0	0.8	0.8	0.7	0.6	0.4			
For cross reference											
Total DAC net ODA ^{a, f}	60.8	56.5	59.2	58.9	55.6	48.5	52.1	56.4			
of which: Bilateral grants	34.8	33.4	35.2	36.2	36.5	31.3	32.5	33.9			

a) Excluding forgiveness of non-ODA debt for the year 1992.

b) Excluding bond lending by banks (item III.3.), and guaranteed financial credits (included in II).

c) Incomplete reporting from several DAC countries (including France, the United Kingdom and the United States). Includes Japan from 1996.

d) Excluding dividends.

e) Non-concessional flows from the IMF General Resources Account.

f) Comprises bilateral ODA as above plus contributions to multilateral organisations in place of ODA disbursements from multilateral organisations shown above.

p) Provisional.

Box III-1.

Resource flows to Asia and to the Least Developed Countries**Asia**

Trends in net resource flows to Asia parallel those for the developing countries as a whole as it is in this region that the major changes, essentially related to private flows, have taken place. In 1998, total net flows actually reached negative levels, standing at minus USD 10 billion, a “turnaround” of USD 171 billion from the unsustainable peak of 161 billion in 1996. The main force behind this was international bank lending which fell from USD 68 billion in 1996 (the only year there was in fact a positive net inflow) to a net *outflow* of 89 billion in 1998. Net bond lending also dropped from USD 32 billion in 1996 to minus 1 billion in 1998. But FDI, at USD 26 billion, was slightly up on its position over the previous three to four years. The expansion of ODF in 1997 and 1998, up from USD 16 billion to 31 billion 1996-98 was, as noted earlier, essentially due to the increase in non-concessional flows in response to the crisis.

Provisional and still incomplete data for 1999 show considerable improvement on 1998. Total net flows, at USD 24 billion, have turned positive. FDI expanded by USD 5 billion to reach 31 billion and ODF has been steady at 1998 levels, with higher ODA offsetting lower non-concessional official flows. But the overall situation remains depressed because of still high net *outflows* for bank lending (USD 65 billion) and little change in net bond lending, with a net *outflow* of USD 1 billion in 1999 compared to a net *inflow* of 32 billion in 1996.

The Asian region represents, of course, a wide variety of development situations and challenges. A handful of countries receive the lion's share of resource flows – with 70% of the total in 1998 going to Korea, Hong Kong (China), Thailand, Singapore, China, Indonesia and the Philippines. The financial crises virtually wiped out years of progress in income growth. From 1997 to 1998, *per capita* incomes fell by around 20% in Thailand and Malaysia, by 30% in Korea and by nearly 40% in Indonesia. However, China and India still managed to achieve positive *per capita* income growth (8% and 2% respectively). And over a longer timeframe, some countries with relatively low savings and low income – such as Pakistan, Cambodia and Nepal – have made impressive progress on social indicators.

For the region's emerging markets, a moderate recovery in private flows is now underway as investor and lender confidence returns. The broad picture is one of FDI and portfolio equity flows increasing slowly and debt flows moving into positive positions as net repayments to private creditors (principally, commercial banks) become more moderate. Banks are likely to continue as the dominant source of trade finance. But stronger risk management means they are unlikely to return to the dominant role they had in the mid-1990s as a source of investment finance.

Least developed countries

Total net resource flows to the least developed countries (LLDCs) amounted to nearly USD 14 billion in 1999, some USD 2 billion below the average level for the first half of the 1990s. The LLDCs attracted less than 6% of total flows in 1999 compared to over 10% in 1992.

ODF, at USD 11 billion, accounted for 81% of total flows in 1999. FDI, at nearly USD 2 billion in 1999, represented most of the remainder of external flows, and has grown steadily from its close to zero levels in the first half of the 1990s. Bilateral ODA, at nearly USD 7 billion in 1999, accounted for 61% of total ODF to this group of countries.

(continued on next page)

Box III-1. (cont.)

Resource flows to Asia and to the Least Developed Countries

Over time, the share of total ODA going to the LLDCs has fallen, from 28% in 1995 to 21% in 1999. This is mainly due to a fall in the share of multilateral ODA going to the LLDCs from 41% to 30% in 1995-99 due to completion of major relief operations in Africa, and the fact that Zambia received a large IMF credit in 1995.

The United Nations' *Least Developed Countries – 2000 Report* highlights some of the key challenges faced by the LLDCs in mobilising resources for development:

- On the positive side, LLDCs have a relatively high marginal propensity to save, and thus a real prospect of growth being based more on domestic resources, if high and sustained *per capita* income growth can be achieved.
- However, these countries are caught in a vicious circle when low income and slow growth limit the scope of domestic resource mobilisation, while low rates of investment, inefficient resource use and a weak domestic corporate sector in turn limit growth.
- Poor attractiveness to private capital, the debt burden, vulnerability to external shocks and declining aid flows all increase the financing burden on an already weak domestic resource mobilisation potential.

That United Nations report thus argues that the key to meeting the financing needs to support the international development goals in the LLDCs does not lie with domestic resource mobilisation, but with how aid and debt relief can contribute to strengthening domestic resource mobilisation and increasing developmental private capital flows. In the report, this analysis translates into very much higher levels of aid and debt relief than is presently the case in order to finance these countries out of their low income/low growth "trap", by much greater and more effective assistance to strengthen the foundations and capacities for mobilising domestic resources.

1998 level, despite the continuing uncertainties in many of the major destination countries. Increasingly, FDI is the principal and most stable component of private flows. The increase in 1999 is particularly encouraging given slower growth prospects in many of the most important developing country markets and continuing uncertainties in the world market, including future trade negotiations. The overall trend reflects

the resilience of FDI in financial crises, as FDI is more responsive both to longer-term growth prospects, and to new investment opportunities in crisis countries, through mergers, acquisitions and further privatisation.

• *Other private flows (which include equity investment)*² show a somewhat similar picture – up by USD 11 billion to 59 billion, also a new record level. Performance in

2. Reporting of "other" private flows is incomplete for several DAC countries, including France, the United Kingdom and the United States.

1999 reflected the recovery in emerging country equity markets from the situation in late 1998. Even with market conditions still not as strong as in previous years (as indicated, for example, by postponement of or discounts on issues), it is clear that policy changes are helping to restore investors' confidence.

- *The reduction in bond lending* slowed sharply but continued into 1999 where, at USD 37 billion, it is now at less than half the levels prevailing in 1996 and 1997, which, with hindsight, were unsustainable. There has also been a major shift from private to public issues. The volume of issues by private sector borrowers fell much more sharply with the impact of the crisis on the private sector, and the public sector re-emerging as the major borrower.

- *International bank lending* accounted for the largest reductions in private flows to developing countries for 1998 and 1999. It has fallen rapidly from its 1996 peak of USD 86 billion (when it amounted to 30% of private flows) to highly negative levels (*i.e.* net outflows) in 1998 and again in 1999 (minus USD 75 billion) – a “turnaround” of USD 160 billion between 1996 and 1999. The retrenchment began in 1997, but deepened enormously in 1998 and 1999 through a combination of the following factors:

- Reduced demand and large current account surpluses.
- High repayment levels.
- A shift from bank credit to equity financing (portfolio investment and

FDI). As with bonds, there has also been a pronounced shift in new lending from the inter-bank to the public and non-private sectors.

Official development finance

ODF, *i.e.* concessional and non-concessional financing from official sources, both bilateral and multilateral, amounted to USD 85 billion in 1999, over USD 3 billion down on the 1998 peak. The latter, however, was inflated by an unusually high allocation of non-concessional lending (*i.e.* “other ODF”) in response to the Asian financial crisis. With the immediate crisis over and repayments on some of these loans in 1999, non-concessional lending is returning to more normal levels, explaining the 1999 fall in total ODF.

The other major feature of 1999 ODF was that the 1998 recovery in ODA was maintained, increasing by USD 1.6 billion to reach USD 51 billion in 1999. This represented an increase of nearly USD 4 billion on the 1997 low point. However, the ODA increases in 1998 and 1999 were also largely due to special factors, including assistance to the Asian crisis countries and support for international initiatives in Kosovo, East Timor, and in Central America following Hurricane Mitch. So far there has been little evident increase in ODA for regular development programmes and projects, although there are indications of commitment to real increases in ODA for longer-term development goals from several bilateral donors. (See Chapter IV for details.)

Table III-2.

Debt: All aid recipients

US\$ billion

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
DEBT STOCKS											
Long-term											
I. OECD countries and capital markets	737	782	818	836	922	1 044	1 156	1 250	1 294	1 389	1 428
ODA/OA	115	126	135	138	147	163	177	167	153	166	176
Official/officially supported	212	228	254	279	289	338	356	352	349	369	356
Other official credits	100	106	118	125	131	150	173	177	174	171	171
Guaranteed supplier credits	36	36	37	38	40	45	47	42	41	42	38
Guaranteed bank credits	75	86	99	116	119	144	135	133	134	155	147
Financial markets	411	428	430	418	486	542	624	731	792	854	895
Banks	347	360	354	334	364	391	443	474	449	451	450
Bonds	63	68	75	84	122	151	180	257	343	403	445
II. Multilateral	210	238	263	268	290	320	353	347	361	421	423
of which: concessional	67	73	81	86	93	106	116	120	122	150	159
non-concessional	143	166	182	182	197	213	238	227	239	272	264
memo: IMF, total	32	33	37	35	40	44	62	60	71	94	79
III. Non-OECD creditors and other	168	196	218	229	242	244	251	240	237	244	238
CEECs/NIS creditors	127	109	133	138	145	145	143	133	122	121	118
Other	41	87	85	90	97	99	108	107	115	123	120
Sub-total: long-term debt	1 115	1 216	1 299	1 333	1 454	1 607	1 761	1 838	1 893	2 055	2 089
of which: concessional	279	231	244	253	269	298	318	314	301	341	352
non-concessional	836	985	1 055	1 080	1 185	1 309	1 443	1 524	1 592	1 714	1 737
Short-term	—	—	—	—	—	—	—	—	—	—	—
Sub-total: Short-term debt	295	332	336	379	374	434	488	541	602	512	445
Banks	231	251	251	303	292	362	435	488	550	458	393
Export credits	64	77	83	73	80	70	50	48	49	51	49
Non-bank deposits in banks	33	4	3	3	2	2	4	5	3	3	3
Total debt	1 443	1 548	1 635	1 712	1 828	2 041	2 249	2 379	2 495	2 567	2 534
SERVICE PAYMENTS											
Long-term											
I. OECD countries and capital markets	116	104	103	114	126	135	167	197	206	186	192
ODA/OA	6	6	6	8	8	9	11	11	10	9	9
Official/officially supported	45	38	37	47	49	53	63	73	73	66	71
Financial markets	65	60	60	59	68	73	93	113	123	111	112
II. Multilateral	30	33	35	36	38	42	49	45	43	45	73
of which: concessional	2	2	3	3	3	3	3	4	4	4	—
memo: IMF, total	10	10	9	8	8	9	13	10	11	13	—
III. Non-OECD creditor countries	6	7	6	4	4	4	7	7	7	6	6
Sub-total: Service payments, long-term debt	152	143	144	154	167	181	223	248	256	237	270
of which: concessional	10	12	11	12	13	14	16	16	16	15	—
Amortization, long-term debt	92	91	89	100	115	117	155	172	176	152	185
Interest, long-term debt	59	53	54	54	52	64	81	76	81	87	86
Interest, short-term debt	28	25	20	14	12	20	32	33	38	36	30
Total service payments	179	169	163	168	179	202	252	279	293	275	300

External debt

Recent changes in the debt situation reflect, first and foremost, reactions to the 1997-98 financial crisis. The total external debt stock of aid recipient countries was USD 2 534 billion at the end of 1999, USD 33 billion less than in 1998 (see Table III-2). Higher stocks of long-term debt (principally from bonds) were offset by a reduction in short-term debt, most pronounced in Asia, following repayment and some restructuring of short-term loans. This is reflected in the expansion of debt service payments, which rose in 1999 by 9% to USD 300 billion.

Nearly half of total debt stocks are held by nine developing countries, essentially the larger and more dynamic economies of Asia and Latin America. The 41 HIPCs account for 7.5% of developing countries' debt stocks.

The situation of these poorer developing countries has remained largely unchanged. They were not directly affected by the financial market retreat, but there were indirect effects from weaker global demand and falling commodity prices.

Several of the poorer developing countries witnessed a reduction in their debt to sovereign creditors, including the first reductions under the HIPC Initiative. More are poised for such reductions following agreement to accelerate work to implement the Enhanced HIPC Initiative.

Total debt relief (HIPC plus traditional measures) for the 22 countries that reached decision points at the end of 2000 is estimated by the World Bank to be over USD 50 billion, a reduction of about two-thirds of their total debt stock.

3. Policy directions for development finance in less advanced developing countries

Trends in the volume of aid and private flows are “input” measures. From a development perspective, what really counts, of course, are “output” measures, particularly of the effectiveness or contribution to sustainable development of the activities financed by these flows. The latter not only relates to the volume of finance, but equally to its uses, management and impacts. The remainder of this chapter discusses the implications of the trends highlighted above for promoting more balanced, sustainable and effective patterns of development finance.

The beginning of the 1990s saw the emergence of a fundamental and very positive shift in the volume and structure of external finance for development. FDI and bank lending expanded steadily and other financial market flows (bonds and equities) joined in this expansion, although ODF began to decline. All in all (and bearing in mind important differences in the geographic patterns and concentration of these flows), these trends were welcomed. But hindsight has revealed serious malfunctions on both borrower and lender sides.

On both the supply side and the demand side of private external flows, this is a time for reflecting and regrouping, partly to ponder the lessons of the Asian crisis, but also to consider the new imperatives related to the governance and effectiveness of finance for development.

This regrouping and realignment includes adjustment to an evolving architecture that will guide and manage a more sustainable and more effective pattern of external flows. Focusing particularly on the less advanced developing countries, some of the key issues within this architecture are as follows:

- The *governance of development finance* (both private and official) is now seen as a central issue for the whole international community, taking shape under the “new international financial architecture”. While initial efforts and actions have obviously focused on the emerging market economies, there are important implications for less advanced countries.

- *Sound financial systems* are now recognised to be very much at the core of the development problem, and as being the “brains” of the economy, not just in emerging markets but in all developing countries where the private sector plays the leading role. Developing the role of financial markets, both domestic and international, is an inherent requirement for private sector-led development.

- The *contribution that FDI can make to development* has long been recognised. While FDI is still heavily concentrated in a relatively small number of countries, flows to some smaller countries also reach significant proportions of their GNPs. The impact of FDI varies considerably according to its character and context. Good governance and good policies (by governments and investors) are the foundation for attracting and benefiting from FDI.

- *Governance of aid* is just as crucial as it is for private flows. Linking aid allocations and uses more closely to performance offers good prospects for increasing aid effectiveness, leading to new approaches to conditionality/accountability and to the supply of aid. This implies new disciplines for both donor and partner countries but also the prospect of a stronger base on which to maintain and even increase aid budgets.

- The widespread public perception that *over-indebtedness severely contracts the fiscal space available for poverty reduction programmes and limits countries’ ability to attract private finance* has moved debt reduction in poor countries to centre stage. The Enhanced HIPC Initiative is now seen as a crucial component of broader strategies to promote economic growth and poverty reduction. The G8 leaders in Okinawa renewed their commitment to push forward the initiative in order that it better meet its objectives of “faster, broader, deeper debt relief” that will release funds for poverty reduction programmes.

- The *important development role of regional and international public goods* is receiving renewed attention as issues such as climate change, HIV/AIDS, conflict prevention and regional stability have come to the fore. In such areas, it is increasingly recognised that effective action requires collective efforts. How such efforts are organised and financed is now an active area of policy attention.

The remainder of this chapter expands on these issues.

4. The new international financial architecture and less advanced developing countries

The secular trend towards private flows as the dominant component of financial flows to developing countries and the recent financial crises in emerging markets have combined to inspire an international effort to define and implement new approaches to reducing volatility in these flows and managing the consequences of crises when they occur, characterised as the new international financial architecture.

This effort has, for obvious reasons, been directed essentially towards the situation of emerging market countries, where the risks of future crises have systemic implications. The emphasis has been on establishing standards for countries and financial institutions, including in the field of corporate governance and risk management, following lessons learned concerning over-reliance on liquid, short-term capital, the need for sound corporate governance, and the ability of actors to distinguish between good and bad risks.

The timely dissemination of high-quality information on financial and economic positions has been an important focus. Another central, and as yet unresolved, issue has been the sharing by private lenders of the costs of debt reduction efforts. A joint IMF/World Bank programme of financial sector assessments has been instigated to review the strength of financial systems in individual member countries, developed and developing, to identify action needed to repair areas of vulnerability, but also to

identify longer-term financial sector development issues.

While forums have been created to establish co-operation between relevant international agencies and to bring major emerging market countries into the informal consultation process, less advanced developing countries have not participated directly in the formation of the new international financial architecture. There is, however, a range of issues that are of importance to them, some of which do not at this point figure prominently or at all on the agenda:

- Implementation of the large array of standards being recommended will become a factor in the ability of less advanced countries to attract flows from international capital markets in the future. They entail major investments in human and institutional capacities.

- The creation of these capacities is not a straightforward matter. It is not just technical expertise and appropriate laws and institutions that are required, but a business and political culture emphasising accountability and integrity in the management of public and private finance.

- Many less advanced developing countries have financial assets that are too small to warrant the full array of financial institutions and supervisory superstructure. Regional co-operation to establish and supervise financial markets is clearly indicated in a number of cases, but there are significant obstacles. Allowing the entry of major international financial firms would help. These firms would bring with them international standards and management expertise, provide training for local

human resources and carry a large part of the supervisory function, in respect of their local subsidiaries.

- There is concern that the IMF/World Bank Financial Sector Assessment Programme (FSAP), which is being implemented with serious resource constraints, will not reach the less advanced developing countries at an early stage. Financial system development is more clearly than ever a central priority for sustainable pro-poor growth. And the globalisation of finance is raising pressing challenges and opportunities for many of these countries.

New measures may be necessary to meet the specific needs of less advanced countries in developing their financial systems. Some of these countries have also experienced their own financial crises, while many have been affected by the crises elsewhere. Institutions, whether in the financial sector or elsewhere, mediate the links between policies and their effects, and good institutions lessen the dichotomy between the public and private (or market) sectors, important in pursuing some of the transfers of institutional responsibility that are called for. The codes and standards subsumed under the international financial architecture are designed for all countries, but are targeted more towards the emerging markets than the lower-income developing countries. As such, they present the latter with many practical difficulties in implementing institutional reforms. Institutions have to be built – they cannot be acquired – usually on the basis of existing capabilities (except in extreme cases), so it is important to provide some space for the lower-income developing countries to reflect their own priorities and capacities and to build their ownership of institutional reforms.

Financial systems and poverty reduction: Financial services and “embedded” financial liberalisation in developing countries

Access to efficient and appropriate financial services for developing countries has proved to be an elusive objective. From a poverty perspective, critical elements are access by the poor to financial services (even in countries which otherwise have a modern, sophisticated formal financial sector), and the linkage between a healthy financial sector and a healthy domestic business sector. The era of “financial planning”, when the State operated as the dominant financial intermediary through the budget and State financial institutions, was usually highly unsatisfactory in these respects. Financial liberalisation, while promising a more service-oriented financial sector, has focused essentially on the removal of controls, and has likewise failed in many cases to produce sustainable financial systems providing economically and socially optimal financial services.

Yet, with diversified, competitive, service-oriented financial institutions now emerging as never before, in a wide variety of contexts, there are major new opportunities to put financial markets at the service of private sector and pro-poor development, including access of poor people to financial services. Capturing this potential requires “embedding” financial liberalisation in a strong legal and institutional framework to assure its stability and integrity. It also requires an active approach by the State towards encouraging private financial markets, through coherent sets of incentives/disincentives, to play a dynamic role to help meet key development objectives.

This requires an integrated vision of financial systems, looking at the interconnections between international and national financial markets, public and private sectors (including at the sub-national level), and formal and informal sectors. Helping to build financial systems with these qualities should be a priority task for co-ordinated development assistance programmes.

In order to meet the international development goals (including the overarching goal of poverty reduction), developing countries must progressively rely on their own domestic resource mobilisation, *i.e.* significant increases in domestic savings, investment and tax revenues (supplemented by sustained long-term private capital flows and trade revenues). One important source of untapped domestic savings – because of underdeveloped financial systems – is the savings of large numbers of poor people, which can be particularly important for development at the local level where savings and credit facilities are frequently non-existent. In this connection, a key strategic element is the need to promote the development of the informal microfinance sector and its progressive integration into the formal finance sector, as this is crucial for pro-poor growth and for poverty reduction.

Foreign direct investment

The major part of the dynamic expansion of foreign direct investment remains focused on a relatively small number of countries with high growth potential and suitable employment pools. However, a closer analysis reveals that FDI is also flowing to a range of smaller economies, in quantities that are not significant in absolute terms, but still quite large in

terms of the recipient countries' GNP. FDI can make a significant contribution to growth in developing countries, but its impact varies considerably according to its character and the context in which it occurs. The record of natural resource-based investment in Africa, for example, is not generally impressive in terms of development impact.

Most of the evidence points to the importance of liberalising controls on FDI, while avoiding competition with other developing countries on incentives, especially fiscal incentives. The fiscal regime should aim to attract investment that maximises social gains as well as private gains. This may mean special attention to the terms and conditions for investments in extractive industries, where resource rents, corruption and environmental costs and benefits pose particular challenges, especially in less advanced developing countries. Good governance and good policies are necessary (but by themselves, not sufficient) preconditions for attracting and benefiting from FDI, and essential to the promotion of investment and enterprises more generally.

There has been much progress in recent years in opening up economies to private investment (domestic as well as foreign), simplifying and modernising relevant rules and institutions and adapting these to increasingly accepted global standards. There have been important improvements in areas such as reducing ownership and access restrictions, protecting intellectual property rights, deregulating import/export regimes and tariff reduction and modernising local financial markets to align them with global standards. There is evidence of such improvements in many African countries, often with difficult economic environments,

Box III-2.

The OECD Guidelines for Multinational Enterprises

The June 2000 OECD Council Meeting at Ministerial Level, whose theme was “Shaping Globalisation”, adopted a revised version of the OECD Guidelines for Multinational Enterprises. The Guidelines represent a robust set of recommendations for responsible corporate behaviour world-wide, consistent with existing legislation, and will be an important instrument for shaping globalisation and its governance. They provide a government-backed standard of good corporate conduct to help level the playing field between competitors in the international market place and to show what is expected of good corporate citizens in the countries in which they operate. The Guidelines are an example of the type of multilateral instrument that will be used increasingly to set a rules and values based framework for governing globalisation.

The revised Guidelines represent a timely initiative. It is widely recognised that foreign investment is important for economic growth and development and that multinational enterprises contribute to economic and social progress. At the same time, public concerns remain about the impact of their activities on home and host countries. The Guidelines are an important step towards responding to these concerns, with the basic premise that principles agreed internationally and on the basis of constructive dialogue with all stakeholders can help prevent conflict and build an atmosphere of confidence between multinational enterprises and the societies in which they operate in both developed and developing countries.

The new text of the Guidelines contains far-reaching changes that reinforce the economic, social and environmental elements of the sustainable development agenda. In addition to existing provisions in areas such as disclosure, employment and industrial relations, competition, consumer interests and science and technology, a number of new chapters or provisions have been added. These include recommendations on the elimination of child and enforced labour, human rights, combating corruption, corporate governance, and environmental management and contingency planning. In addition, implementation procedures have been significantly improved and mechanisms established to promote transparency, accountability and best practice.

although there is still a long way to go. Investors too can strengthen the development benefits of FDI by making more effort to understand host countries’ culture, history and traditions, and applying this understanding to the ways they conduct business. They should also strive to incorporate stronger social, ethical and environmental standards into their management strategies. In the latter connection, the recently revised OECD Guidelines for Multinational Enterprises set out standards

and benchmarks for improving the governance of FDI (see Box III-2).

Aid effectiveness and ODA allocations and volume

The World Bank report, *Assessing Aid*, stimulated interest in the connections between aid effectiveness and aid allocations and volume. It found strong relationships between the domestic policy

and institutional environment, growth and aid effectiveness. It also suggested re-allocations in aid and improvements in the policy and institutional environments that could help to meet the international development goal of reducing by half the proportion of people living in extreme poverty by 2015.

There has been considerable debate about technical aspects and some specific results and general findings of this report. But it has prompted a number of aid agencies to evaluate their underlying models, results and allocation patterns in a new light. Pursuing approaches that favour countries that take ownership of their own development process does, of course, require other issues to be dealt with. The people in those countries where these conditions do not yet exist cannot be ignored, especially in countries still experiencing or emerging from conflict. Donors need to work with them to help establish the preconditions for aid effectiveness.

More generally, however, greater attention to aid effectiveness raises the prospect of a partnership between developing country policy makers (when there is a need to improve the policy environment), aid agencies (when they are considering reallocating aid towards poor countries with the best policy environments), and finance ministers in donor countries (supporting increased aid budgets in response to the improved effectiveness of aid). Emphasising the effectiveness of aid in reducing poverty and uncertainty on this score may have an important role to play in the public debate on aid levels. However, a sustained recovery in the volume of aid is likely to depend on many other things, including evidence that the new country-level partnerships for achieving the international development goals are working well.

Evaluating the impact of the Enhanced HIPC Initiative on financial resources, growth and poverty reduction

G8 leaders in Okinawa agreed to accelerate work to implement the Enhanced HIPC Initiative, incorporating terms proposed at the 1999 Cologne Summit (including 100% reduction on ODA claims). At Okinawa, G7 Finance Ministers also made a commitment to grant 100% debt forgiveness on commercial claims eligible for treatment in the framework of the Paris Club. The key thrusts of the Enhanced HIPC Initiative are to significantly increase debt reduction available to HIPC countries, to bring forward the point at which the benefits are available, and to ensure that the benefits of this debt relief are used to reduce poverty. The latter objective is pursued through the PRSPs, developed by the country itself in a participatory process and with the support of the international financial institutions and donors.

Of the 41 countries in the HIPC group, a target of 22 countries reached their decision points at the end of 2000. Of the remaining countries, some may not qualify or have decided not to seek relief. But about half of the countries in this group are presently affected by conflict, political unrest and economic instability and may thus be unable to commit to the framework. The “time window” for entering the HIPC process has been extended by a further two years in the hope that some of these countries will achieve the necessary political stability.

The overall impact of this initiative for both debt reduction (and subsequent access to private financing) and for

poverty reduction will hinge on a number of factors, including:

- The *real resource flow created by debt relief*. In principle, this is the extent to which debt relief available exceeds the amount a country is foreseen as able to repay, as judged by the market value of its debt. But such market valuations may not be feasible for *official* debt and estimates of the real resource flow space created by the initiative thus vary. In the end, what is important is the extent to which HIPC will be successful in releasing resources and clearing the debt overhang, even if it is not possible to be precise about the amounts that countries would have repaid. At a more general level, the impact of the initiative will also depend on its success in preventing future debt crises and stimulating economic growth. The initiative should reduce – without eliminating – the risk of future debt crises. In itself, that should serve to raise appreciably the growth potential of a typical HIPC country as compared to the pre-initiative situation, but it will be important to monitor the extent to which actual debt relief reduces the risks of future debt crises as international circumstances change, including the impact of recent high increases in oil prices and their longer-term projections.

- The *extent to which resources freed by the HIPC process are targeted to areas such as education, health, etc.* Based on past experience, some analysts have suggested that it would be better to allocate resources directly to poverty reduction, rather than

through debt relief mechanisms. Others, however, point out that the fiscal resources freed by debt relief, and thus available to fund poverty reduction strategies, would probably not have been forthcoming from any other mechanism. Furthermore, the PRSPs are intended to guide poverty reduction strategies and activities in general, not just those linked to debt relief. And poverty reduction efforts should also benefit more generally from an improved outlook for debt sustainability, private finance and growth.

- *Mobilising additional resources and completing funding arrangements.* Funding HIPC operations with “additional” finance, rather than from the existing ODA effort, is also important if the initiative is to deliver its full benefits. In strict *economic* terms, a large part of the debt reduction represents losses by lending institutions, bilateral and multilateral,³ rather than the supply of increased real resources to debtor countries. There has been progress in securing the required financing for the initiative, but there is still some way to go, including with some of the regional financial institutions. The inevitable effort-sharing problems that arise in this and other initiatives, when donors collectively seek to move forward on agreed objectives, will also need to be resolved.

International and regional public goods

The focus of most thinking and action on poverty reduction and development is at the individual country level. But the

3. In reality, the “preferred creditor status” of the multilaterals means that debt owed to them is repaid, and repaid first, as countries cannot proceed through the HIPC process with arrears to the international financial institutions.

international community is also now increasingly addressing issues that are global or transnational in scope, central to development prospects and poverty reduction, and that require collective action.

Environmental and health challenges are clear examples, but so are international policy regimes, for example in the area of the stability and integrity of the global financial system. A compelling case can be made that many of the crises now high on the international policy agenda are the result of an underprovision of such goods. This raises important issues about how to organise such co-operation between States and with the private sector and civil society and how to manage this in ways consistent with ownership, partnership and subsidiarity principles.

There are very few pure international or regional public goods. Dividing lines between public and private or global and national interests and incentives are blurred. Furthermore, issues with a global or regional impact also have to be addressed at the national and even the local level, so that there is a strong connection between international and country programmes. There is thus room for an array of innovative approaches, cutting across established institutional boundaries and the public/private sectors.

There is, in fact, a multiplication of international “partnerships” directed at supplying public goods, with an expanding range of actors, as NGOs and private individuals, foundations and corporations become increasingly active. This is a welcome trend, as the provision of public goods through collective action goes beyond the donor community, involving

broader issues of public policy co-ordination and budgeting.

For aid donors, bilateral and multilateral, a number of key issues arise. Where the benefits are global in impact, what proportion of the funding can legitimately be counted towards ODA performance? Should a new category of “global ODA” be defined? And as the portfolio of issue-based programmes increase and new funding demands arrive, there are questions of priorities, of the balance between country-based and issue-based funding allocations and monitoring of performance, and of co-ordination with country-level programmes. And can the international public goods perspective on such issues contribute to efforts to mobilise and target additional resources to tackle them?

5. Towards the “roadmap”

A key theme emerging from this discussion is the need for a more systemic and integrated approach to development finance. Promoting the objectives of greater self-financing of development and reduced aid dependency requires an approach which encompasses the relationships and partnerships between all forms of development finance, official and private, domestic and external. Such an approach must also be set at the country level and common frameworks which now provide the “launch pads” for such efforts – along the lines of the Comprehensive Development Framework (CDF), poverty reduction strategies, financial sector, *etc.*

Two important issues that emerge from the above discussion are the governance of development finance, including the new international financial architec-

ture, and the role of ODA in the new millennium. The DAC community will need to be ready to contribute to efforts to advance a broad consensus on such issues. The emergence of the international development goals as a widely-shared international reference point, and the new country-level development frameworks centred on local participation and monitoring should provide a strong foundation for a broad consensus on ODA.

All stakeholders – governments, private sector and civil society, in developed and developing countries – should seize the opportunities now available for advancing in these directions. An important milestone on this road will be the forthcoming United Nations event on

financing for development, which holds the promise of forging a new understanding and broad ownership of the development finance agenda. It should offer a major opportunity to promote such an integrated approach to development finance, increasing the awareness of linkages between public and private finance, domestic and international resources and financial systems, and formal and informal financial intermediation. This would help to highlight the importance of the governance of development finance and of capacity building in developing countries. A wide range of issues, such as regional approaches to financial system development, international co-operation on taxation, foreign direct investment and the financing of global public goods could also be encompassed.

Annex III.1

**Measuring resource flows to developing countries:
Differences and definitions**

Different international organisations have different ways of measuring the flow of resources to developing countries. The World Bank takes a recipient country/debtor perspective and operates the Debtor Reporting System (DRS). The OECD takes a donor/creditor country perspective. Its data come from donor/creditor sources and also draw on the statistics of bank claims produced by the Bank for International Settlements (BIS).

The OECD, the World Bank, the IMF and the BIS consult to reconcile their statistical measures of resource flows to developing countries as far as possible and remedy discrepancies. A joint publication sets out a comprehensive description and reconciliation of balance-of-payments, debt and financial flow data of the four institutions in the International Working Group on External Debt Statistics.

OECD estimates of net resource flows vary from World Bank figures largely because the OECD has a wider definition of recipients and includes technical assistance grant aid. (The World Bank excludes technical assistance grants because they do not for the most part get recorded as balance-of-payments transactions. The OECD includes them because they represent resources provided for the benefits of developing countries.) Another difference is that the World Bank's data on foreign investment flows to developing countries are derived from balance-of-payments data of recipient countries and so include intra-LDC investment, whereas the OECD figures relate to direct investment flows from OECD Members only.

Within the OECD's own data presentations, the measure differs according to whether the focus is on the *resource receipts of developing countries* (as in this chapter) or on the *aid performance of donor governments* (as in the following chapter). In a resource receipts framework, the measure of ODA comprises disbursements of concessional development finance from both bilateral and multilateral sources to developing countries. In an aid performance framework, ODA comprises bilateral concessional disbursements to developing countries and to multilateral institutions active in development.

The two measures differ because the concessional funding received from donor sources by multilateral institutions, which are recorded as a disbursement by the donor when the funds are deposited, does not match the institutions' disbursements to developing countries in any given year, although there is obviously a correspondence over the longer term.

The concept of Official Development Finance (ODF) employed in this chapter embraces the resource receipts measure of ODA together with non-concessional disbursements for development purposes from multilateral institutions and other official bilateral flows for development purposes (including refinancing loans) which have too low a grant element to qualify as ODA. Chapter IV focuses on donor efforts and therefore uses the "donor performance" measure of ODA. Both measures include only long-term flows. Table 1 of the Statistical Annex and Table III-1 also include data on short-term bank loans, which give an idea of the current investment climate in developing countries.

DAC Members' total ODA continued to recover in 1999 with Japan making the biggest contribution to the rise. Much of the increase in ODA in the past two years has been due to donors responding to dramatic events of various kinds which have characterised this period. So far, there has been little increase in funds for long-term development although several DAC Members have shown that it is possible to increase aid by setting a realistic medium-term target for ODA.

1. Highlights of aid flows in 1999

DAC Members' total official development assistance (ODA) continued to recover in 1999, rising 5.6% in real terms to reach USD 56.4 billion. This was USD 4.3 billion more than in 1998, and USD 8 billion more than in 1997. The ratio of ODA to gross national product (GNP) moved up to 0.24%, from 0.23% in 1998 and an all-time low of 0.22% in 1997 (see Table IV-1 and Chart IV-1).

Much of the increase in the past two years has been due to donors responding to dramatic events of various kinds. So far, there has been little increase in funds for long-term development programmes and projects, although several Members have now committed themselves to real ODA increases over the medium term.

Japan made the biggest contribution to the rise in ODA in 1999. Its total net ODA disbursements reached USD 15.3 billion – the largest annual figure ever recorded by a single donor. It included continuing generous help to the countries most affected by the Asian financial crisis, especially a USD 3 billion

contribution to the Asian Development Bank and substantial rises in bilateral aid, particularly to Indonesia, Thailand and Viet Nam.

Many DAC Members gave special help to refugees from Kosovo before and especially after the NATO airstrikes on Yugoslavia in 1999. Although precise quantification is not possible, the total is likely to be over USD 1 billion in 1999, and assistance to Kosovo continued in 2000. The strife in East Timor following the ballot there in August 1999 also drew special help, particularly from Australia.

The United States, Canada, Japan and several European donors continued their assistance to reconstruction in Central American countries devastated by Cyclone Mitch in 1998, while the European Union and its member States as well as Japan provided substantial relief following the devastating earthquake in Turkey in August 1999.

Some observers had expected two other factors to have a major impact on ODA disbursements in 1999: the decision of the 1999 G7 Summit in Cologne to speed up debt relief to the poorest coun-

Table IV-1.

Net Official Development Assistance from DAC Members in 1998 and 1999

	1999		1998		Real per cent change 1998 to 1999 ²
	ODA USDm	ODA/GNP % ¹	ODA USDm	ODA/GNP % ¹	
Australia	982	0.26	960	0.27	-1.5
Austria	527	0.26	456	0.22	19.5
Belgium	760	0.30	883	0.35	-11.1
Canada	1 699	0.28	1 707	0.30	-1.9
Denmark	1 733	1.01	1 704	0.99	3.2
Finland	416	0.33	396	0.32	9.0
France	5 637	0.39	5 742	0.40	2.1
Germany	5 515	0.26	5 581	0.26	2.2
Greece	194	0.15	179	0.15	8.9
Ireland	245	0.31	199	0.30	25.2
Italy	1 806	0.15	2 278	0.20	-18.3
Japan	15 323	0.35	10 640	0.28	26.4
Luxembourg	119	0.66	112	0.65	8.3
Netherlands	3 134	0.79	3 042	0.80	5.6
New Zealand	134	0.27	130	0.27	4.2
Norway	1 370	0.91	1 321	0.91	0.5
Portugal	276	0.26	259	0.24	8.5
Spain	1 363	0.23	1 376	0.24	0.7
Sweden	1 630	0.70	1 573	0.72	7.2
Switzerland	969	0.35	898	0.32	11.3
United Kingdom	3 401	0.23	3 864	0.27	-12.0
United States	9 145	0.10	8 786	0.10	2.6
TOTAL DAC	56 378	0.24	52 084	0.23	5.6
Average country effort		0.39		0.39	
<i>Memo Items</i>					
1. EU countries combined	26 756	0.32	27 641	0.33	-0.6
2. European Commission	4 937		5 140		-0.6

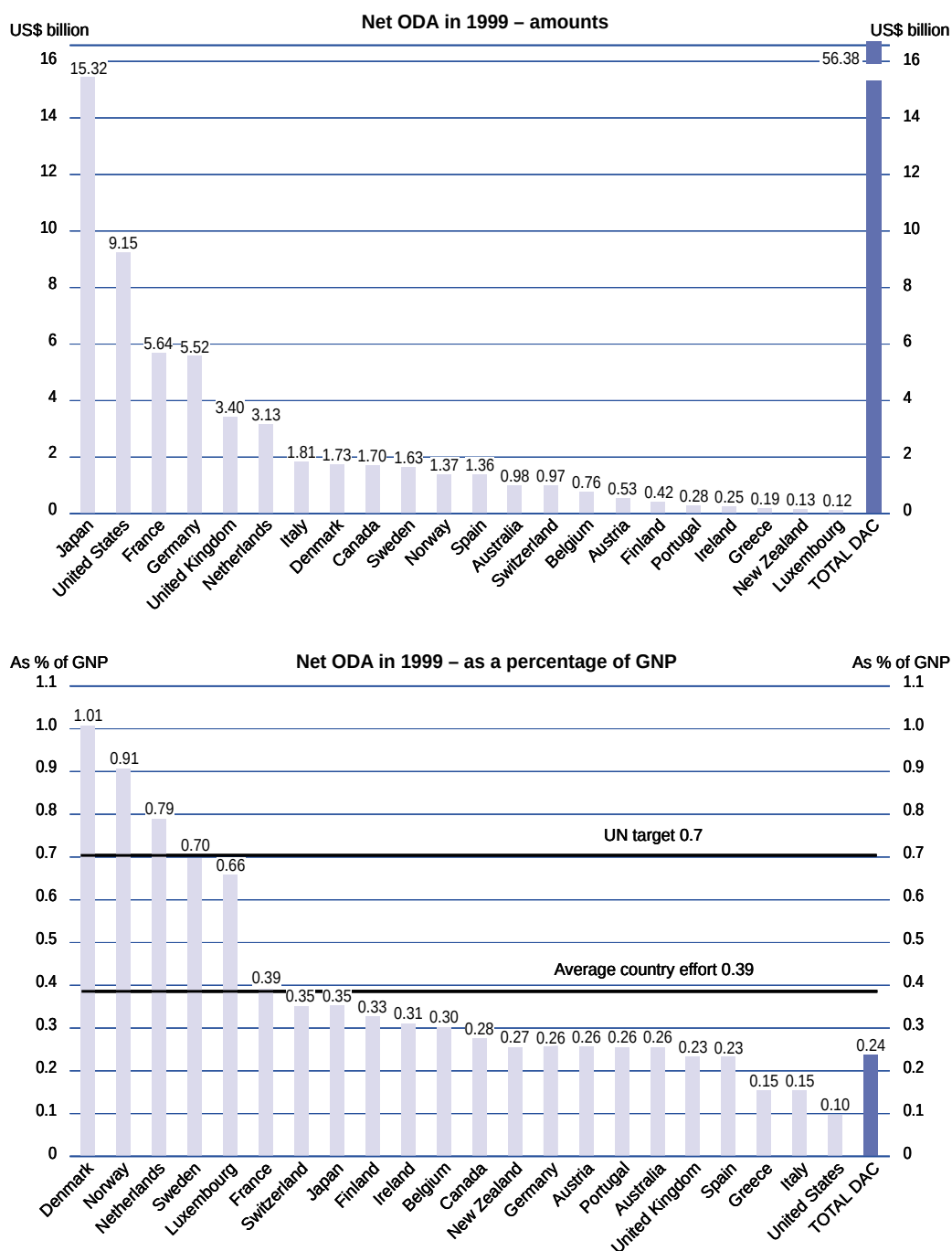
1. DAC Members are progressively introducing the new System of National Accounts. This is leading to slight upward revisions of GNP, and corresponding falls in reported ODA/GNP ratios.

2. Taking account of both inflation and exchange rate movements.

tries, and several Members' curtailment of aid to India and Pakistan after those countries' nuclear weapons tests in May 1998. So far, however, neither of these factors has had much effect on overall ODA volume. Debt relief under the

Heavily-Indebted Poor Countries (HIPC) Initiative is going ahead, but rather more slowly than some had hoped. Multilateral agencies continued their assistance to India and Pakistan while Japan, their largest bilateral donor, froze loans for new

Chart IV-1. Net ODA from DAC Countries in 1999



Source: OECD.

projects (but continued to consider, on a case-by-case basis, extending second or subsequent loans for ongoing projects). Several other donors have recently softened or lifted the sanctions they had imposed on these countries.

2. Continuing disparities in donor effort

The overall flow of aid is largely determined by the efforts of the largest donors. Of the 22 DAC Member countries, the G7 accounts for three-quarters of all ODA. The four largest donors alone – Japan, the United States, France and Germany, in that order – contributed over 60% of ODA in 1999.

But in general, the largest Members have made the largest cuts in the 1990s. In ODA/GNP terms, aid from the United States has fallen by half since 1990, while that of France and Germany has dropped by around 40% since the early part of the decade. France's ODA is likely to continue its decline as French Polynesia and New Caledonia, the largest beneficiaries of French aid, were removed from the list of ODA recipients in 2000. Germany's aid budget is expected to decline by 7.5% in 2000 with further cuts possible in following years. Only Japan has maintained its ODA/GNP ratio, since the cuts it planned from 1997 were outweighed by special efforts to relieve the Asian financial crisis.

Apart from perennial budget pressures, there are specific reasons for these declines. France's decision to devalue

the CFA franc in 1995 relieved it of the need to support this currency and improved the purchasing power of its aid to Africa. Germany's integration of the former East Germany put great pressure on its federal budget. The United States' figures are depressed by the removal of Israel from Part I of the DAC List of Aid Recipients in 1997.¹

These one-off factors could not justify any further falls in aid from the largest donors. In fact, substantial rises would be necessary to achieve more equitable effort sharing among donors. *Per capita* incomes in the four largest donors are not significantly different from those in the four countries that have consistently attained the United Nations target for ODA of 0.7% of GNP since the late 1970s, i.e. Denmark, the Netherlands, Norway and Sweden (see Chart IV-2). Yet the latter countries spend, on average, four times as much *per capita* on ODA as the largest economies (see Chart IV-3) – and this gap has widened over the last twenty years. Sweden made special efforts in 1999 to ensure that its ODA/GNP ratio did not fall below 0.7% despite stringent fiscal consolidation measures.

3. Hopeful signs of renewed commitment to ODA

Several DAC Members have shown that it is possible to increase aid volume in a sustained and effective manner by setting a medium-term target based on their financial and administrative capacity and the needs of their priority recipients:

1. The United States' contributions to peacekeeping and other global security efforts, which have expanded significantly in the 1990s, are not counted as aid.

Chart IV-2. **GNP per capita of selected DAC Members**
At purchasing power parity, 1999

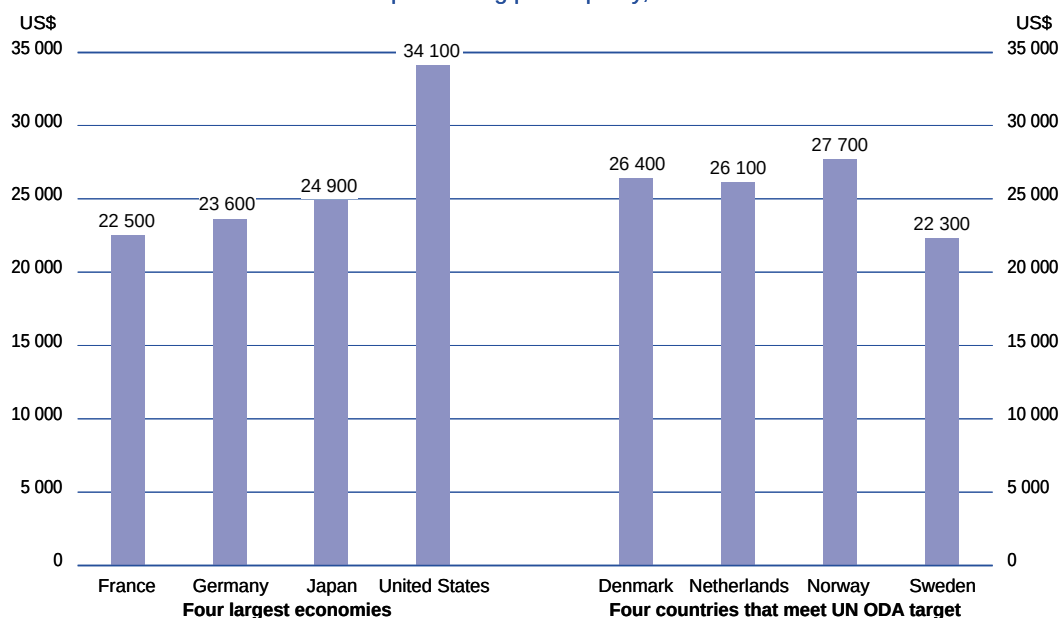
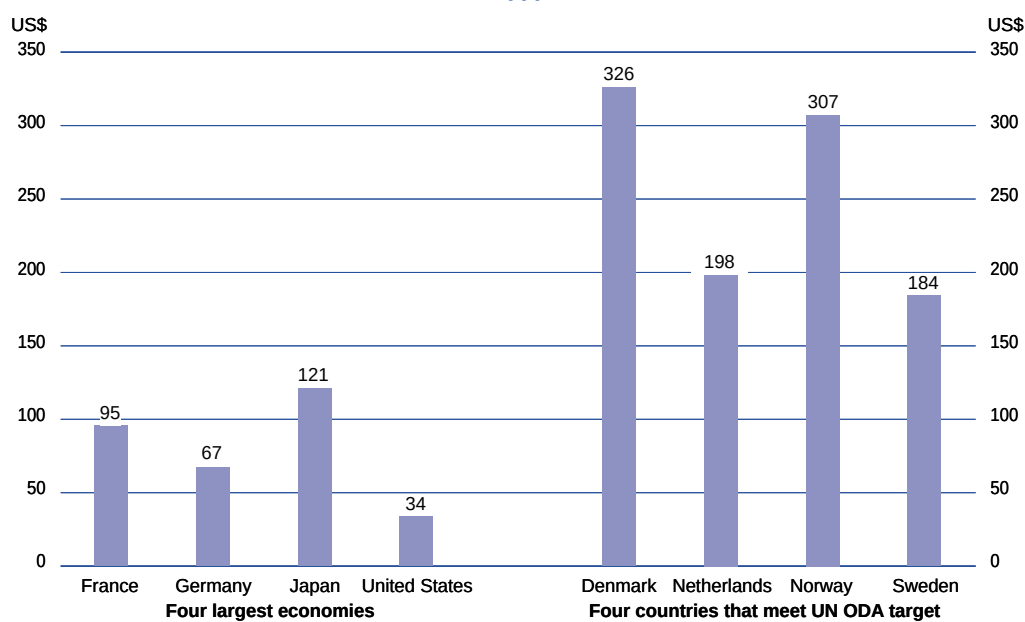


Chart IV-3. **ODA per capita of selected DAC Members**
1999



Source: OECD.

- Greece, which joined the DAC at the end of 1999, has been making steady progress towards its combined target for ODA and official aid of 0.2% of GNP by 2001.

- Ireland has pledged that its ODA will reach 0.7% of GNP by the end of 2007 and has set itself a medium-term target of 0.45% of GNP by the end of 2002. By 1999 it had reached 0.31%. This figure would have been higher still if it had not been for the exceptional growth in Ireland's GNP, currently the highest in the OECD area.

- Luxembourg, which only joined the DAC in 1992, aims to meet the 0.7% target in 2000. It had reached 0.66% in 1999.

- The United Kingdom, a G7 Member, is on track to raise its ODA volume by 25% in real terms between 1997 and

2001. (The fall in British ODA in 1999 was caused by exceptional factors including the timing of payments to international financial institutions and a rebound is expected in 2000.)

Belgium and Canada have also announced increases in ODA spending, although these have yet to show up in DAC statistics. Denmark and the Netherlands have maintained their targets of 1% and 0.8%, respectively, lifting their ODA disbursements to keep pace with the higher GNP they now report under the new System of National Accounts. Norway recorded an ODA/GNP ratio of 0.91% in 1999 but aspires to raise this once again to 1%. Sweden expects its ODA/GNP ratio to rise to 0.81% in 2003.

4. Notes on individual DAC Members

The following section contains brief notes on each Member of the DAC. All DAC Members participate in a process of periodic peer reviews of their development co-operation policies and programme. Innovative ways to improve and strengthen this process are continuously being sought and implemented (see Box IV-1). The peer

review reports have been published since 1993 – in the DAC Journal format since 1999. The Committee's *Main Findings and Recommendations* are posted on the OECD/DAC website as soon as approved in final form. A news release is issued following the review, on the responsibility of the DAC Chairman. For those Members reviewed since the last *Development Co-operation Report* (France, Italy, New Zealand, Sweden and Switzerland), a box on the review is also included in this section.

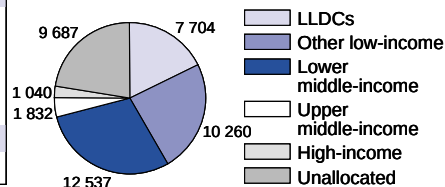
TOTAL DAC COUNTRIES

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	52 084	56 378	8.2%
Constant (1998 US\$ m)	52 084	55 021	5.6%
ODA/GNP	0.23%	0.24%	
Bilateral share	68%	67%	
Net Official Aid (OA)			
Current (US\$ m)	6 040	6 193	2.5%

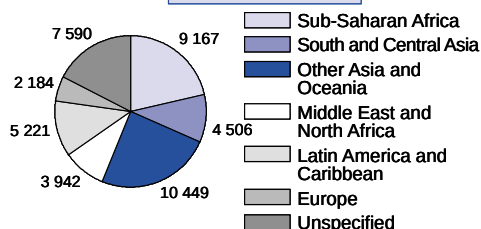
Top ten recipients (US\$ m)	
1 Indonesia	2 426
2 China	2 249
3 India	1 558
4 Egypt	1 554
5 Russia (OA)	1 239
6 Israel (OA)	1 143
7 Thailand	1 098
8 Philippines	955
9 Viet Nam	887
10 Bangladesh	795

Gross bilateral ODA, 1998-99 average, unless otherwise shown

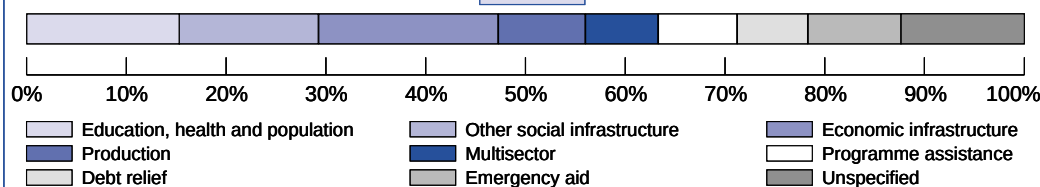
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

Box IV-1.

Strengthening the DAC peer review process

Peer reviews are a high-ranking activity of the DAC and one of its basic disciplines. The reviews serve as a point both of input and reference on DAC Members' aid programmes. Their scope and reach has increased steadily over the last decade. This increase in intensity is visible and tangible in the evolution of the main components of the process:

- The **mission to the capital** of the Member reviewed takes several days and includes meetings with the responsible minister, Parliamentarians, NGO representatives and academics, in addition to meetings with functional units within the aid agency. The mission commonly sets off a complex process of co-ordination and interaction within the DAC Member country government itself, notably within the aid agency, but also extending to other ministries especially as issues of policy coherence become more prominent.
- **Field visits** to main partner countries, now an integral feature of the peer reviews, also involve intensive preparations and consist of meetings with a wide range of local actors, including partner government officials and other DAC Members in the field, as well as visits to projects and activities supported.
- At the **review** meeting, the delegation of the Member reviewed is often led by the head of the aid agency while the examiners' delegations increasingly include staff from head office or stationed in the field who travel to the OECD for the review. Delegates to the DAC frequently organise and receive input from their capitals and field offices which serve as a basis for the issues they raise.

It is essential that this heavy investment of time and attention by many people is reflected in peer reviews that produce clear and authoritative analysis of the key trends and issues for the Member reviewed, leading to constructive recommendations for improving policies, programmes and implementation capacities. The peer reviews are thus arguably more effective than at any time in the past, but a number of improvements are currently under way:

- A revised structure for the review reports places stronger emphasis on effectiveness in the implementation of development goals and results orientation in management practices, including more scope for reflecting issues and good practices related to country operations. This structure has been adopted for the recent reviews of New Zealand, Italy, Sweden and Switzerland and is leading to shorter reports.
- Closer collaboration is being fostered between the peer reviews and selected DAC working parties – particularly the Working Party on Aid Evaluation – with the objective of helping in the review process. The precise modalities for closer involvement of the Working Party on Aid Evaluation in the process are currently being elaborated, in consultation with representatives of the working party and the OECD Secretariat. These suggestions will then be put to the DAC for decision on implementation.
- Guidelines on the preparation of peer reviews approved by the DAC in 1996 were somewhat exhaustive in terms of coverage. An informal group of DAC delegates will help streamline and update the 1996 guidelines, with the aim of producing greater focus in the peer reviews on objectives, strategies and impacts.

AUSTRALIA

Australia's ODA totalled USD 982 million in 1999. At constant prices and exchange rates, Australia's ODA volume remained fairly stable during the 1990s. As a result of the Australian economy's expansion over this period, the ODA/GNP ratio has been declining. It fell to 0.26% in 1999, its lowest level.

Since the release of *Better Aid for a Better Future* (1997), governance has become a priority sector for the Australian aid programme, alongside education, health, rural development and infrastructure. Approximately 15% of aid expenditure is now directed towards advancing good governance. Activities concentrate on four main areas: economic and financial management; law and justice; public sector management; and the development of civil society. Strengthening governance capacities in East Asia is a central element of Australia's continuing response to the Asian financial crisis of 1997.

Education nevertheless remains the largest sector for Australia's aid. The objectives in

this sector are to increase the access to and quality of education and training in developing countries of the Asia-Pacific region. Basic education and technical and vocational education are priorities. Assistance for higher education, including scholarships to study in Australia, has been declining and now accounts for about half of Australia's education sector funding. Support for basic education has been rising.

Within the health sector, responding to the HIV/AIDS pandemic is receiving greater emphasis. A six-year AUD 200 million Global HIV/AIDS Initiative has been created for developing countries in the Asia-Pacific region. Australia's new rural development strategy focuses on improving the lives of the rural poor by increasing income-generating opportunities. The largest infrastructure project funded by the Australian aid programme, the My Thuan Bridge in Viet Nam, was officially opened in 2000. Australia contributed AUD 60 million for the construction of the bridge which is expected to facilitate investment opportunities in the Mekong Delta and make a major contribution to economic and social development.

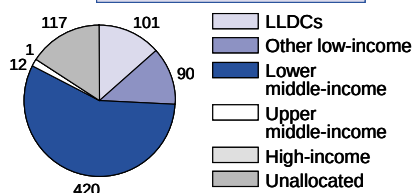
AUSTRALIA

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	960	982	2.2%
Constant (1998 US\$ m)	960	946	-1.5%
In Australian Dollars (million)	1 529	1 522	-0.5%
ODA/GNP	0.27%	0.26%	
Bilateral share	78%	74%	
Net Official Aid (OA)			
Current (US\$ m)	1	3	259.5%

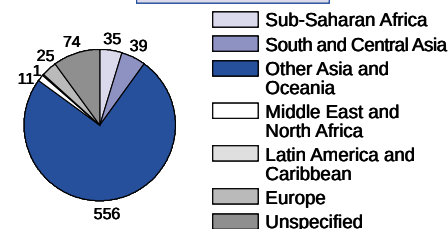
Top ten recipients (US\$ m)	
1 Papua New Guinea	203
2 Indonesia	73
3 Viet Nam	40
4 Philippines	37
5 Timor	36
6 China	26
7 Yugoslavia (incl. Kosovo)	22
8 Cambodia	19
9 Thailand	12
10 Fiji	11

Gross bilateral ODA, 1998-99 average, unless otherwise shown

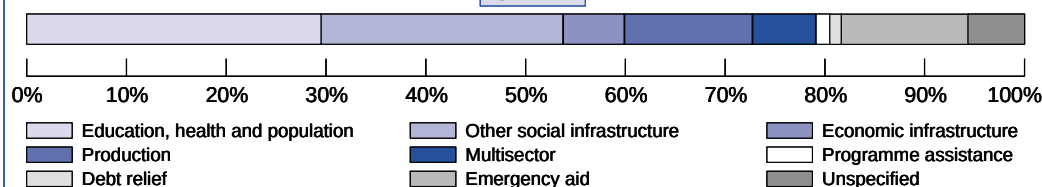
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

AUSTRIA

The level of Austria's total net ODA disbursements tends to fluctuate significantly. Between 1997 and 1998, Austria's total net ODA fell by nearly 11% in real terms while between 1998 and 1999 it rose again by 20%, to USD 527 million. Austria's ODA/GNP ratio in 1999 was 0.26%, compared to 0.22% in 1998 and 0.26% in 1997.

Since Austria joined the European Union in 1996, about two-thirds of its ODA has been managed bilaterally with the main regions of concentration being central America, western Africa and southern Africa. Three components of Austria's bilateral ODA – concessional export credits, refugees in Austria and imputed student costs – do not have development as a primary objective and represent

about 18% of ODA, although levels for these elements are declining.

The Department for Development Co-operation (DDC) of the Ministry of Foreign Affairs manages about one fifth of total Austrian ODA while a number of other federal ministries and provincial/local governments manage parts of the bilateral aid programme. DDC is assuming wider co-ordination responsibilities for bilateral assistance, but Austria has not yet put in place a formal overall co-ordination mechanism for its aid programme.

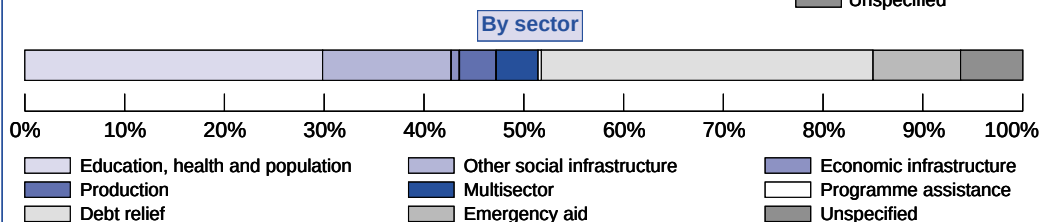
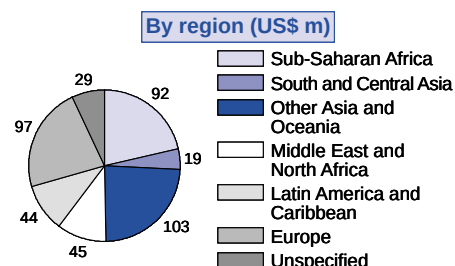
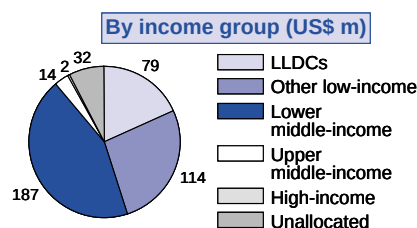
The Austrian government recognises the need for efficient, quality programme conceptions based on clearly defined priorities, geographic and sectoral concentration and drawing on specific application of Austrian know-how. There is, however, no overall strategy binding Austria's ODA to a clear set of development objectives.

AUSTRIA

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	456	527	15.6%
Constant (1998 US\$ m)	456	545	19.5%
In Schillings (million)	5 640	6 802	20.6%
ODA/GNP	0.22%	0.26%	
Bilateral share	64%	65%	
Net Official Aid (OA)			
Current (US\$ m)	191	184	-3.9%

Top ten recipients	(US\$ m)
1 Poland (OA)	113
2 Indonesia	70
3 Bosnia and Herzegovina	33
4 Yugoslavia (incl. Kosovo)	27
5 Nicaragua	27
6 Egypt	24
7 Uganda	17
8 China	15
9 Turkey	13
10 Philippines	12

Gross bilateral ODA, 1998-99 average, unless otherwise shown



Source: OECD.

BELGIUM

Belgium's total net ODA fell from USD 883 million in 1998 to USD 760 million in 1999, a drop of 11% in real terms. The ODA ratio declined from 0.35% in 1998 to 0.30% in 1999. While the core development budget managed by the Secretary of State for Development Co-operation has continued to increase in recent years, Belgium's net ODA performance has been affected by larger than anticipated reimbursements of loans.

Belgium promulgated a new law on development assistance in May 1999 which provides a legal framework for its development co-operation policies. The objectives for Belgium's international co-operation have been defined as sustainable human development, poverty reduction, partnership and relevance to development. Bilateral assistance will be limited to a maximum of 25 countries (or regions) and will concentrate on five sec-

tors: basic health care; education and training; agriculture and food security; basic infrastructure; and consolidation of society including through conflict prevention. Two cross-sectoral themes will also be pursued: equal opportunity and protection of the environment.

The Belgian Administration for Development Co-operation has been disbanded and its responsibilities redistributed, including to a new external body. In future, drawing up co-operation programmes will be entrusted to the Directorate-General for International Co-operation within the Ministry of Foreign Affairs (MFA); evaluation will be entrusted to another new department within the MFA while the implementation and execution of Belgian ODA will be entrusted to the Belgian Technical Co-operation (BTC) agency, a publicly owned company. BTC's mandate requires it to delegate as much as possible the implementation of activities to partner countries, through a "partner committee". BTC will maintain representation in its main partner countries.

BELGIUM

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	883	760	-13.9%
Constant (1998 US\$ m)	883	785	-11.1%
In Belgian Francs (million)	32 037	28 766	-10.2%
ODA/GNP	0.35%	0.30%	
Bilateral share	61%	57%	

Net Official Aid (OA)

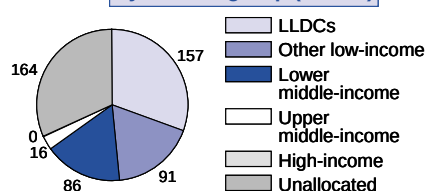
Current (US\$ m)	68	82	19.2%
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Top ten recipients (US\$ m)

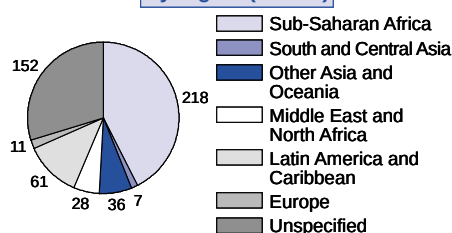
1 Tanzania	41
2 Congo, Dem. Rep.	24
3 Rwanda	22
4 Côte d'Ivoire	20
5 Bolivia	18
6 Cameroon	14
7 Viet Nam	12
8 Senegal	10
9 Tunisia	9
10 Burkina Faso	8

Gross bilateral ODA, 1998-99 average, unless otherwise shown

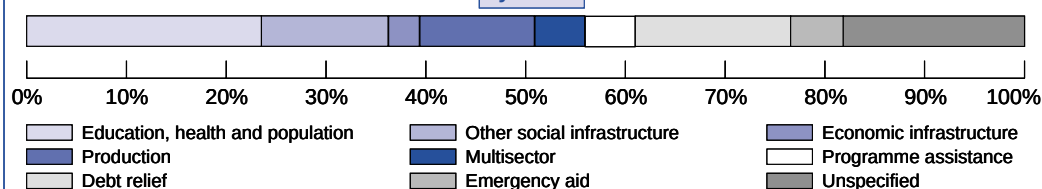
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

CANADA

Canada's ODA fell by 2% in real terms in 1999 to USD 1.7 billion. The ODA/GNP ratio slipped from 0.30% in 1998 to 0.28% in 1999, its lowest level in 35 years and a considerable drop from the peak of 0.50% registered in 1988. The 1999 federal budget signalled a turnaround by promising growth in ODA starting in 2000, the first increase in almost a decade.

The government's foreign policy statement, *Canada in the World* (1995), guides Canada's ODA whose purpose is to support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable and prosperous world.

The Canadian International Development Agency (CIDA) has a target of committing 25% of Canadian ODA to basic human needs, which CIDA advises was met in 1999. Canada began to shape a social agenda for its ODA in 1999 which includes basic education, health and nutrition, HIV/AIDS and child protection, ensuring a strong emphasis on gender equality in each area. In the field of HIV/AIDS, CIDA will provide CAD 120 million over the three-year period 2000-02, which triples the annual budget for HIV/AIDS activities.

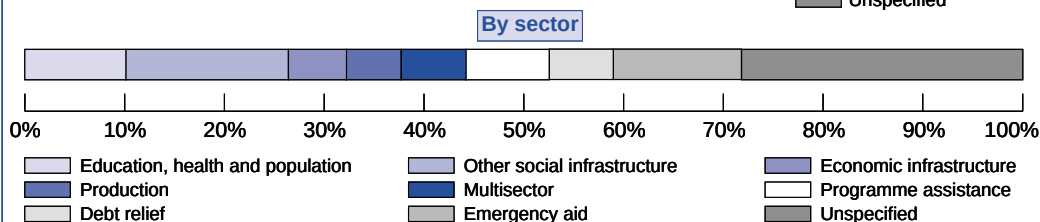
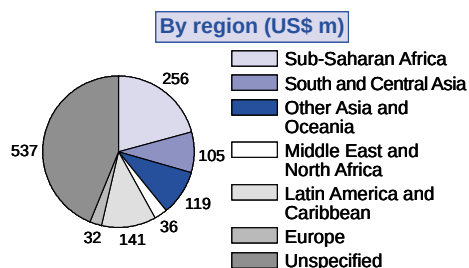
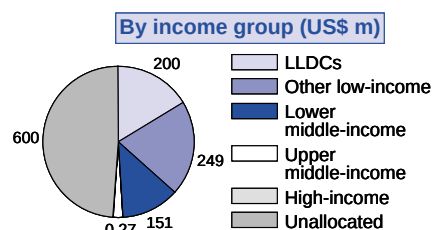
Canada provided CAD 175 million in 2000 to the enhanced initiative to reduce the debt of the heavily-indebted poor countries (HIPC) and has pledged to forgive 100% of bilateral debt owed to it by eligible least-developed HIPCs.

CANADA

Gross bilateral ODA, 1998-99 average, unless otherwise shown

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	1 707	1 699	-0.5%
Constant (1998 US\$ m)	1 707	1 674	-1.9%
In Canadian Dollars (million)	2 532	2 524	-0.3%
ODA/GNP	0.30%	0.28%	
Bilateral share	72%	69%	
Net Official Aid (OA)			
Current (US\$ m)	157	165	4.8%

Top ten recipients	(US\$ m)
1 Poland (OA)	121
2 China	42
3 Bangladesh	41
4 Côte d'Ivoire	32
5 Cameroon	29
6 Haiti	24
7 Indonesia	24
8 India	23
9 Pakistan	17
10 Yugoslavia (incl. Kosovo)	16



Source: OECD.

DENMARK

With net ODA disbursements of USD 1.7 billion in 1999, Denmark recorded an ODA/GNP ratio of 1.01%, the best performance in the DAC for the fifth consecutive year. Denmark has equalled or exceeded the United Nations' ODA/GNP target each year since 1978.

Danish bilateral aid, excluding ODA channelled through NGOs, is concentrated in 20 countries, for each of which Denmark has a publicly available strategy. Denmark is among the leaders in the DAC in shifting from project assistance to sector programmes, as a key element in promoting local ownership.

Under Denmark's policy towards multilateral institutions, laid down in the 1996 plan of action for active multilateralism, contributions to individual organisations are determined by Denmark's appraisal of their relative efficiency and effectiveness. UNDP and IDA remain the largest recipients of Danish multilateral ODA.

In 1999, Denmark began to update its 1994 strategy statement *Towards the Year 2000*. This will lead to the preparation of a new strategy, entitled *Partnership 2000*, which is expected to be similar in many respects to the 1994 statement. Poverty reduction will remain the over-riding objective for Danish ODA. The programme's three cross-cutting themes – sustainable development, gender equality and women's rights, and democratisation and human rights – should remain the same. While not being treated as cross-cutting themes, conflict prevention, children and youth in the development process, private sector development and the fight against HIV/AIDS are expected to be emphasised as important priority areas for Danish ODA. The preparatory process for the new strategy has been very open, with wide publicity given to the various drafts over the internet. Comments have been received from a number of organisations and individuals and the transparency of the process has been deemed a success. The strategy has now to be finalised and approved by the Danish Parliament.

DENMARK

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	1 704	1 733	1.7%
Constant (1998 US\$ m)	1 704	1 759	3.2%
In Danish Kroner (million)	11 412	12 098	6.0%
ODA/GNP	0.99%	1.01%	
Bilateral share	60%	59%	

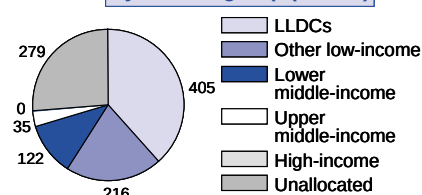
Net Official Aid (OA)

Current (US\$ m)	118	128	7.8%
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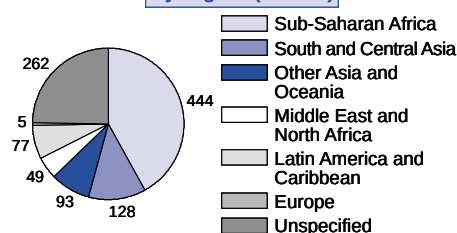
Top ten recipients	(US\$ m)
1 Tanzania	75
2 Uganda	65
3 Mozambique	50
4 Bangladesh	44
5 Viet Nam	40
6 India	38
7 Ghana	37
8 Egypt	36
9 Burkina Faso	32
10 Nicaragua	26

Gross bilateral ODA, 1998-99 average, unless otherwise shown

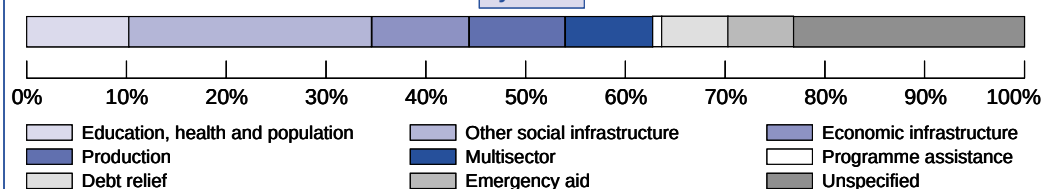
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

EUROPEAN COMMUNITY

The European Community provided USD 4.9 billion of net ODA in 1999. The Community is a major actor in international co-operation and development assistance, with political and financial responsibility for approximately 10% of ODA world-wide. It is also the largest provider of humanitarian aid. Community external assistance was originally concentrated on ACP countries but has since acquired a global reach, as two-thirds now go to areas outside the ACP.

In April 2000, the Council approved a communication by the European Commission establishing a fresh strategy for the Community's development co-operation, thereby responding to a criticism made at the 1998 DAC peer review concerning the lack of an overall strategy. The overarching objectives now are to refocus on poverty reduction, by supporting actions that enable developing countries to fight poverty themselves, and to align the policy framework in different regions. A coherent overall strategy focusing on core activities must be based on the Community's capacity to ensure coherence and synergies

between trade, aid, economic co-operation and political dialogue.

The new ACP-EC partnership agreement, signed in June 2000, provides an example of how these different aspects can be brought together, since it combines a substantive political dialogue among partners with innovative co-operation in the field of trade, based on regional integration initiatives and new mechanisms for development co-operation.

An ambitious reform programme of the management of external assistance was issued in May 2000. Based on the diagnosis that growth in Community aid has outstripped the pace of administrative change, the reform aims to make radical improvements in the speed, quality and profile of external assistance. Major features include: a thorough overhaul and unification in the programming of external aid; integration of the project cycle; creation of a single body in charge of project implementation; extensive devolution of project management to the Commission's delegations and – where conditions permit – the authorities in beneficiary countries; development of a common administrative culture within the external relations services; and a package of urgent measures including action to eliminate old and dormant commitments.

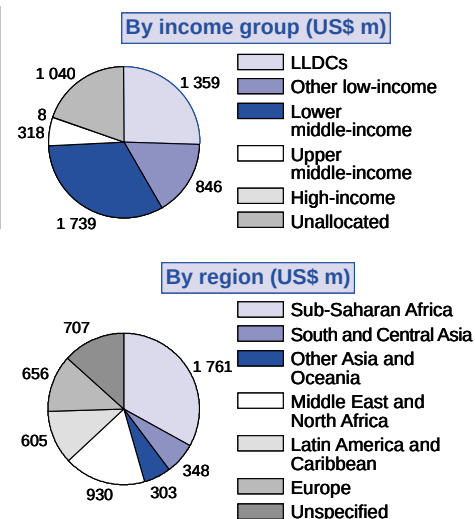
EC

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	5 140	4 937	-3.9%
Constant (1998 US\$ m)	5 140	5 108	-0.6%
In ECUs/Euro (million)	4 595	4 633	
Net Official Aid (OA)			
Current (US\$ m)	2 414	2 818	16.7%

Top ten recipients (US\$ m)	
1 Poland (OA)	519
2 Czech Republic (OA)	340
3 Morocco	273
4 Romania (OA)	210
5 Slovak Republic (OA)	202
6 Egypt	196
7 Bosnia and Herzegovina	186
8 Hungary (OA)	172
9 States Ex-Yugoslavia Unsp.	163
10 Russia (OA)	144

Source: OECD.

Gross bilateral ODA, 1998-99 average, unless otherwise shown



FINLAND

In 1999, Finland's ODA grew in real terms for the fifth consecutive year to reach USD 416 million. The ODA/GNP ratio increased to 0.33%. Government budget proposals for 2000 provide for a further 5% increase in development assistance funding, which is expected to result in an ODA/GNP ratio of 0.34%. Finland had previously set itself the objective of reaching 0.4% of GNP in 2000.

The overall aims of Finland's development assistance are to reduce poverty, assist developing countries solve environmental problems and promote social equality, democracy and human rights. Aid policy is underpinned by the Finnish Cabinet's Decision-in-principle (September 1996), which provides that development co-operation is an integral part of Finnish foreign policy, and the policy statement on relations with developing countries (October 1998). These statements emphasise the value of harmonising the objectives of for-

eign, security and trade policies and development co-operation to increase the coherence of Finland's foreign policy. The Ministry for Foreign Affairs was reorganised in October 1998 to facilitate this and continues to be responsible for aid administration.

Pursuant to the 1998 policy statement on relations with developing countries, Finland has begun to increase its support for trade capacity building to enhance developing countries' participation in the global trading system. Finland has adopted a comprehensive human rights approach as a framework for its development co-operation programme and issued new NGO and gender manuals.

During its first Presidency of the European Union (July-December 1999), Finland led negotiations on the future of the Lomé Convention, settling the main elements of a compromise agreement between the EU and the 71 ACP countries on a new co-operation agreement announced in February 2000.

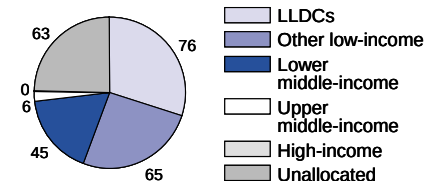
FINLAND

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	396	416	5.1%
Constant (1998 US\$ m)	396	432	9.0%
In Markka (million)	2 119	2 324	9.7%
ODA/GNP	0.32%	0.33%	
Bilateral share	53%	58%	
Net Official Aid (OA)			
Current (US\$ m)	82	74	-9.9%

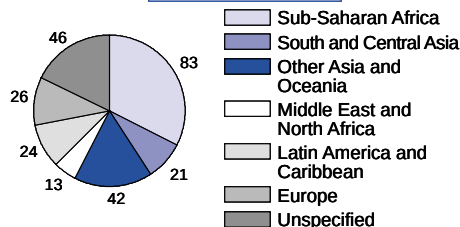
Top ten recipients (US\$ m)	
1 Russia (OA)	19
2 Mozambique	17
3 Nicaragua	16
4 China	15
5 Yugoslavia (incl. Kosovo)	12
6 Tanzania	11
7 Zambia	9
8 Nepal	9
9 Bosnia and Herzegovina	9
10 Viet Nam	8

Gross bilateral ODA, 1998-99 average, unless otherwise shown

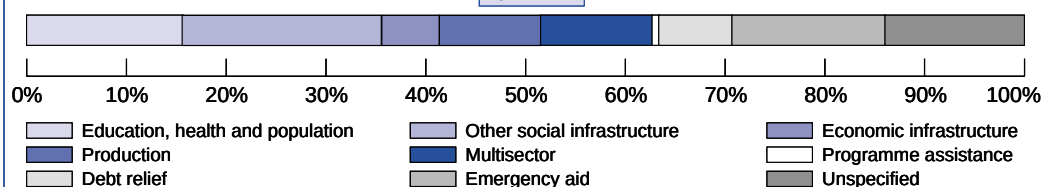
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

FRANCE

French net ODA disbursements reached USD 5.6 billion in 1999. Expressed as a share of GNP, France's ODA continued to fall, from 0.40% in 1998 to 0.39% in 1999. The removal in 2000 of New Caledonia and French Polynesia from the list of recipients eligible for ODA is expected to result in a reduction of 0.07 percentage points in the ODA/GNP ratio.

In 2000, France continued to implement a major reform of its aid system and strategy. This reform has contributed to simplifying and increasing the coherence of its institutional system for development co-operation. The main strategic organ of the reform, the Inter-ministerial Committee for International Co-operation and Development (CICID), met once in 1999 to set the main elements of the reform and once again in 2000. The broad orientations of a new French aid strategy have

been issued by the CICID, and much remains to be done to operationalise it.

The two pillars in charge of the management and supervision of French co-operation, the Ministry of Economy, Finance and Industry (MINEFI) and the Ministry of Foreign Affairs (MFA), as well as the central operator, the French Agency for Development (AFD), have readjusted their general framework to implement the strategic reform. The MFA has a tradition of cultural, scientific and technical co-operation. Its absorption of the former Ministry of Co-operation has given it the opportunity to acquire a professional aid culture also.

The new High Council for International Co-operation (HCCI), under the Prime Minister's authority, has been active in promoting new orientations aimed at poverty reduction and a greater focus on poorer countries and basic social services.

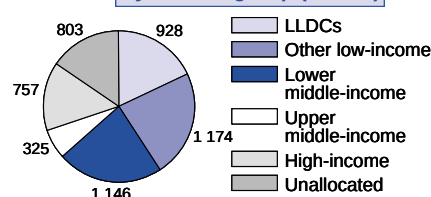
FRANCE

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	5 742	5 637	-1.8%
Constant (1998 US\$ m)	5 742	5 862	2.1%
In French Francs (million)	33 872	34 702	2.5%
ODA/GNP	0.40%	0.39%	
Bilateral share	73%	73%	
Net Official Aid (OA)			
Current (US\$ m)	823	550	-33.1%

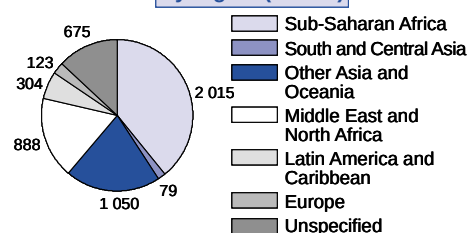
Top ten recipients	(US\$ m)
1 French Polynesia	387
2 New Caledonia	359
3 Côte d'Ivoire	321
4 Egypt	294
5 Morocco	260
6 Cameroun	249
7 Senegal	223
8 Tunisia	117
9 Mayotte	107
10 Madagascar	103

Gross bilateral ODA, 1998-99 average, unless otherwise shown

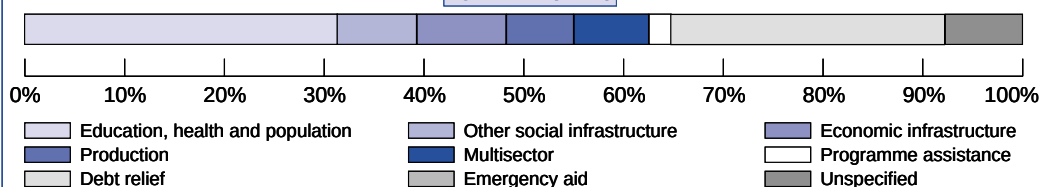
By income group (US\$ m)



By region (US\$ m)



By sector (1998)



Source: OECD.

Box IV-2.

DAC Peer Review of France, 14 March 2000*Examiners: Italy and Norway*

France's aid system has been undergoing extensive reforms since 1998. These reforms aim to increase the effectiveness and transparency of French development assistance by simplifying the institutional system and increasing the coherence of policies affecting developing countries. The reform responds to the needs for:

- Better linkages between the different types of aid.
- Consolidation of the scattered operational services.
- Increased partnership with aid recipients.
- As part of a more effective strategy for poverty reduction, more emphasis on basic social sectors and greater attention to gender equality.

The system has been reshaped around two cores – the Ministry for Foreign Affairs (MFA) and the Ministry for Economic Affairs, Finance and Industry (MINEFI) – with one main implementing agency, the French Development Agency (AFD). An Interministerial Committee for International Co-operation and Development (CICID) has been set up to ensure cross-ministry co-ordination and a High Council for International Co-operation (HCCI) has been created which should help to bring civil society more fully into the debate on development assistance.

The DAC noted that reforms were at an early stage and that much still needed to be done before the objectives sought could be achieved:

- Only the broad lines of France's aid strategy have been announced to date. The CICID should amplify its strategic role and France should utilise the CICID to draw up and make public a strategy statement focusing on poverty reduction.
- The more favourable budget outlook and the country's economic performance should be utilised to increase the volume of ODA, bearing in mind that the French Overseas Territories will cease to be eligible for ODA as from 2000. A particular effort should also be made, following the move from loans to grants for countries covered by the Enhanced HIPC Initiative, to maintain or increase aid flows to these countries.
- The savings made by the reduction in aid provided by MINEFI under financial protocols could be used to increase ODA for basic social sectors, in particular by augmenting the resources allocated to the AFD for this purpose.
- The "priority zone of solidarity" for France's bilateral aid currently covers some 60 countries but could be tightened so as to concentrate more aid on the poorest countries and those pursuing appropriate policies, including good governance.
- The efforts begun to mainstream gender equality into all aid activities should be strengthened and systematised.
- France is encouraged to continue its efforts towards reaching a consensus on untying aid to the least-developed countries, within the framework of ongoing efforts in the DAC.

Finally, the DAC expressed considerable interest in "decentralised co-operation" provided by the French regions, which occupies a significant place within French aid.

GERMANY

Germany's net ODA disbursements increased by 2% in real terms in 1999, to USD 5.5 billion. Expressed as a share of GNP, Germany's ODA remained at 0.26%.

Germany's development policy aims to help shape the global framework for sustainable development. Its development co-operation contributes to the improvement of social, political, ecological and economic structures, and thus of the living conditions, in its partner countries. Partnership and the involvement of civil society and the private sector are fundamental principles for Germany's development co-operation.

Germany has been enhancing the efficiency of its ODA. The Federal Ministry for Economic Co-operation and Development (BMZ) was reorganised in April 2000, resulting in a reduction in overlapping responsibilities and a greater focus on quality control. Steps towards reforming Germany's multi-institutional implementation structure have also been taken, an important aspect of which

is an examination of collaboration between the various organisations involved with the implementation of German aid in partner countries.

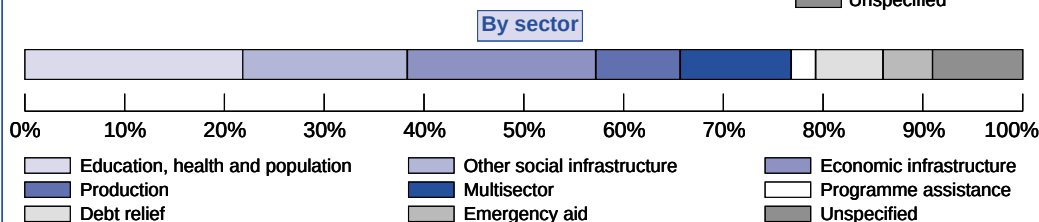
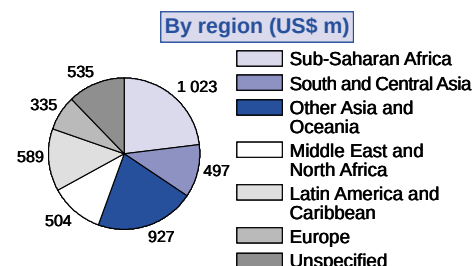
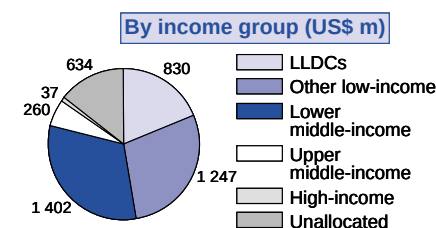
Germany is also working to increase the dovetailing of bilateral, multilateral and European Union development policies. This has led to a concentration of bilateral ODA on fewer partner countries and fewer priority areas within each country. The number of beneficiary countries has consequently been reduced from 118 to 70. Thirty-seven "priority partner countries" have been selected where it is intended to deploy the full range of Germany's development co-operation instruments, preferably in a maximum of three sectors. In another 33 "partner countries", co-operation will be less intense, focusing if possible on only one priority sector. In addition, potential partner countries have been identified where no development co-operation worth mentioning is possible at present but where co-operation could be envisaged provided there is a change in the country's general setting.

GERMANY

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	5 581	5 515	-1.2%
Constant (1998 US\$ m)	5 581	5 704	2.2%
In Deutschmarks (million)	9 819	10 124	3.1%
ODA/GNP	0.26%	0.26%	
Bilateral share	63%	59%	
Net Official Aid (OA)			
Current (US\$ m)	654	729	11.5%

Top ten recipients	(US\$ m)
1 China	396
2 Indonesia	223
3 India	217
4 Turkey	148
5 Egypt	132
6 Tanzania	88
7 Brazil	88
8 Russia (OA)	82
9 Peru	81
10 Yugoslavia (incl. Kosovo)	77

Gross bilateral ODA, 1998-99 average, unless otherwise shown



Source: OECD.

GREECE

Greek ODA rose by 9% in real terms to USD 194 million in 1999, the equivalent of 0.15% of GNP. Greece has set itself the objective of raising its total assistance for development to 0.20% of GNP by the end of 2001. In 1999, its combined ODA and official aid amounted to 0.16% of GNP.

Greece joined the DAC in 1999 and is putting in place the policy and institutional framework for its development co-operation programme. Parliament passed a law in July 1999 which sets out the guiding principles for the programme and gives the Ministry of National Economy responsibility for co-ordinating and monitoring the other twelve ministries and government agencies implementing aid projects. A Presidential decree was published in September 2000 which gives direction on the implementation of the NGO cofinancing scheme managed by the Ministry

of Foreign Affairs. An evaluation capacity is being created which will enable all projects implemented between 1997 and 1999 to be evaluated during 2001. These evaluations will then be compiled and reviewed to form an overall assessment of the Greek aid programme.

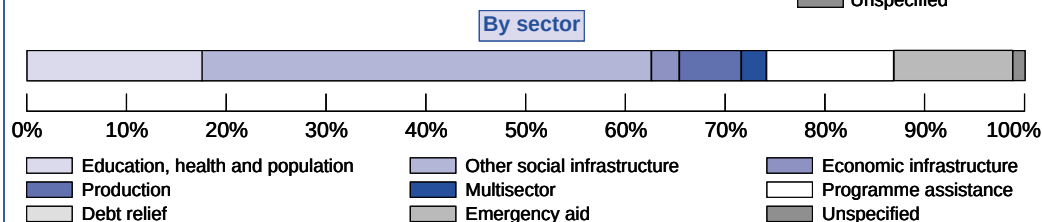
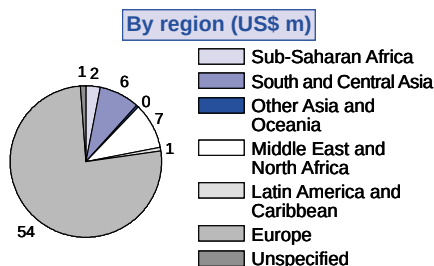
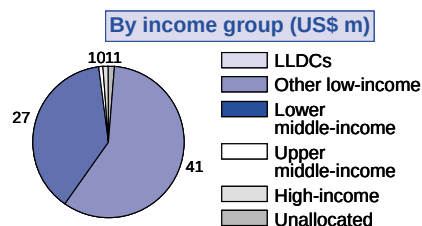
Increasing the efficiency and effectiveness of its aid is an objective for the Greek programme and a number of actions have been taken in pursuit of this in recent years. Bilateral ODA and official assistance has been increased so that it now represents 42% of all Greek aid. Support for social services has been given greater priority and now accounts for around two-thirds of bilateral assistance. Greater emphasis has also been placed on the provision of technical assistance. The share of assistance provided to countries eligible for ODA has increased. Finally, greater concentration on a small number of main partner countries has been achieved.

GREECE

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	179	194	8.2%
Constant (1998 US\$ m)	179	195	8.9%
In Drachmas (million)	52 977	59 347	12.0%
ODA/GNP	0.15%	0.15%	
Bilateral share	35%	41%	
Net Official Aid (OA)			
Current (US\$ m)	15	11	-29.6%

Top ten recipients (US\$ m)	
1 Albania	23
2 Yugoslavia (incl. Kosovo)	17
3 Bosnia and Herzegovina	12
4 Palestinian Adm. Areas	4
5 Armenia	3
6 Bulgaria (OA)	3
7 Georgia	2
8 Ukraine (OA)	2
9 Romania (OA)	1
10 Egypt	1

Gross bilateral ODA, 1998-99 average, unless otherwise shown



Source: OECD.

IRELAND

Ireland's ODA increased by 25% in real terms to reach USD 245 million in 1999, its highest level. Nonetheless, the continuing rapid expansion of the Irish economy meant that the ODA/GNP ratio only increased slightly, from 0.30% in 1998 to 0.31% in 1999. At the United Nations' Millennium Summit, Ireland's Prime Minister pledged that Irish ODA would reach 0.7% of GNP by the end of 2007, with an interim target of 0.45% of GNP by the end of 2002.

Ireland Aid's bilateral programme is based on partnership. During 1999, Ireland moved further away from a project-by-project approach towards sector-wide and area-based programmes in its six priority countries in sub-Saharan Africa. Ireland places particular focus on helping the poor meet their basic needs in the areas of health, education and safe water. In 1999, the Irish Aid Advisory Committee and Ireland Aid devised a strategy for

mainstreaming efforts to fight HIV/AIDS into all Ireland Aid activities. A multi-annual financing programme is also being developed for NGOs receiving block grants from Ireland Aid.

The anticipated four-fold increase in ODA over the next seven years is expected to put the Irish aid programme on a new footing, help Ireland make a more substantial impact on poverty reduction and strengthen its role in international forums related to development issues. Ireland intends to intensify its involvement in United Nations development agencies.

The Minister of State with special responsibility for overseas development assistance will chair a major review of Ireland's development co-operation programme to be completed in 2001. The intention is to prepare a strategic plan for the further expansion of Ireland's ODA which will identify the priority areas for allocation of additional funds and focus on the management structures appropriate for ensuring that the programme performs effectively and efficiently.

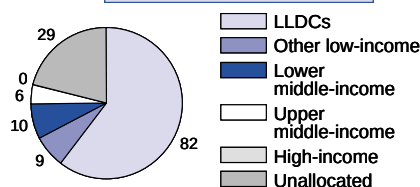
IRELAND

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	199	245	23.6%
Constant (1998 US\$ m)	199	249	25.2%
In Irish Pounds (million)	140	181	29.9%
ODA/GNP	0.30%	0.31%	
Bilateral share	62%	61%	
Net Official Aid (OA)			
Current (US\$ m)	0	0	0.0%

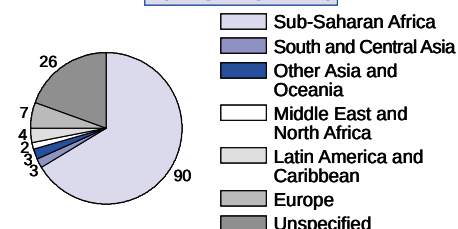
Top ten recipients (US\$ m)	
1 Ethiopia	17
2 Tanzania	14
3 Uganda	10
4 Zambia	9
5 Mozambique	9
6 Lesotho	7
7 South Africa	4
8 States Ex-Yugoslavia Unsp.	4
9 Rwanda	3
10 Zimbabwe	2

Gross bilateral ODA, 1998-99 average, unless otherwise shown

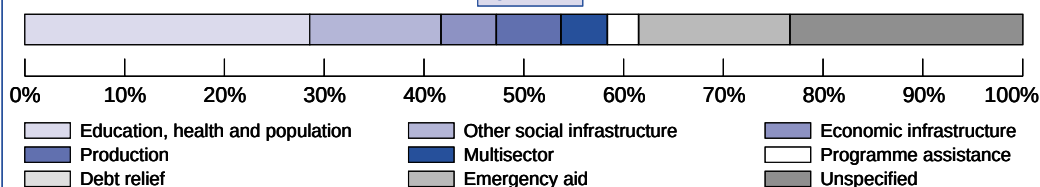
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

ITALY

Italy's ODA disbursements have fluctuated markedly since 1994. After recovering to USD 2.3 billion in 1998 from an exceptional low of USD 1.3 billion in 1997, Italian ODA dropped again in 1999 to USD 1.8 billion, a fall of 18% in real terms and the largest annual decline among DAC Members. Italy's ODA/GNP ratio has swung from 0.11% in 1997 to 0.20% in 1998 to 0.15% in 1999. More than two-thirds of Italy's ODA is channelled through multilateral organisations, the highest proportion in the DAC.

A three-year reform process has brought progress in overall policy orientations, with poverty reduction becoming the central objective for Italian aid. The Directorate-General for Development Co-operation has spearheaded the adoption of guidelines for major areas; some country strategies have been prepared;

improved aid management procedures have been adopted through the application of project cycle management and quality control of projects at the approval stage; and field offices have been set up in 20 countries resulting in stronger participation in aid co-ordination at the local level. However, the Italian authorities believe systemic problems, including the shortage of professional staff, need to be tackled by major institutional reform to foster improved aid management and decentralisation. A new law embodying such reform awaits passage in the Chamber of Deputies, after being passed by the Senate.

During its presidency of the G7 in 2001, Italy will press for action in three areas: trade – the elimination of tariff or quota barriers affecting imports from the poorest developing countries; investment – particularly to improve human capital; and aid – with better targeting on health and improved aid co-ordination.

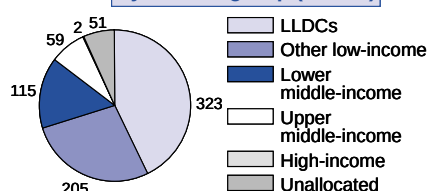
ITALY

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	2 278	1 806	-20.7%
Constant (1998 US\$ m)	2 278	1 862	-18.3%
In Lire (billion)	3 956	3 282	-17.1%
ODA/GNP	0.20%	0.15%	
Bilateral share	31%	25%	
Net Official Aid (OA)			
Current (US\$ m)	243	92	-62.3%

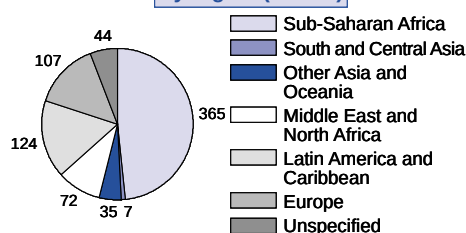
Top ten recipients (US\$ m)	
1 Madagascar	67
2 Mozambique	61
3 Haiti	45
4 Albania	44
5 Congo, Rep.	43
6 Ethiopia	32
7 Bosnia and Herzegovina	29
8 China	28
9 Eritrea	27
10 Malta	24

Gross bilateral ODA, 1998-99 average, unless otherwise shown

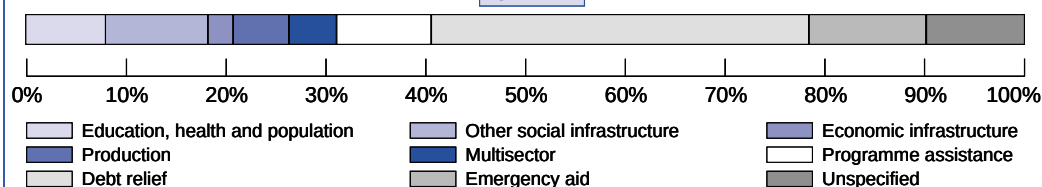
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

Box IV-3.

DAC Peer Review of Italy, 7 June 2000*Examiners: Canada and Sweden*

With its geographical location and active international role as a Member of the G7, the European Union and all the major multilateral institutions, Italy is an important actor in the international development co-operation system. A reform process in recent years has brought considerable progress in the overall policy orientation and management of Italian aid. The DAC welcomed the reforms which have been made to Italian development co-operation in recent years, including:

- Launching a USD 120 million programme for poverty reduction.
- Adopting a results-based management system and more open and competitive bidding procedures.
- Improving co-ordination between the Ministry of Foreign Affairs and the Treasury, which is enhancing policy coherence.
- Supporting peace and conflict resolution activities with humanitarian and development aid.

In addition, field missions to Ethiopia and the Palestinian Administered Areas showed that Italian aid is making substantial contributions to development objectives in many areas.

However, the DAC noted that a number of systemic problems remain, such that the gains made in the reform process have not yet been institutionalised. For their part, the Italian authorities have concluded that the systemic problems holding back the development co-operation programme need to be tackled by a major institutional reform. With this in mind, the DAC encouraged Italy to:

- Strengthen its management structure and capacities – this is urgently required if Italy is to have a well-adapted organisational framework fostering professional development management capabilities and decentralisation. A new legislative framework and major innovations in the management structure would be a highly desirable step forward.
- Increase ODA, in order to reach the DAC average (0.24% in 1999), over the next three years.
- Increase the number of long-term professional staff working on development co-operation, and adjust their skill mix so as to institutionalise gains made in the reform process.
- Broaden the country strategy programme to involve more partner countries. Provide greater delegation of authority to field posts.
- Further refine objectives and criteria of the development assistance programme to guide the selection of partner countries, programmes and projects in coherence with country strategies and partner country plans.
- Streamline operational and administrative procedures and pay increased attention to sustainability in project design and implementation.
- Strengthen the evaluation function with a view to providing feedback on lessons learnt and using evaluations to promote dialogue with partners.
- Expand the public information programme, in particular to include the close connection between development education and immigration.

JAPAN

Japan provided 27% of total ODA from DAC Member countries in 1999 and was the largest DAC donor in volume terms for the seventh consecutive year. Japan's net ODA disbursements amounted to USD 15.3 billion in 1999. In real terms, Japan's ODA rose by 26%, mainly due to special disbursements in response to the Asian financial crisis. Japan's ODA/GNP ratio jumped from 0.28% in 1998 to 0.35% in 1999.

In October 1999, Japan Bank for International Cooperation (JBIC) was created by merging the former Export-Import Bank of Japan and the Overseas Economic Co-operation Fund (OECF). JBIC provides non-ODA financing, to promote Japanese exports and imports and contribute to the stability of the international financial system, as well as ODA loans, to support socio-economic development and economic stability in developing countries. The bank is the largest bilateral public financing institution in the world. Its disbursements

during the 1999 financial year totalled Yen 2 436 billion (USD 22 billion).

Japan continued to respond to the Asian financial crisis. As part of its assistance under the New Miyazawa Initiative, Japan provided USD 3 billion to the Asian Currency Crisis Support Facility administered by the Asian Development Bank to help Asian countries obtain loans more easily by providing guarantees and interest subsidies. This is additional to financial support through JBIC of USD 8 billion.

In July 2000, Japan hosted the G7 Summit at which the "Okinawa Charter on Global Information Society", aimed at helping to bridge the digital divide, was adopted. In a parallel move, Japan announced a non-ODA and ODA financing package of USD 15 billion to be committed over five years towards tackling the digital divide. Acknowledging that infectious diseases are a threat to development, Japan also announced the "Okinawa Infectious Diseases Initiative" to strengthen aid to developing countries in this area. Japan further committed itself to increase aid for conflict prevention through the "Action from Japan" plan.

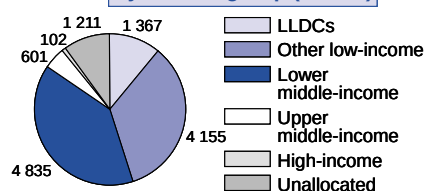
JAPAN

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	10 640	15 323	44.0%
Constant (1998 US\$ m)	10 640	13 451	26.4%
In Yen (billion)	1 393	1 745	25.3%
ODA/GNP	0.28%	0.35%	
Bilateral share	80%	68%	
Net Official Aid (OA)			
Current (US\$ m)	132	67	-49.2%

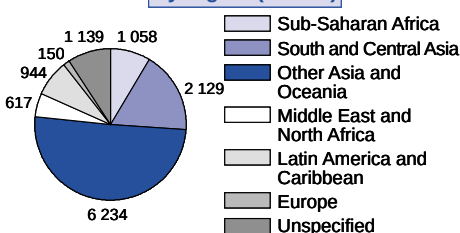
Top ten recipients (US\$ m)	
1 Indonesia	1 749
2 China	1 510
3 Thailand	953
4 India	814
5 Philippines	690
6 Viet Nam	541
7 Pakistan	365
8 Bangladesh	318
9 Sri Lanka	238
10 Malaysia	235

Gross bilateral ODA, 1998-99 average, unless otherwise shown

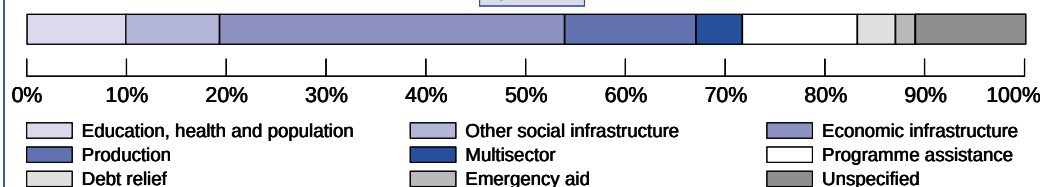
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

LUXEMBOURG

In 1999, Luxembourg's ODA grew by 8% in real terms to USD 119 million. Its ODA/GNP rose slightly from 0.65% to 0.66%. Luxembourg has reaffirmed its aim of reaching 0.7% of GNP in 2000 and 1% of GNP by 2005 and considers these objectives attainable given its favourable economic outlook and strong political commitment to international solidarity.

Poverty reduction and sustainable development are the major objectives of Luxembourg's development policy. In 1999, 70% of bilateral ODA was directed to ten priority countries, six of which are located in sub-Saharan Africa. Cape Verde remained the top beneficiary and co-operation between the two countries has been strengthened with the establishment of a partnership commission. Luxembourg subscribes to the Copenhagen 20/20 Initiative and most of its programmes place special emphasis on primary education and basic health.

Commitments to basic social services amounted to 27% of bilateral ODA in 1997-98.

Luxembourg continued its efforts to improve the quality and efficiency of its aid management. A regional office has been opened in Dakar to monitor programmes in the five priority countries located in western Africa. The evaluation system has been developed further. Co-operation with NGOs has been reviewed and is now based on framework agreements allowing for multi-year planning and financing.

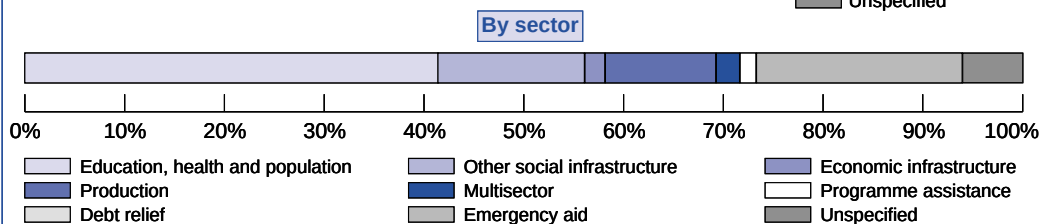
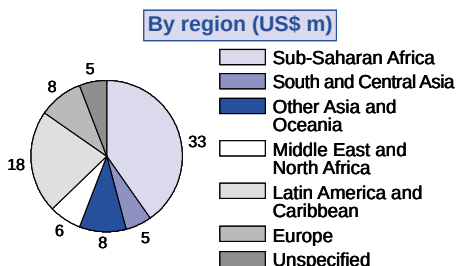
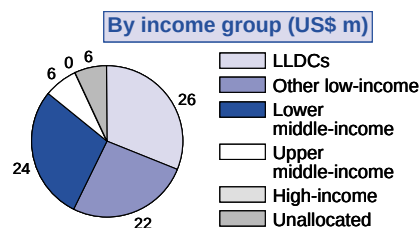
Humanitarian assistance is becoming an increasingly large component of Luxembourg's programme and now absorbs 10% of total ODA. Major efforts have been deployed towards refugees from Kosovo, including a programme to help refugees return home. Central and Southern Europe is a region that the Minister for Co-operation and Humanitarian Affairs intends to promote as a new area of intervention for Luxembourg.

LUXEMBOURG

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	112	119	6.1%
Constant (1998 US\$ m)	112	121	8.3%
In Lux. Francs (million)	4 058	4 493	10.7%
ODA/GNP	0.65%	0.66%	
Bilateral share	69%	75%	
Net Official Aid (OA)			
Current (US\$ m)	2.7	2.6	-4.5%

Top ten recipients (US\$ m)	
1 Cape Verde	8
2 Nicaragua	7
3 Namibia	5
4 El Salvador	4
5 Viet Nam	4
6 Tunisia	4
7 Yugoslavia (incl. Kosovo)	4
8 India	3
9 Senegal	3
10 Burkina Faso	3

Gross bilateral ODA, 1998-99 average, unless otherwise shown



Source: OECD.

NETHERLANDS

Dutch ODA reached USD 3.1 billion in 1999, an increase of 6% in real terms. However, the Netherlands' GNP expanded more rapidly, partly due to the adoption of the new System of National Accounts, and so the ODA/GNP ratio slipped from 0.80% in 1998 to 0.79% in 1999, just below the target of 0.8%. Nonetheless, the Netherlands continued to exceed the United Nations' ODA/GNP target, and has done so for the last 25 years.

Poverty reduction remains the main objective of the Netherlands' development co-operation policy. Aid will be shifted from projects towards a sector approach whereby resources are progressively pooled in co-ordinated budget transfers, timed to coincide with recipient country budget planning. The duration of the transition period will depend, to a large extent, on local circumstances, particularly institutional capacity. The Netherlands is prepared to participate in such arrange-

ments where there is agreement on a fiscal framework within a poverty reduction strategy adopted by the recipient country.

In a new policy framework for technical assistance submitted to the Parliament, it is proposed to move decisively away from technical assistance in the form of supplying foreign expertise to developing countries. In future, technical assistance should be geared towards institutional and capacity development on the basis of ownership, with recipient governments and organisations formulating their needs and administering technical assistance programmes.

All bilateral ODA debts owed by heavily-indebted poor countries (HIPC) will be cancelled after they reach their decision points. The Netherlands has announced that consolidated commercial debts owed by these countries – which amount to NLG 665 million (USD 333 million) – should be forgiven, providing beneficiaries are clearly implementing a poverty reduction strategy.

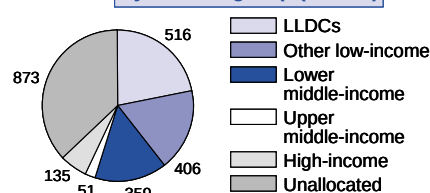
NETHERLANDS

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	3 042	3 134	3.0%
Constant (1998 US\$ m)	3 042	3 213	5.6%
In Guilders (million)	6 036	6 482	7.4%
ODA/GNP	0.80%	0.79%	
Bilateral share	70%	69%	
Net Official Aid (OA)			
Current (US\$ m)	130	22	-83.0%

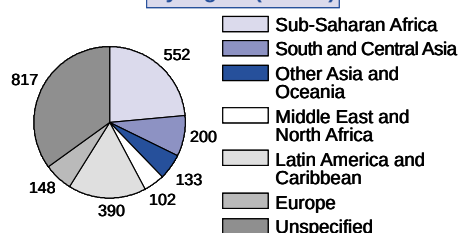
Top ten recipients (US\$ m)	
1 Netherlands Antilles	126
2 Bosnia and Herzegovina	77
3 Tanzania	68
4 India	64
5 Bolivia	47
6 Bangladesh	47
7 Mozambique	46
8 Indonesia	43
9 Russia (OA)	41
10 Yemen	40

Gross bilateral ODA, 1998-99 average, unless otherwise shown

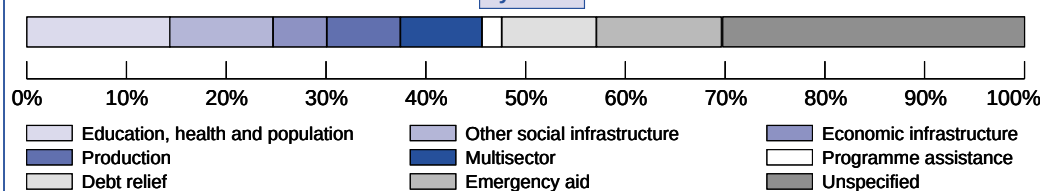
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

NEW ZEALAND

New Zealand's ODA increased by USD 4 million to USD 134 million in 1999. The ODA/GNP ratio remained at 0.27%, its highest level for a decade.

New Zealanders elected a new government in November 1999. The election manifestos of the two parties in the coalition government indicated a commitment to a strong aid programme, with an increased focus on poverty reduction and an intention to increase ODA in a staged manner. In its first budget, brought down in June 2000, the government allocated NZD 227 million for ODA for the 2000-2001 financial year, an increase of NZD 14 million (approximately USD 6 million) over the budget allocation for 1999-2000.

New Zealand's aid is strongly focused on the South Pacific and South-East Asia. Nearly two-thirds of bilateral ODA fund social infrastructure and services, with most of this directed to supporting secondary and tertiary studies, particularly in New Zealand. The Ministry of Foreign Affairs and Trade (MFAT) and the Advisory Committee on External Aid and Development (ACEAD) have been undertaking a joint review of New Zealand's investment in education and training. This review should determine, among other things, whether a higher proportion of ODA should be allocated to basic education and to training in partner countries.

An independent review of New Zealand's development co-operation programme is due to be completed in early 2001. The review will assess how well New Zealand's overseas aid programme is meeting its targets and will take a fresh look at its guiding principles.

NEW ZEALAND

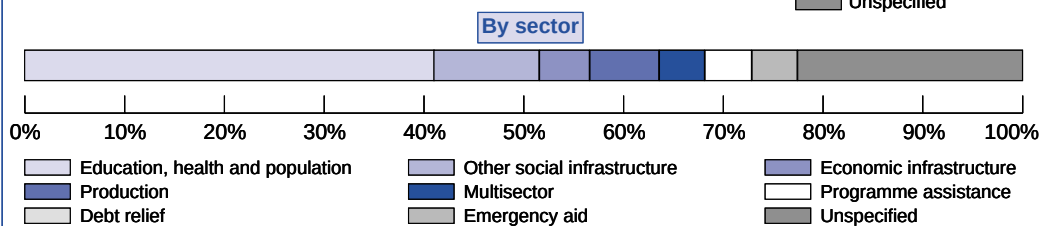
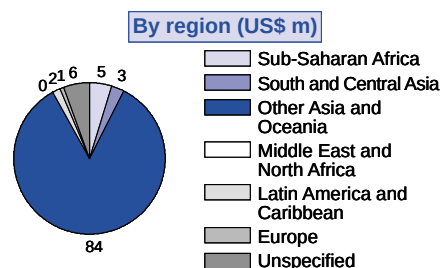
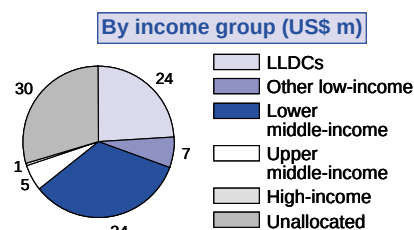
Gross bilateral ODA, 1998-99 average, unless otherwise shown

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	130	134	2.9%
Constant (1998 US\$ m)	130	135	4.2%
In NZL Dollars (million)	243	253	4.2%
ODA/GNP	0.27%	0.27%	
Bilateral share	76%	76%	

Net Official Aid (OA)

Current (US\$ m)	0.04	0.28	600.0%
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Top ten recipients	(US\$ m)
1 Papua New Guinea	7
2 Samoa	6
3 Solomon Islands	5
4 Fiji	5
5 Tonga	4
6 Vanuatu	4
7 Tokelau	4
8 Cook Islands	4
9 Indonesia	4
10 Niue	3



Source: OECD.

Box IV-4.

DAC Peer Review of New Zealand, 15 May 2000*Examiners: Austria and Ireland*

New Zealand has a close interest in fostering economic growth and political stability in developing countries in the South Pacific and South-East Asia and is using development co-operation as a key policy instrument in this context. New Zealand plays a constructive role in the wider international community in other ways as well, including an impressive range of activities to help developing countries integrate into the global economy on a sound basis.

At its review of New Zealand's development co-operation policies and programme, the DAC's main findings included:

- Improvements in policies, analytical capacities and processes, noted in previous peer reviews, continue to provide a sound underpinning for New Zealand's development co-operation. New Zealand has a serious and credible aid programme.
- Significant contributions have been made in conflict resolution, public sector reform, trade policy, capacity building and governance issues. New Zealand has also made substantial progress in successfully integrating gender issues in its ODA management and programmes.
- New Zealand has been particularly successful in developing constructive relationships with the NGO community in both policy dialogue and ODA delivery.
- New Zealand's bilateral programmes are significantly shaped by the particular characteristics of its main partner countries, which comprise a large number of small island states. This largely explains the number of bilateral country programmes and the range of sectors in which assistance from New Zealand is sought, and poses special challenges of focus and management.
- New Zealand operates a number of bilateral funding mechanisms on a regional basis. These have been established as a flexible framework, covering a number of partners, to test new initiatives or to respond to new demands in areas such as the environment and private sector development. These mechanisms can be administratively intensive and may be seen as unduly diffusing New Zealand's aid effort. They should only continue where they are more effective than bilateral country programmes.

At the same time, New Zealand's aid programme is facing a number of challenges. The election of a new coalition government provides the opportunity for New Zealand to map out a mid-term agenda for its development assistance, indicating how it will work towards achieving the international development goals, and to review its aid management organisation and systems. In this context, the DAC recommended that New Zealand:

- Sharpen the programme's focus by making poverty reduction a clearer objective.
- Look to allocate more ODA to programmes directly targeted to poor people and the basic sources of poverty.
- Consider devolving greater programme management responsibility to officers in the field who have both development expertise and political skills, and fostering a core group of development-oriented officers through a strategic approach to staffing.
- Strive to maximise the use of developing countries' own services and goods in the implementation of projects.
- Ensure that its bilateral aid programmes are appropriately balanced between priority for main partner countries and selected outreach to other developing countries.
- Expand public information and development education to build up public confidence in aid and show that New Zealand's programme is well managed and achieving results.

NORWAY

Norway's net ODA disbursements increased slightly to reach USD 1.4 billion in 1999. The ODA/GNP ratio remained at 0.91%, the second highest among DAC Members. The Norwegian government aims to increase ODA to 1% of GNP, linked to the effective use of aid. Norway's ODA/GNP ratio has exceeded the United Nations' target for 24 consecutive years.

Norway's strong commitment to the reduction of poverty in developing countries is reflected in the general orientation of its development co-operation programme. Special priority is given to health and education. Recognising that HIV/AIDS constitutes a formidable obstacle to poverty reduction, Norway has stepped up its engagement in the fight against the disease in all its partner countries, with substantial increases in funding for these efforts in the 2000 budget.

As part of its poverty reduction efforts, Norway also gives high priority to the promotion of good governance, democracy and respect for human rights as well as to economic development, aiming at greater empowering of developing countries to meet the challenges of

globalisation. Norway is also an active player in international efforts to ease the debt burden of developing countries and has been increasing its financial contributions to international debt operations.

Pro-active use of both diplomacy and aid in conflict resolution are strong elements of Norway's aid policy. Development co-operation is an integral part of Norway's foreign policy. The Norwegian aid system has three main components: the Ministry of Foreign Affairs has responsibility for foreign policy and is headed by two ministers, one for foreign affairs and the other for international development and human rights; the Norwegian Agency for Development Co-operation (NORAD) is a separate administration under the MFA; and the NORAD field offices which are fully integrated into Norwegian embassies in developing countries.

A new scheme is under study in support of greater involvement by the Norwegian private sector, including increased investment in developing countries. The new scheme would incorporate the current mixed credits and parallel financing arrangements into a single scheme, consisting of both tied and untied funds.

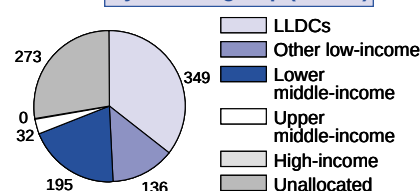
NORWAY

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	1 321	1 370	3.7%
Constant (1998 US\$ m)	1 321	1 328	0.5%
In Norwegian Kroner (million)	9 971	10 680	7.1%
ODA/GNP	0.91%	0.91%	
Bilateral share	72%	73%	
Net Official Aid (OA)			
Current (US\$ m)	52	28	-46.6%

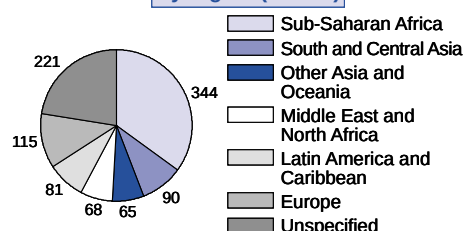
Top ten recipients	(US\$ m)
1 Yugoslavia (incl. Kosovo)	53
2 Tanzania	47
3 Mozambique	43
4 Palestinian Adm. Areas	34
5 Bangladesh	32
6 Zambia	30
7 Bosnia and Herzegovina	30
8 Uganda	29
9 Ethiopia	25
10 Russia (OA)	25

Gross bilateral ODA, 1998-99 average, unless otherwise shown

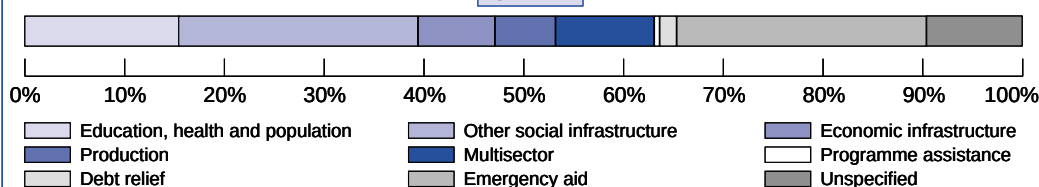
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

PORTUGAL

Portugal's net ODA disbursements increased by 9% in real terms in 1999 to USD 276 million. The ODA/GNP ratio rose by two-hundredths of a percentage point to 0.26%. Portugal plans to increase its ODA to 0.36% of GNP, slightly above the average of European Union member States, but has not set a timetable for reaching that level.

The Institute for Portuguese Co-operation (ICP), an autonomous institute under the Ministry of Foreign Affairs, co-ordinates, monitors and evaluates Portuguese development co-operation. A budget reform, creating a single integrated budget for development co-operation, was passed by Parliament in 1999. The Ministry of Foreign Affairs is conducting evaluations of all of Portugal's aid projects. To date, some three-quarters of projects have been reviewed. Consideration is

being given to increasing representation of ICP in Portugal's main partner countries.

The government is working to improve the coherence of its policies affecting developing countries through a revitalised Interministerial Commission for Co-operation. In addition, the Council of Ministers considers development and development-related issues once each quarter. An Advisory Council for Co-operation, with the participation of civil society, helps to provide guidance on the objectives and priorities for development co-operation policy.

Portugal's bilateral ODA has been concentrated in five least-developed Portuguese-speaking countries (PALOPs) in sub-Saharan Africa: Angola, Cape Verde, Guinea-Bissau, Mozambique and Sao Tome and Principe. These countries account for over 95% of Portugal's bilateral disbursements. Nonetheless, Portugal expects its aid activities to become more substantial in several other countries in the future.

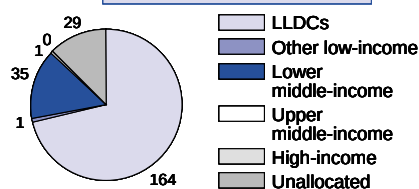
PORTUGAL

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	259	276	6.7%
Constant (1998 US\$ m)	259	281	8.5%
In Escudos (million)	46 576	51 930	11.5%
ODA/GNP	0.24%	0.26%	
Bilateral share	68%	75%	
Net Official Aid (OA)			
Current (US\$ m)	22	28	24.3%

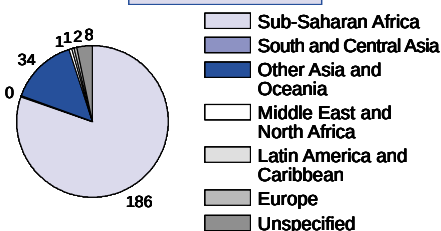
Top ten recipients (US\$ m)	
1 Mozambique	96
2 East Timor	33
3 Cape Verde	22
4 Angola	22
5 Guinea-Bissau	12
6 Sao Tome and Principe	12
7 Bosnia and Herzegovina	1.0
8 Brazil	0.9
9 Macedonia (FYR)	0.5
10 Lebanon	0.5

Gross bilateral ODA, 1998-99 average, unless otherwise shown

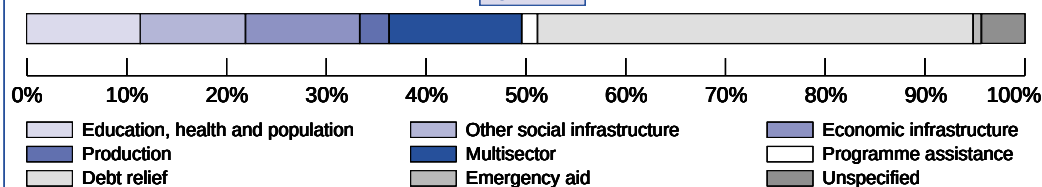
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

SPAIN

In 1999, Spain's net ODA disbursements decreased to USD 1 363 million, from USD 1 376 million in 1998, but in real terms, ODA rose slightly. The ODA/GNP ratio fell from 0.24% to 0.23%.

Two years after the approval of a law on development co-operation in June 1998, the Spanish aid system is still in a period of transition. The Directive Plan for 1999-2002, a multi-year planning mechanism, has been approved by the Parliament after a long consultative process between the Ministry of Foreign Affairs and the Ministry of Economy and Finance. As part of this process, a consensus emerged on reforming Spain's concessional loan scheme to make it more complementary with other ODA activities, with a greater focus on poverty reduction.

In terms of geographical priorities, the Directive Plan establishes a list of 25 preferential countries, mainly in Latin America and sub-Saharan Africa, which should receive the bulk of Spain's bilateral ODA. For each of these partners, a country plan is to be established, defining a strategy and proposing an indicative budget.

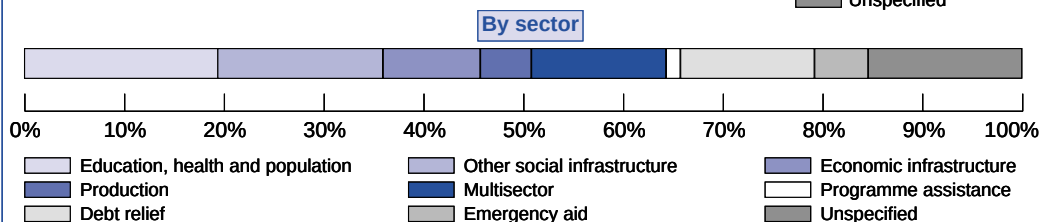
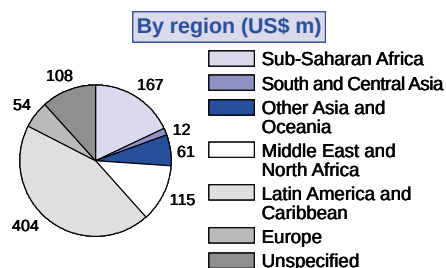
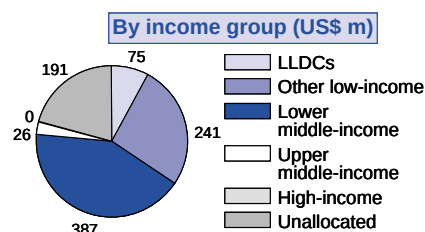
The Directive Plan also sets out the allocation of resources by sectors. Education is included as a priority sector at two levels: investment in human capital (covering higher education and cultural and research projects) which should amount to 18% of bilateral ODA within four years; and investment in basic social services which should attain 25% of bilateral ODA. In 1997/98, resources allocated to basic social services amounted to 9% of Spain's total sector allocable ODA.

SPAIN

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	1 376	1 363	-0.9%
Constant (1998 US\$ m)	1 376	1 385	0.7%
In Pesetas (million)	205 498	212 895	3.6%
ODA/GNP	0.24%	0.23%	
Bilateral share	61%	61%	
Net Official Aid (OA)			
Current (US\$ m)	5	13	144.1%

Top ten recipients	(US\$ m)
1 Honduras	46
2 Morocco	45
3 Côte d'Ivoire	40
4 Peru	33
5 Angola	33
6 Dominican Republic	32
7 Nicaragua	31
8 Bolivia	30
9 Palestinian Adm. Areas	30
10 China	28

Gross bilateral ODA, 1998-99 average, unless otherwise shown



Source: OECD.

SWEDEN

Sweden's ODA rose by 7% in real terms to reach USD 1.6 billion in 1999. However, as its GNP expanded more rapidly, the ODA/GNP ratio fell from 0.72% to 0.70%, its lowest level since 1974. Sweden nonetheless remains a leader among DAC Member countries for its ODA/GNP performance, having equalled or exceeded the United Nations' target for 25 consecutive years. Sweden expects its ODA/GNP ratio to increase again to 0.81% in 2003.

Swedish development co-operation is increasingly being placed within a wider range of competing foreign policy priorities, including enlargement of the European Union, globalisation and strengthening co-operation within the Baltic region. To respond to the existing challenges and opportunities provided by increased globalisation in the fight against poverty, a Parliamentary Commission of Inquiry into Swedish Policy for Global Development has been set up to make pro-

posals on how coherent policies should be formulated to combat poverty in the new conditions created by globalisation.

About half of Sweden's allocable bilateral ODA is directed to sub-Saharan Africa. The largest operational areas of the Swedish International Development Co-operation Agency (Sida) in 1999 were humanitarian assistance and conflict prevention (20%), followed by the social sectors (18%) and human rights and democratic governance (15%).

Sweden's multilateral assistance is substantial, both as a major financial contributor to some United Nations agencies and as a proponent for reform within multilateral agencies and greater co-ordination within the United Nations system. Within multilateral forums, Sweden places special emphasis on promoting efforts directed at poverty reduction. Sweden continues to be supportive of ODA debt relief and is committed to contributing to the HIPC Trust Fund. Sweden wrote off most of its bilateral ODA debts several years ago.

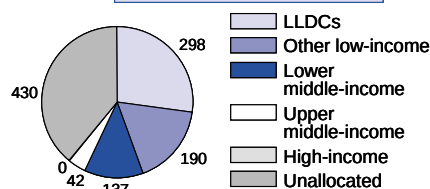
SWEDEN

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	1 573	1 630	3.6%
Constant (1998 US\$ m)	1 573	1 686	7.2%
In Swedish Kroner (million)	12 499	13 467	7.7%
ODA/GNP	0.72%	0.70%	
Bilateral share	66%	70%	
Net Official Aid (OA)			
Current (US\$ m)	105	99	-5.2%

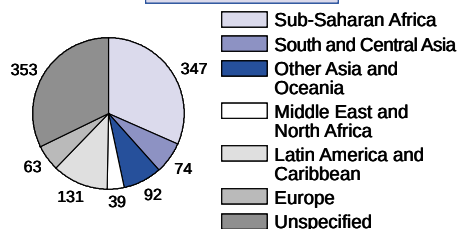
Top ten recipients (US\$ m)	
1 Tanzania	53
2 Mozambique	43
3 South Africa	36
4 Viet Nam	33
5 Bosnia and Herzegovina	27
6 Nicaragua	27
7 Ethiopia	26
8 Bangladesh	23
9 Palestinian Adm. Areas	21
10 Angola	20

Gross bilateral ODA, 1998-99 average, unless otherwise shown

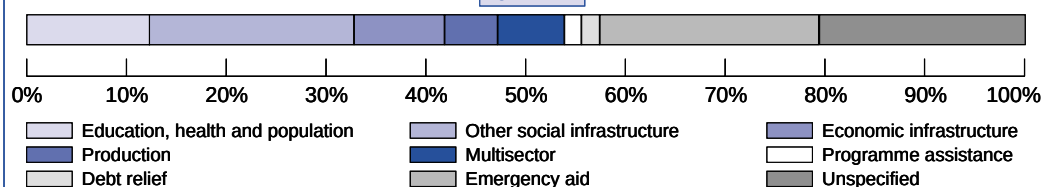
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

Box IV-5.

DAC Peer Review of Sweden, 5 October 2000*Examiners: United Kingdom and United States*

Sweden remains a leader among DAC Member countries for the share of GNP devoted to ODA. Nonetheless, due mainly to government-wide budget cuts, the ODA/GNP ratio fell to 0.70% in 1998, its lowest level since 1974. As Sweden is now enjoying a budget surplus, the government intends to increase aid allocations again.

The main findings and recommendations from the DAC's review of Sweden's development co-operation policies and programme included:

- Sweden's commitment to maintaining a high ODA/GNP ratio, despite its domestic economic challenges, is encouraging for other DAC Members.
- The consistency of Swedish aid with its overriding goal of poverty reduction is demonstrated by the focus of its bilateral aid, extended on grant terms, on countries with low levels of *per capita* income.
- Sweden is at the forefront of donors participating in sector-wide approaches (SWAp) and is experimenting with new methods to improve aid effectiveness. Sweden also applies lessons learnt and regularly re-assesses its activities by well-developed evaluation functions.
- In addition to its high ODA/GNP level, Swedish multilateral efforts are substantial, both as a financial contributor to United Nations agencies, international financial institutions and international debt relief efforts as well as a proponent for institutional reform.
- Sweden's bilateral co-operation focuses on some 20 countries, but it has co-operation activities with approximately 100 countries in all. To minimise the dispersion of resources and the dilution of efforts, Sweden could reinforce the status of long-term partner countries and their appropriate share of bilateral ODA.
- Sweden should continue to ensure that the one third of its bilateral ODA channelled via NGOs is spent in accordance with the overall priorities of the aid programme.
- The overall poverty reduction goal does not seem to be consistently incorporated into strategy documents. Sweden could bring out more explicitly the linkages between the six sub-objectives set by Parliament and the overarching poverty reduction goal. Sweden is also encouraged to increase its focus on the international development goals in its operations, improve results-based reporting and establish an overall monitoring system for cross-cutting issues, in particular gender equality.
- The reorganisation of the Ministry of Foreign Affairs and Sida in the mid-1990s increased the scope for Sweden to bring more coherence to its international co-operation. Sweden could further enhance mechanisms and develop staff skills to ensure that policies pertaining to trade, environment, security, agriculture, migration and refugee issues are more coherent with those aimed at reducing poverty.
- The government appointed the Commission of Inquiry into Swedish Policy for Global Development to investigate how coherent policies should be formulated to combat poverty in this new era of globalisation. The Commission is expected to submit a report and comprehensive proposals for revising Swedish policy in October 2001. As these issues are of concern to all DAC Members, it will be useful for Sweden to share the results of this exercise.

SWITZERLAND

In 1999, Swiss ODA grew by 11% in real terms to USD 969 million. The ODA/GNP ratio rose from 0.32% to 0.35%. This improvement was due to a major contribution for humanitarian activities in Bosnia and Kosovo, which were granted an exceptional credit of USD 73 million by the Swiss Parliament. As a result, the share of humanitarian aid rose to 21% of ODA. In its report, *Foreign Policy 2000* (November 2000), the Swiss government affirmed its intention to reach, over the next decade, its objective of an ODA/GNP ratio of 0.4%.

Switzerland has taken further steps to mainstream poverty reduction into its aid programme and in 1999 adopted a policy on social development. Most of its efforts continue to be geared towards least-developed countries (45% of ODA) and other low-income countries (25%). Commitments for basic social services amounted to 15% of ODA. A study released in 1998 showed, however, that

Switzerland could still improve its programme in the areas of poverty assessment, better targeting and increased monitoring. In its multilateral assistance, Switzerland has strengthened its focus on organisations primarily dedicated to poverty reduction.

After three years of preparation, the Swiss Development Finance Corporation (SFDC) was launched in 1999. The corporation is a private equity investment company with the Swiss government holding 49% of its capital. The corporation aims to promote joint ventures of small and medium-sized enterprises, from Switzerland and other countries, with partner enterprises in developing and transition countries.

The nature of Switzerland's humanitarian support for Bosnia and Kosovo shifted from emergency assistance to support for reconstruction. These two examples highlight the growing awareness in Switzerland of the need to address the relationship between longer-term development and conflict prevention, emergency relief and reconstruction.

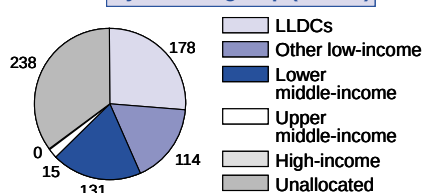
SWITZERLAND

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	898	969	8.0%
Constant (1998 US\$ m)	898	999	11.3%
In Swiss Francs (million)	1 301	1 456	11.9%
ODA/GNP	0.32%	0.35%	
Bilateral share	70%	74%	
Net Official Aid (OA)			
Current (US\$ m)	76	70	-8.8%

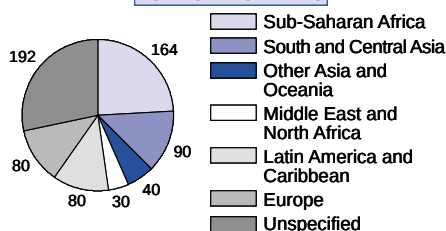
Top ten recipients (US\$ m)	
1 Yugoslavia (incl. Kosovo)	41
2 Bangladesh	20
3 Mozambique	20
4 India	20
5 Tanzania	18
6 Bosnia and Herzegovina	15
7 Nepal	13
8 Bolivia	13
9 Russia (OA)	11
10 Egypt	11

Gross bilateral ODA, 1998-99 average, unless otherwise shown

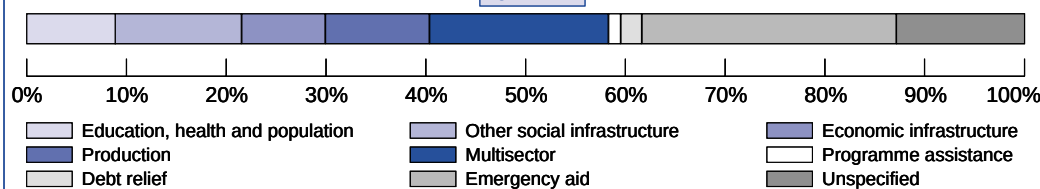
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

Box IV-6.

DAC Peer Review of Switzerland, 17 October 2000*Examiners: France and the Netherlands*

Swiss aid is contributing to development objectives in many areas. The ultimate aim of Swiss development co-operation is poverty reduction and bilateral aid is targeted at the poorest countries – in 1999, 64% of bilateral ODA was disbursed to least-developed and other low-income countries. Aid is implemented in the field within the framework of medium-term country strategies, formulated on a participatory basis with the involvement of local authorities and civil society. Switzerland's development co-operation is strongly supported by the Swiss, the result of an effective public information policy and a close and mutually beneficial dialogue between the Swiss authorities and NGOs. Over the last decade, increasing focus has been put on policy coherence. Switzerland is one of the DAC Members most committed to ensuring coherence in policies impacting on developing countries. Specific procedures enable the Swiss agencies in charge of development co-operation to identify objectives with a view to promoting developing countries' interests as far as possible.

The DAC welcomed the additional humanitarian aid provided by Switzerland in 1999 but recommended that Switzerland take advantage of its improved economic and budgetary situation to increase the volume of its ODA rapidly to its objective of 0.4 % of GNP, without losing sight of the United Nations' target of 0.7%. In addition, the DAC noted that a number of aid implementation and management issues need to be addressed in order to improve aid effectiveness and impact on poverty reduction. In this respect, the DAC recommended that Switzerland:

- Reaffirm the priority it gives to poverty reduction, review country strategies from this angle and allocate a larger portion of aid to basic social services, as the stated objective of poverty reduction does not seem to be systematically translated into practice.
- Take account of the international development goals and participate in efforts of the international community to define progress indicators.
- Ensure more consistent and systematic gender mainstreaming in the aid system as a whole.
- Increase the concentration of aid by reviewing the list and number of priority countries more regularly.
- Continue to improve co-ordination between the two main organisations in the aid system – the Swiss Agency for Development and Co-operation (SDC) and the State Secretariat for Economic Affairs (seco) – with a view to developing a common operational strategy.
- Review the role of executing agencies and take measures to give partners in developing countries more responsibility in aid management and project implementation.
- Continue to examine the possibility of making more use of sector-wide approaches in aid implementation.
- Take the necessary steps to increase the independence of the evaluation system and to provide better feed-back from evaluation.
- Consider how the Advisory Commission for International Development could play a more active role, notably with regard to policy coherence.

UNITED KINGDOM

Exceptional factors caused the United Kingdom's ODA to drop by 12% in real terms in 1999 to USD 3.4 billion and the ODA/GNP ratio to fall from 0.27% to 0.23%. These included the timing of the deposit of promissory notes to the International Development Association (IDA) and slower than envisaged contributions to European Community programmes. The United Kingdom expects a recovery in the ODA/GNP ratio in 2000.

The British government has pledged that the ODA/GNP ratio will rise to 0.33% by the 2003-04 financial year. To support this, expenditures by the Department for International Development (DFID) increased by 5.5% in real terms in 1999-2000 while its departmental expenditure limit for 2003-04 has been raised to GBP 3.6 billion, its highest level. Targets have been set for DFID's work, linked to the international development goals (see box II-7), and the department has been developing strategies over the past year for achieving each of the targets.

The British government is preparing a second White Paper related to development, building on the 1997 White Paper *Eliminating World Poverty: A Challenge for the 21st Century*. The new White Paper, entitled *Eliminating World Poverty: Making Globalisation Work for the Poor*, focuses specifically on the changes resulting from globalisation and the opportunities and challenges this presents for faster progress in systematically reducing poverty and promoting sustainable development in developing countries.

The United Kingdom has been among the leaders in promoting debt relief focused on poverty reduction in Heavily-Indebted Poor Countries. The United Kingdom will provide 100% relief on debts owed to the British government by countries when they qualify under HIPC. DFID, working closely with the Treasury, has also been among the leaders in promoting changes in aid delivery systems to developing countries with a high dependence on external assistance by proposing sector-wide approaches with collective donor support for sound recipient country-led reform programmes.

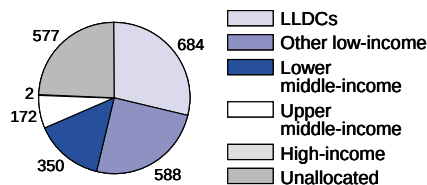
UNITED KINGDOM

Gross bilateral ODA, 1998-99 average, unless otherwise shown

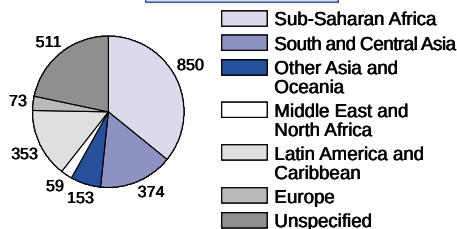
Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	3 864	3 401	-12.0%
Constant (1998 US\$ m)	3 864	3 399	-12.0%
In Pounds Sterling (million)	2 332	2 102	-9.9%
ODA/GNP	0.27%	0.23%	
Bilateral share	55%	66%	
Net Official Aid (OA)			
Current (US\$ m)	435	326	-25.0%

Top ten recipients (US\$ m)	
1 India	170
2 Tanzania	124
3 Bangladesh	102
4 Uganda	101
5 Ghana	87
6 Zambia	77
7 Malawi	67
8 South Africa	59
9 China	57
10 Mozambique	55

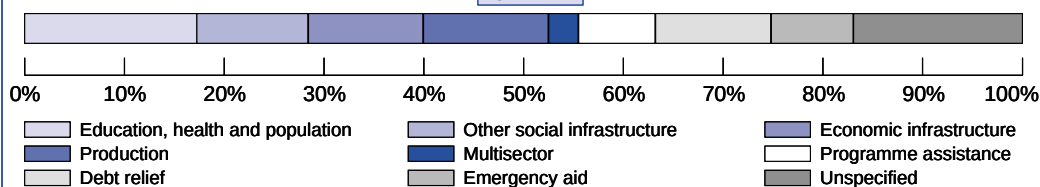
By income group (US\$ m)



By region (US\$ m)



By sector



Source: OECD.

UNITED STATES

While the United States provided the second largest ODA volume in the DAC in 1999, USD 9.1 billion, up 3% in real terms, its ODA/GNP ratio remained at 0.10%, the lowest in the DAC. Despite a robust economy and budget surpluses, the United States' ODA/GNP ratio is dramatically lower than the level of only eight years ago when it was 0.20%.

Analysis by the United States Agency for International Development (USAID) suggests that the coming decade may see more human-induced and natural disasters, along with the ongoing complex emergencies in different parts of the world today. As an increasing portion of USAID's efforts involve disaster and crisis response, the agency is seeking new mechanisms of collaboration with other donors, host governments, civil society and NGOs.

Health, population and nutrition remain pillars of USAID's work. The United States has devoted over USD 1.4 billion since 1986 to mitigate the growing HIV/AIDS crisis and has budgeted USD 200 million in 2000 to respond to the global AIDS pandemic, working in 46 of the hardest hit countries. Two-thirds of this funding is being provided through small NGOs with direct connections to the poor. In addition, USAID is giving increased priority to infectious diseases, such as malaria and tuberculosis, and childhood killers, such as diarrhoeal diseases, acute respiratory disease and malnutrition.

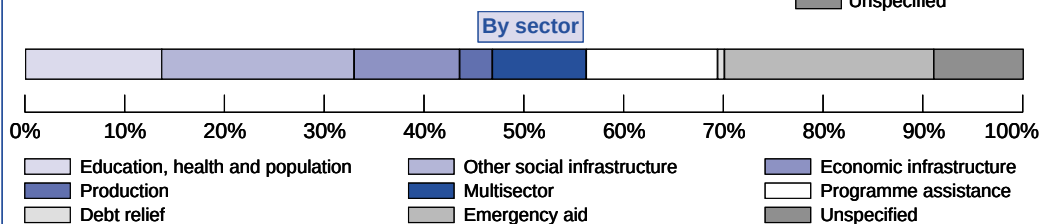
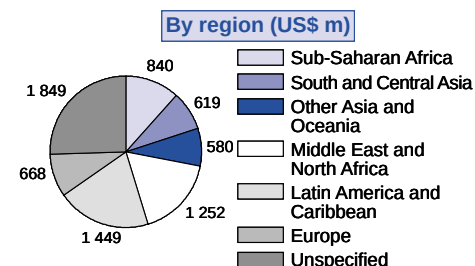
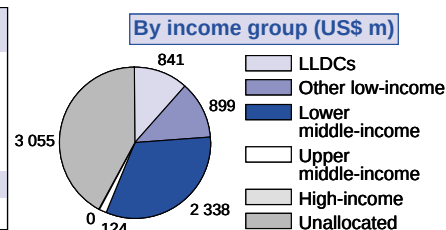
USAID's increasing micro-enterprise programme is directed at giving the poor access to capital. Over ten million micro-entrepreneurs world-wide were assisted in 1999 with small loans and financial services. Technical assistance for trade capacity building is another expanding programme.

UNITED STATES

Net ODA	1998	1999	Change 1998/99
Current (US\$ m)	8 786	9 145	4.1%
Constant (1998 US\$ m)	8 786	9 010	2.6%
ODA/GNP	0.10%	0.10%	
Bilateral share	68%	75%	
Net Official Aid (OA)			
Current (US\$ m)	2 726	3 521	29.2%

Top ten recipients	(US\$ m)
1 Israel (OA)	1 100
2 Russia (OA)	905
3 Egypt	845
4 Ukraine (OA)	229
5 Bosnia and Herzegovina	218
6 Jordan	155
7 Peru	146
8 India	140
9 Indonesia	138
10 Colombia	126

Gross bilateral ODA, 1998-99 average, unless otherwise shown



Source: OECD.

5. Notes on non-DAC OECD Members' aid programmes

The following section contains brief notes on the aid activities of some OECD Member countries which are not Members of the DAC.

Czech Republic

Czech ODA disbursements totalled USD 15 million in 1999. Official aid amounted to almost USD 2 million. The government is committed to progressively increasing allocations for development co-operation, while taking account of domestic budgetary constraints.

The Czech Republic has been pursuing its aid programme since 1995 when the government passed guidelines on development assistance. The Czech aid programme is approved annually by the government and is co-ordinated by the Ministry of Foreign Affairs. Development assistance constitutes an integral part of Czech foreign policy. This was reinforced in the conceptual framework for the Republic's foreign policy adopted by the government in February 1999.

The Czech aid programme has four objectives: promoting sustainable economic and social development while taking account of environmental concerns; contributing to the elimination of poverty; strengthening democracy and the rule of law; and promoting respect for human rights.

Czech bilateral ODA amounted to USD 7 million in 1999, with priority areas being Asia (which received 35% of bilateral disbursements) and Europe (11%). In addi-

tion to long-term development assistance, the Czech Republic also dedicates resources to emergency humanitarian relief (approximately USD 1 million) and has been active in the post-conflict reconstruction of the Balkans. More than USD 4 million were disbursed for this purpose in 1999. Official aid was devoted to central and eastern European countries and the States of the former Soviet Union.

Korea

Korea's net ODA disbursements rose by USD 135 million to reach USD 317 million in 1999, the equivalent of 0.08% of GNP. Korean ODA is provided as grants and loans.

Korea's grant aid, both bilateral and multilateral, increased slightly to USD 107 million in 1999. Nearly two-thirds of its bilateral grants were directed to countries in Asia while African countries received a further one-tenth.

Bilateral loan disbursements from the Economic Development Co-operation Fund (EDCF) amounted to USD 92 million in 1999. From the establishment of the EDCF in 1987 until the end of 1999, loan commitments totalled USD 1 357 million for 87 projects in 34 countries. Asia received 64% of loan commitments while Central and Eastern Europe and Central and South America received 23% and 9% respectively.

Korea defines the objectives for its ODA programme as follows: assist sustainable development by supporting human resources development; increase humanitarian aid to the least-developed countries; promote universal values such as democracy, the market economy and human rights; and participate actively in

the settlement of global issues in such areas as the environment, poverty reduction and public health. A fifth objective was set for Korean ODA in 2000 – provide swift emergency relief to countries suffering from natural disasters.

Poland

In 1999, Polish ODA rose by USD 2 million to USD 20 million, while official aid amounted to USD 17 million, an increase of USD 7 million. Poland's assistance is provided almost entirely in the form of grants and nearly four-fifths is channelled bilaterally.

Development co-operation is becoming an integral part of Poland's foreign policy. The general aim of Poland's development co-operation is to support economic and social development and enhance human rights. Active participation in resolving global development issues is seen as a moral as well as a political obligation towards countries which face fundamental economic and social problems, are victims of conflicts or – like Poland – are in the process of structural transformation.

Poland's bilateral co-operation focuses on education, post-conflict rebuilding, human rights and emergency assistance. Special attention is paid to enhancing human and institutional capacity of local governments and to strengthening civil society in recipient countries. Bilateral aid is concentrated on the Balkan States, other countries in transition in Eastern Europe and selected nations in Asia and Africa. When selecting priority regions and countries, Poland examines the adequacy of its own expertise in economic restructuring and political transformation in relation to the partner's development challenges.

Multilateral assistance is mostly channelled through the United Nations system and in many cases is earmarked for activities in peace prevention, human rights and emergency relief.

The organisational arrangements for managing Poland's aid programme are being restructured with the aim of establishing separate policy planning and implementing units. The Polish government has also launched a pilot programme of co-operation with NGOs implementing development projects abroad.

Turkey

Turkey's total ODA rose from USD 77 million in 1997 to USD 102 million in 1998. Disbursements of official aid in 1998 were USD 7 million.

Turkey's development assistance aims to help its main partner countries reach their development goals while improving its own economic, commercial and cultural relations with those countries. Turkish aid is concentrated in countries in its region and central Asia. Its main partner countries for ODA in 1998 were Uzbekistan, Azerbaijan, Kyrgyz Republic, Turkmenistan and Kazakhstan. Other priority countries were Bosnia and Herzegovina, Albania and Georgia.

The Turkish International Co-operation Agency (TICA) co-ordinates Turkey's aid activities. Bilateral assistance is provided in the form of grants and consists mainly of technical co-operation, developmental food aid and emergency assistance. Under the eighth five-year development plan, greater participation by the private sector and voluntary institutions is foreseen in Turkey's development co-operation activities.

Part III

IMPLEMENTING THE STRATEGY

A new analysis by the DAC Secretariat has thrown light on recent aid flows to the health sector. It shows that aid to health is much less than what is needed to achieve the international development goals for health. Given the importance of health as a key dimension of poverty and the impact of health on other dimensions of poverty, it is clear that substantially more aid is needed for health, particularly for primary health care and for global programmes.

1. The growing importance of health in development strategies

Improving health has long been recognised as an important objective of development. As the development community is reaching a consensus that poverty goes far beyond low incomes, poverty-related aspects of health are receiving increased attention. Thus, three of the seven international development goals – all focused on sustainable poverty reduction – relate to health: reducing infant and child mortality by two thirds; reducing maternal mortality by three quarters; and universal coverage of reproductive health services, all by 2015. The Okinawa Summit of the G8 in July 2000 also called for a broad partnership with the World Health Organisation (WHO) and others in support of additional disease-specific objectives: reducing the number of HIV/AIDS-infected young people by 25% by 2010; reducing tuberculosis (TB) deaths and prevalence by 50% by 2010; and reducing the burden of malaria-related diseases by 50% by 2010.

More attention is also being given to the relationship between health and

other manifestations of poverty, including lack of education and low incomes. It has long been widely accepted that healthy children are more likely to attend school and learn better when they are there. While there has also been evidence that healthy workers are more productive, there had not been sufficient convincing evidence that better health makes economies grow faster. In an important recent development, however, economists studying the causes of growth are focusing increasingly on health (including reproductive health). Dr. Gro Bruntland, Director-General of the WHO, has appointed a Commission, in which the OECD is playing an active role, to evaluate this evidence and its implications for development strategies. In addition, the OECD and the WHO have set in place an arrangement for co-operation on health data expenditure (see Box V-1).

Work by Professor Jeffrey Sachs, Chair of the WHO Commission, and others, shows two striking positive effects of health on income growth. First, the importance of the “demographic gift”. This comes about as population growth declines, thus reducing the share of the population below working age. With more of the population working, growth

Box V-1.

Co-operation on health between the OECD and the WHO**Framework for co-operation between the OECD and WHO**

Both the OECD and the WHO conduct research and analytical projects on health-care policy questions. The two organisations now consult each other more closely on their respective research programmes in the field of health policy. In particular, Member countries of the WHO and the OECD co-operate closely on the collection of health statistics. In this context, the OECD will continue to collect health expenditure data from its Member countries, and supply these data to the WHO on an annual basis as they become available. The WHO also keep the OECD informed about studies to estimate the global burden of diseases by country, whether expressed through disability-adjusted life years lost or through other summary measures.

In particular, during the period 1999-2001, the two organisations will seek to collaborate in the following areas:

- The development of implementation guidelines for health accounts in low and middle-income countries, bearing in mind the need to preserve consistency with the OECD Manual of Health Accounts. The WHO will make proposals for extending the accounts manual to address the needs of low and middle-income countries, with the eventual goal of a joint manual to be issued by the two organisations and other interested international organisations.
- Future development of measures of morbidity and summary measures of health status.
- A pilot study to assess the feasibility and nature of extending the scope and collection of internationally comparable data on health-related R&D.

The WHO continues to be the source of data on maternal mortality used to measure progress against the international development goals.

The OECD continues to supply the WHO, on an annual basis, data on aid flows in support of health care from bilateral and multilateral donors. The two organisations work together to improve the quality of these data, and in particular, to eliminate double counting of bilateral aid channelled through the WHO and other UN agencies, funds and programmes.

The Commission on Macroeconomics and Health

The Commission on Macroeconomics and Health was launched by Dr. Gro Harlem Brundtland, WHO Director-General, in January 2000. It is chaired by Professor Jeffrey Sachs of Harvard. Dr. Thorvald Moe, Deputy Secretary-General of the OECD, is one of the Commissioners. The Commission focuses on the effect of better health on growth and poverty reduction in developing countries and on implications for the health programmes, including for aid and other forms of international co-operation. The final report of the Commission is for submission to the World Health Assembly of 2002. The Commission has six working groups, covering the following areas: the impact of health investments on poverty reduction and growth; international public goods (e.g. vaccine research) for health; mobilisation of domestic financing for health; health and international trade (e.g. international patents or health as a rationale for trade protection); most cost-effective ways to improve the health of the poor; and aid and health. The Development Co-operation Directorate of the OECD participates in the working group on aid and health. This group, which includes multilateral and bilateral donors, as well as other public health experts, is looking at needs for aid financing and best practice in aid to health, including assistance to closely related sectors.

The OECD hosted a meeting of the Commission on 9-10 November 2000. On that occasion Dr. Brundtland also addressed DAC Members, as a part of the series of informal meetings between the DAC and Heads of UN agencies. The discussion included how the WHO could assist proposed work by the DAC's Informal Network on Poverty Reduction in support of the health-related international development goals.

increases. The demographic gift in turn calls attention to the factors that cause population growth to decline. These include girls' education and access to reproductive health care.

Evidence is also building on how poor health holds down *per capita* income growth. Historically, tropical countries have had much lower average growth rates than those in temperate climates. A key reason is death and debilitation from tropical diseases – *i.e.* those, like malaria and cholera, that cannot propagate themselves as effectively in climates with cold winters. There is now a well-demonstrated capacity to fight these diseases, as well as tuberculosis and other diseases of poverty that also strike temperate climates. That capacity needs to be extended to other poor countries and regions.

Poor countries are also facing new challenges, including two global pandemics – HIV/AIDS and tobacco addiction. There were an estimated 34 million adults and children living with HIV/AIDS in the world as of December 1999. Of these, about 32 million were in developing countries, of which over 24 million in sub-Saharan Africa. 2.8 million people died world-wide of AIDS of whom 2.2 million were in sub-Saharan Africa. The number of deaths continues to rise rapidly. Twelve million children in Africa have been orphaned by AIDS, and this figure is likely to grow to 42 million by 2010. Life expectancy is declining in many sub-Saharan nations. In several it has gone down by more than ten years. In Botswana and Zimbabwe, the estimated decline in life expectancy is 17 years. With such striking death rates, HIV/AIDS is also having a devastating effect on the

economic and social fabric of heavily affected countries.

Tobacco is often thought of as a health problem primarily of rich countries, and an issue more of individual choice than of public health. In fact, 70% of the world's roughly one billion smokers – and so of tobacco-related deaths – are now in developing countries, primarily in East and South Asia. Over 2 million people per year in developing countries die from tobacco-related diseases. This figure is estimated to grow to about 7 million per year over the next three decades. Tobacco is not a matter of free consumer choice but a serious addiction. Most smokers become addicted by the age of 20, partly because of massive advertising and promotion campaigns that have been aimed at this age group. Tobacco is the only consumer product that kills half its confirmed users. The WHO is assisting member nations in preparing a Tobacco Control Framework Convention that would call for such proven measures as raising tobacco taxes and banning advertising and promotion, as well as expanded public education.

Eliminating these health scourges, traditional and emerging, would have a positive impact on growth as well. It can have an even bigger impact on poverty reduction. The poor have much higher disease and mortality rates. This applies particularly to infant and child mortality. Lack of access to reproductive health services is also concentrated among poor women, who partly as a result have more children among whom meagre family earnings must be spread. Also, the health of breadwinners to work long hours is often the major asset that stands between poor families and destitution. However, not all programmes aimed at achieving the

international development goals in health are equal in terms of their impact on poverty reduction. Programmes with maximum impact are focused specifically on the poorest, most deprived groups and take account of lessons of experience.

2. Development co-operation for health

Total aid commitments from DAC Members for health, including that coming through multilateral development banks, has averaged about \$3.3 billion per year for 1996-1998, reflecting a real growth of about 3% per year since 1990-1992. Total aid during this period was declining substantially, so that the share of aid for health rose from 4% to 7% over those six years. About a third of that 7% was for population and for reproductive health and another third for basic health.

The recent increases, albeit from a low base, have reflected the increasing importance given to health as a key dimension of poverty. However, aid to health still remains low, given its contribution to increasing growth and to reducing other manifestations of poverty. Based on estimates prepared for the UN 20/20 Initiative (see Annex V-1 for details), present commitments in the area of basic and reproductive health represent only a small share of estimated aid needs. For example, annual public expenditures for health in least developed countries are about USD 6.6 per person, with aid to health at only USD 2 per person.

Donors are using innovative approaches to increase the effectiveness of their development assistance in health. There are joint efforts by several donors to

assist, sector-wide, Tanzania's health programme. There are also innovative initiatives underway, led by the WHO, to fight major diseases world-wide, including against tuberculosis, polio (eradication), as well as tobacco addiction. And UN AIDS is leading a world-wide effort against HIV/AIDS. These programmes involve a wide range of public, NGO and private partners. They complement country-specific approaches with global initiatives, such as innovative programmes to finance research and low-cost distribution for the vaccines and drugs most needed in developing countries.

It is clear that substantially more aid is needed for health, particularly for primary health care and for global programmes. Evaluation of health projects, as well as broader work on aid effectiveness, provide valuable lessons for addressing the problems that have often impeded the effectiveness of aid to the health sector. The "Scoping Study" for the DAC Poverty Reduction Guidelines showed how excessively numerous and often conflicting donor projects fragment and sap limited partner government resources. Sectoral programmes and projects have different strengths and weaknesses, and the mix between them, for health and other sectors, will depend on country needs. Both need to fit within the policy framework set by partner governments in order to avoid duplication and incoherence of assistance. And donor programmes should be planned and implemented in a manner that enhances partner country ownership in order to increase chances of success and sustainability. Successful health programmes tend to provide good quality health services, establish affordable and equitable payment systems, train health staff to respect the dignity of the poor, and address problems of gender, ethnic or

other discrimination. Such programmes seek to fully involve the poor, through community and non-governmental organisations at all stages, from determining the priorities of the programme to its implementation. Considerable success has also been achieved through partnership with civil society and the private sector (as in the case of polio eradication).

The Five Year Review of the World Summit on Social Development (Copenhagen +5) endorsed an approach that also goes beyond health programmes *per se* to include the impact of policies and programmes in other sectors that affect health – for example in employment and environmental policies. This is, in effect, the application of policy coherence to health objectives.

3. ODA flows to health: A statistical overview

A new analysis of the statistics provided by DAC Members on the purposes of their aid has thrown light on recent aid flows to the health (including reproductive health) sector. This overview quantifies these flows, examines their share in total ODA, and looks at the geographical (recipient) breakdown. Box V-2 briefly describes the statistical reporting systems of the DAC from which all data have been derived.

The DAC statistical definition of aid to health

In their statistical reporting, DAC Members are requested to assign to each aid activity a sector of destination, and within that sector a detailed purpose code, which identifies “the specific area of the recipient’s economic or social

structure which the transfer is intended to foster”. Table V-1 lists the purpose codes defining “aid to health”. Strictly speaking, this definition applies to aid activities since 1996 as the DAC approved a revised sector classification system that year. As the majority of revisions were “clarifications” rather than “changes”, the data prior to and after the revision remain comparable. Detailed analyses based on the Creditor Reporting System (CRS) are hardly affected at all. Analyses based on DAC aggregate data need to take into account the specification of reproductive health as a separate sector, unless aid to health is examined in the wide sense (health including reproductive health).

The comparability of data between DAC Members (*i.e.* the consistency of each Member’s reporting with the definition) is assessed to be good. Moreover, the DAC sector classification is being increasingly used in Members’ internal reporting systems. For those multilaterals reporting sectoral data at the level of individual projects, the definition of “aid to health” is applied in the same way as for bilaterals.

But the sectoral statistics have their limitations. In DAC reporting (as well as in most Members’ internal reporting systems), each activity can be assigned only one sector/purpose code. This is so that an overview of total aid by sector can be produced as the total adds up to 100% of all aid. For activities cutting across several sectors, either a multisector code or the code corresponding to the largest component of the activity is used. Consequently, DAC statistics on aid to health only relate to activities which have health as their main purpose but they fail to capture aid to health delivered within multisector (*e.g.* basic social services) programmes. In other

Box V-2.

Aid to health as measured in the DAC reporting systems

The DAC collects data on aid flows through two reporting systems: the annual aggregate DAC statistics and the activity-specific Creditor Reporting System (CRS). The two systems are based on the same concepts and definitions, and have been designed to supplement and reinforce each other.

Any sectoral analysis should ideally draw on both data sets. The DAC statistics provide an overall picture of the sectoral distribution of aid and of the relative importance of each sector in the total. The CRS shows what lies behind the aggregate figures, allowing assessment of the quality of the data, in particular their consistency with definitions and comparability between Members. Furthermore, the CRS adds a geographical dimension to sectoral analysis but, for that analysis to be pertinent, the completeness of the data has to be assessed in relation to total ODA reported in the DAC.

In annual DAC statistics, data on aid to health are available from 1971 onwards. Detailed analysis on the basis of CRS data is possible for the 1990s only. The coverage of the CRS database in the health sector is estimated to be around 75-80% in this period, whereas data for the earlier years excludes a large proportion of aid to health extended in the form of technical co-operation. The 20% data gap in the 1990s relates to technical co-operation activities by France, Germany and Japan.

The DAC seeks to collect data on aid activities by multilateral organisations on the same basis as it does for bilateral donors. At present, sufficient data are received from the World Bank group, the regional development banks and IFAD, which together account for approximately 40% of multilateral ODA. Sectoral data for the European Commission and the United Nations, each of which represents some 30% of multilateral ODA, are largely incomplete. The European Commission reports sectoral data on the activities of the European Development Fund (EDF), but not yet on those financed through the Commission budget. As regards the UN, sectoral data have been received only from UNICEF but these do not allow for analyses by recipient. Multi-bilateral aid is classified in DAC statistics as bilateral.*

At the total level, the data gap for the UN can be estimated to represent roughly 10% of total ODA to health. EDF funding in the health sector has been of the order of USD 80 million a year (5% of total EDF). They do not therefore greatly affect trend analysis but imply, of course, underestimation of aid to health extended to individual recipient countries.

* A contribution is defined as multilateral if: a) it is extended to a multilateral recipient institution; or b) it is a fund managed autonomously by a multilateral agency, *and* in either case, the agency pools amounts received so that they lose their identity and become an integral part of its financial assets. Consequently, donors' contributions to the regular budgets of the UN organisations and specialised agencies (called "core funding") are classified as multilateral. Financing of specific projects executed by them ("non-core funding", also called "extra-budgetary funding") is classified as bilateral if the recipient country is specified (e.g. "UNICEF child health programme in Cambodia").

words, while providing a consistent base of statistics on aid to health that permits monitoring trends and assessing orders

of magnitude, the DAC systems may underestimate the amounts effectively made available. It should also be noted

Table V-1.

DAC statistical definition of “aid to health”

DAC sector	CRS code	Description	Clarifications/Additional notes on coverage
120 HEALTH			
121 Health, general	12110	Health policy and administrative management	Health sector policy, planning and programmes; aid to health ministries, public health administration; institution capacity building and advice; medical insurance programmes; unspecified health activities.
	12181	Medical education/training	Medical education and training for tertiary level services.
	12182	Medical research	General medical research (excluding basic health research).
	12191	Medical services	Laboratories, specialised clinics and hospitals (including equipment and supplies); ambulances; dental services; mental health care; medical rehabilitation; control of non-infectious diseases; drug and substance abuse control [excluding narcotics traffic control (16361)].
122 Basic health	12220	Basic health care	Basic and primary health care programmes; paramedical and nursing care programmes; supply of drugs, medicines and vaccines related to basic health care.
	12230	Basic health infrastructure	District-level hospitals, clinics and dispensaries and related medical equipment [excluding specialised hospitals and clinics (12191)].
	12240	Basic nutrition	Direct feeding programmes (maternal feeding, breastfeeding and weaning foods, child feeding, school feeding); determination of micro-nutrient deficiencies; provision of vitamin A, iodine, iron etc.; monitoring of nutritional status; nutrition and food hygiene education; household food security.
	12250	Infectious disease control	Immunisation; prevention and control of malaria, tuberculosis, diarrhoeal diseases, vector-borne diseases (e.g. river blindness and guinea worm), etc.
	12281	Health education	Information, education and training of the population for improving health knowledge and practices; public health and awareness campaigns.
	12282	Health personnel development	Training of health staff for basic health care services.
130 POPULATION POLICIES/PROGRAMMES AND REPRODUCTIVE HEALTH			
	13010	Population policy and administrative management	Population/development policies; census work, vital registration; migration data; demographic research/analysis; reproductive health research; unspecified population activities.
	13020	Reproductive health care	Promotion of reproductive health; prenatal and postnatal care including delivery; prevention and treatment of infertility; prevention and management of consequences of abortion; safe motherhood activities.
	13030	Family planning	Family planning services including counselling; information, education and communication (IEC) activities; delivery of contraceptives; capacity building and training.
	13040	STD control including HIV/AIDS	All activities related to sexually-transmitted diseases and HIV/AIDS control e.g. information, education and communication; testing; prevention; treatment, care.
	13081	Personnel development for population/reproductive health	Education and training of health staff for population and reproductive health care services.

* The definition covers, although does not specifically mention, technical assistance in health sub-sectors. This follows from the principles of sector coding which identify the sectors assisted rather than the method of delivery.

that the definition of aid to health excludes aid to other sectors which may have a direct or indirect effect on health status, *e.g.* water and sanitation or education. Medical assistance in natural disasters and other emergency situations is also excluded.

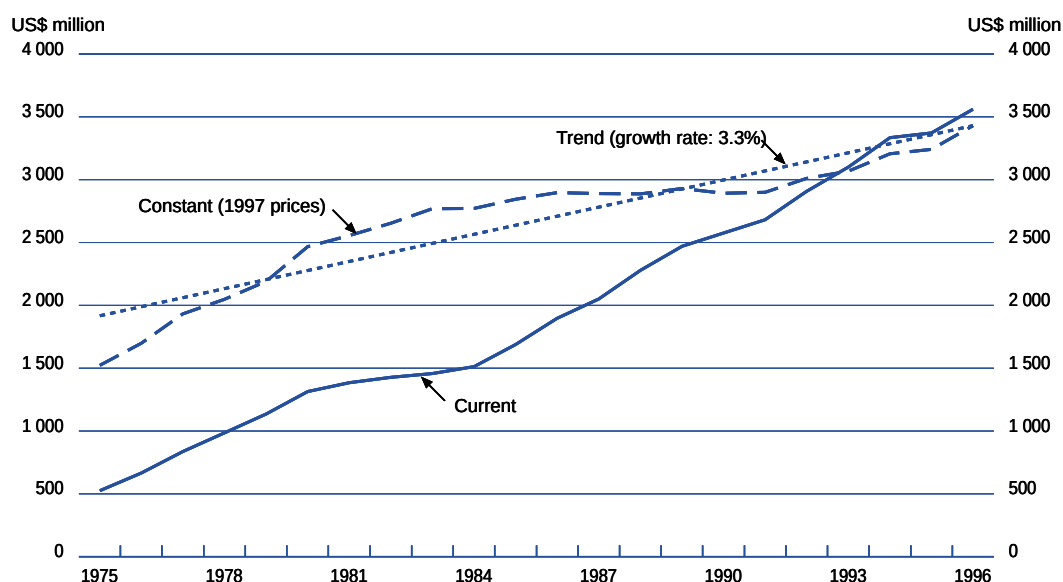
Recent trends¹

Chart V-1, which illustrates the evolution in aid to health since 1975, shows constant growth as aid to health increases from a few hundred million USD a year to 3.5 billion a year. Data converted to constant dollars show that there was real

growth over the whole period with an average annual growth of 3%. It is noteworthy that aid to health has continued to grow since 1992, despite a marked fall in total ODA from that time. (See evolution of ODA/GNP ratio in Chart V-2.) DAC countries' commitments of bilateral aid to health in 1990-98 amounted to a total of USD 16 billion (current), and ODA lending to health by the multilateral development banks to USD 7 billion.

Table V-2 presents data on aid to health for individual donors. The share of bilateral and multilateral ODA to health has remained relatively stable in the

Chart V-1. Aid to health, 1973-98: 5-year moving average



Source: CRS and DAC statistics.

1. If not otherwise stated, statistics shown relate to bilateral and multilateral ODA to health (excluding the UN and the EC budget). Since sectoral data are collected on commitments rather than disbursements, moving averages are used as the basis for analysis. Averages even out the "lumpiness" of commitments and thereby allow better identification of the underlying trends. In particular, the cyclical nature of World Bank lending calls for the use of average rather than annual data.

Table V-2.

Aid to health 1990-98: Annual average commitment and share in total aid

	USD million			% of Donor Total			% All Donors		
	1990-92	1993-95	1996-98	1990-92	1993-95	1996-98	1990-92	1993-95	1996-98
Australia	14	43	76	3	8	7	1	2	2
Austria	9	14	23	3	9	6	0	1	1
Belgium	1	31	56	1	11	11	0	1	2
Canada	31	57	36	3	5	3	2	2	1
Denmark	69	71	90	15	10	10	4	3	3
Finland	32	14	13	6	7	7	2	1	0
France	71	65	100	3	3	4	4	2	3
Germany	37	114	163	1	3	5	2	4	5
Italy	94	31	26	5	3	4	5	1	1
Japan	107	198	242	1	2	2	5	7	7
Netherlands	61	97	140	5	6	7	3	4	4
New Zealand	..	1	..	..	2	..	..	0	..
Norway	32	38	42	7	5	6	2	1	1
Portugal	0	0	0	0	0	0	0	0	0
Spain	26	59	117	3	17	16	1	2	4
Sweden	154	92	83	7	9	8	8	3	3
Switzerland	31	19	30	5	3	6	2	1	1
United Kingdom	134	98	214	9	10	10	7	4	6
United States	383	800	733	5	16	17	20	30	22
Total DAC	1 286	1 841	2 185	4	6	6	66	69	66
AfDF	71	57	59	9	14	8	4	2	2
AsDF	33	42	45	3	5	3	2	2	1
EC (EDF)	61	105	83	4	5	5	3	4	3
IDA	485	616	893	8	10	14	25	23	27
IDB Sp.Fund	21	6	42	4	2	8	1	0	1
Total Multilateral	671	826	1 122	6	8	10	34	31	34
Total	1 957	2 667	3 307	4	6	7	100	100	100

Source : CRS Statistics

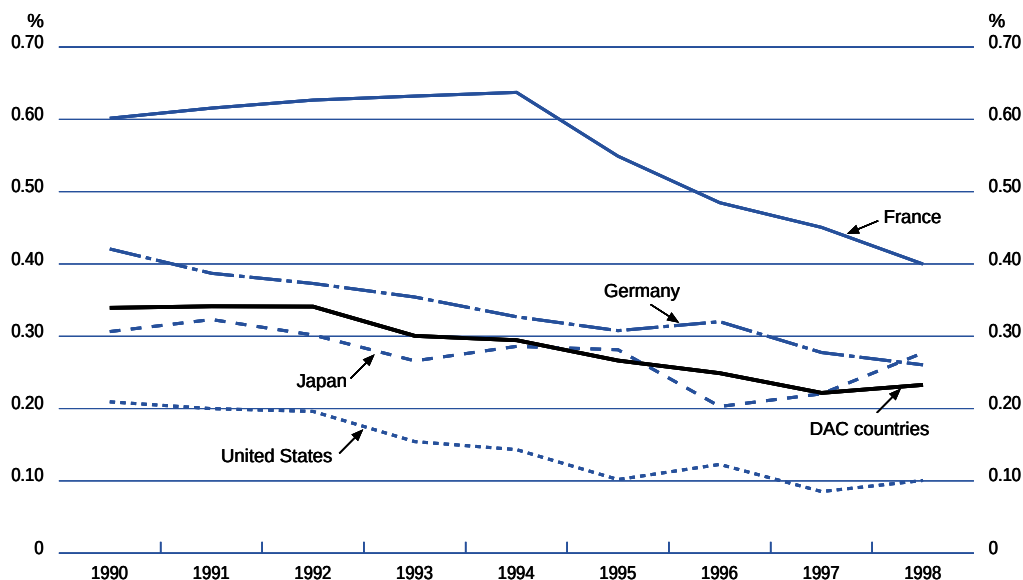
Notes:

Ireland and **Luxembourg** do not report to the CRS and are therefore excluded from the analysis in this chapter. According to DAC statistics, 14% of Ireland's total bilateral ODA (on the average USD 11 million a year) was extended to health in 1996-98. The corresponding figure for Luxembourg was 23% (USD 15 million a year). **Greece** is not included as it only became a Member of the DAC in 1999.

Data for **France**, **Germany**, **Japan** and **Portugal** partially exclude their technical co-operation activities and therefore underestimate their aid to health in value terms. However, this has very little effect on the share calculations. For France, aid to health including technical co-operation represented 4% of its total bilateral ODA in 1990-92, 3% in 1993-95 and 4% in 1996-98. The corresponding figures for Germany were 2%, 4% and 4%, for Japan 2%, 2% and 3% and for Portugal 1%, 2% and 6%.

Data for the **United States** cover the USAID programme only and slightly overestimate the share of aid to health in its total bilateral ODA. From 1995 onwards, sector coding is based on strategic objectives rather than individual aid activities.

Chart V-2. ODA/GNP ratio, 1990-98



Source: DAC statistics.

1990s (two thirds and one third respectively). The United States is the largest bilateral donor in the sector in value terms over the whole period. Donors that have extended 10% or more of their bilateral ODA to the health sector in recent years are Belgium, Denmark, Spain, the United Kingdom and the United States. The share of aid to health in DAC countries' total bilateral ODA is increasing, from 4% at the beginning of the 1990s to 6% in 1998. Multilateral contributions have increased as well, in particular those of the World Bank. In 1996-98, 14% of IDA lending was for health, in comparison to 8% in 1990-1992. All in all, approximately 7% of DAC countries' total bilateral ODA and of multilateral banks' ODA lending has been directed to health during the most recent years. Chart V-3 illustrates the evolution of this share in time and in comparison with that of some other sectors.

Chart V-4 shows the sub-sectoral breakdown of ODA to health. The inner circle represents the breakdown for DAC countries' bilateral aid: approximately one third of contributions are in support of basic health, slightly over one third in support of reproductive health-care/population activities, with the remainder covering general health programmes and medical (non-basic) health services. The outer circle is for total aid, including lending by the multilateral development banks. Multilateral aid to health (not plotted separately) consists first and foremost of general health sector programmes (40% of total multilateral aid to health), but reproductive health care and infectious disease control are also important (16% and 10% respectively).

The sub-sectoral breakdown has remained relatively stable over time,

Chart V-3. Aid to health as a share of total ODA, 1973-98: 5-year moving average

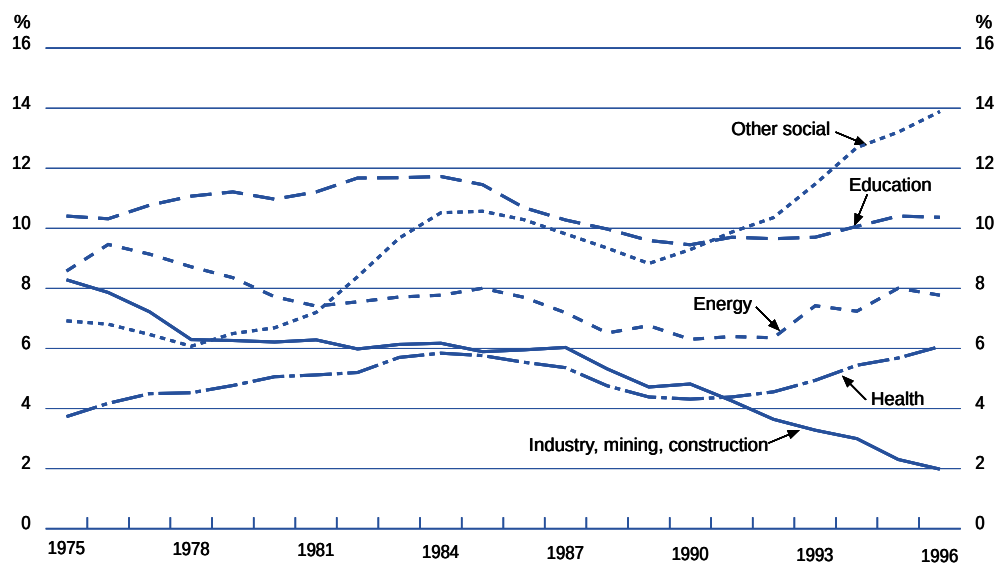
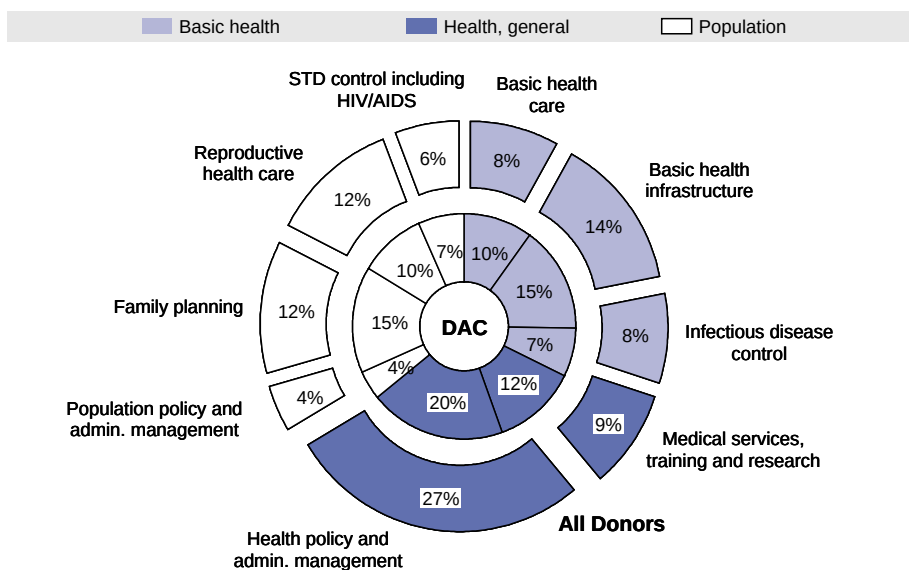
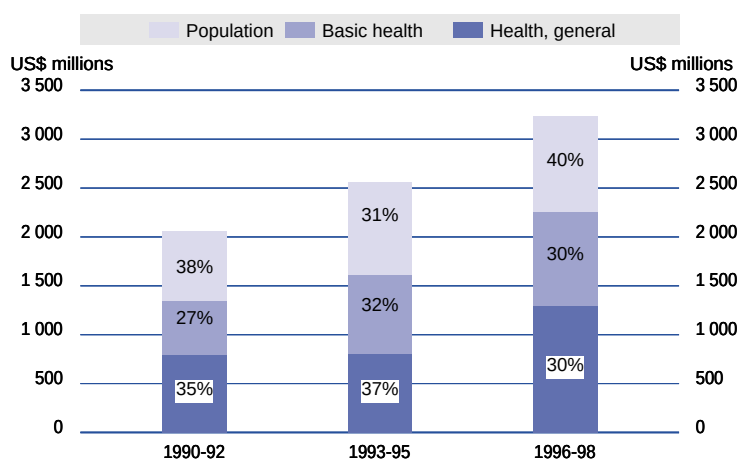


Chart V-4. Sub-sectoral breakdown of aid to health, 1990-98
(Inner: bilateral; outer: total ODA)



Source: CRS statistics.

Chart V-5. Aid to health, 1990-98
Constant (1997) prices



Source: CRS statistics.

although some changes have occurred within the sub-sectors. For example, funds for control of sexually-transmitted diseases including HIV/AIDS increased in 1994-95 amounting to close to 10% of (bilateral and multilateral) aid to health, but dropped to 5% in 1996-98. Aid to basic health care and basic health infrastructure peaked in 1995-96, covering a quarter of total aid to health, but dropped to 13% in 1997-98. Chart V-5 presents the evolution in the sub-sectoral breakdown of aid to health by all donors, measured in constant dollars.

Health education, health personnel development, medical education/training and medical research represent less than 3% of total aid to health. While this appears as a small figure, it can understate the number of activities donors undertake. First, education, training and research programmes are generally of small size in comparison to other

projects in the sector. Secondly, education and training components are likely to be incorporated in numerous health programmes but their share of the total cannot be separately identified. Finally, a partial explanation is also the fact that data are missing on a few donors' technical co-operation activities.

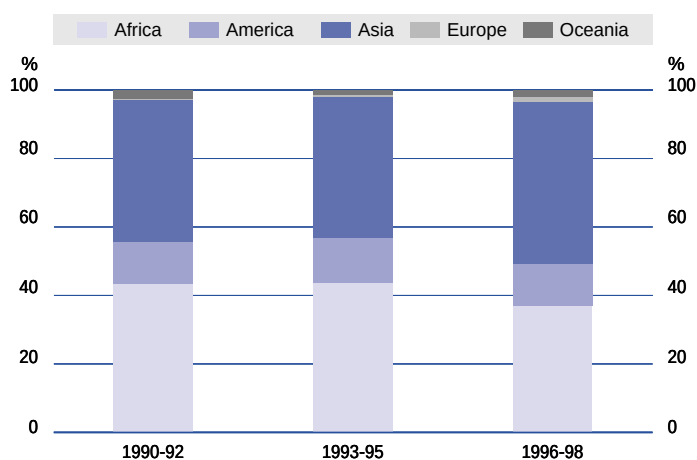
Chart V-6 and Table V-3 illustrate trends in the geographical distribution of aid to health. Asia is the largest recipient region, which is also the case for aid in general (all sectors combined). In 1996-1998, it received one half of aid to health (roughly in line with Asia's share of total ODA commitments). The largest health programmes have been undertaken in India, China and Bangladesh. All three countries have received large ODA loans from IDA. India and Bangladesh have also received sizeable bilateral grants in support of the health sector. These originate from a variety of donors, the largest being Germany, Sweden, the

Table V-3.

Main recipients of aid to health, 1990-98

Top Ten by Absolute Value Annual average USD million						Top Ten in % of Total Receipts	
	1990-92		1993-95		1996-98		1996-98
India	305	India	268	India	623	Nigeria	41
Bangladesh	178	China	110	Bangladesh	179	Congo Dem.Rep.	32
Tanzania	67	Pakistan	92	Viet Nam	108	Dominican Republic	31
Uganda	66	Uganda	85	China	101	Gambia	30
Mozambique	59	Mozambique	80	Ethiopia	82	Equatorial Guinea	23
Kenya	58	Philippines	79	Egypt	80	Panama	23
China	51	Bangladesh	73	Tanzania	69	Fiji	20
Nigeria	51	Zambia	71	Indonesia	69	Chile	19
Pakistan	46	Egypt	67	Uganda	63	India	19
Indonesia	46	Indonesia	66	Kenya	62	Colombia	18

Chart V-6. Aid to health by region, 1990-98



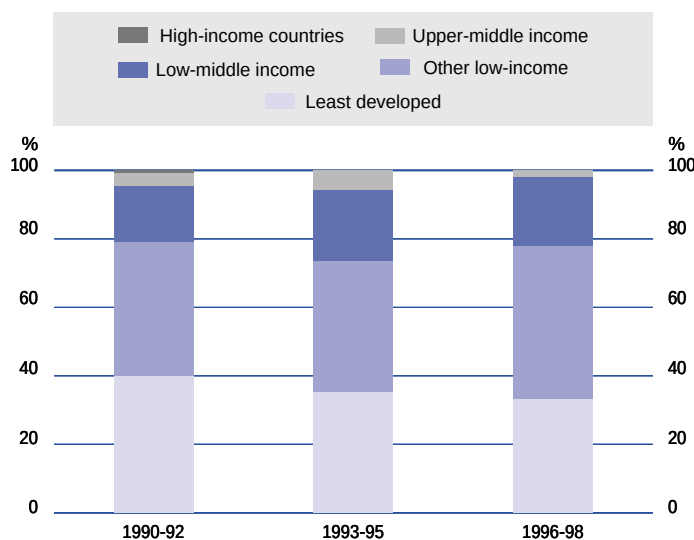
Source: CRS statistics.

United Kingdom and the United States. Aid to health in Africa decreased in the 1990s, but it still receives by far the largest amounts of aid to health *per capita* (four times more than Asia), as is also the case for total aid. Uganda is the only African country that has remained among

the top ten recipients of aid to health throughout the 1990s.

The statistics by recipient can be analysed from another angle. The right-hand side of Table V-3 lists the ten countries where aid is focused on the health sector,

Chart V-7. Aid to health by income group, 1990-98



Source: CRS statistics.

i.e. where the share of aid to health in the country's total receipts is the largest. Yet another approach is to aggregate data on aid to health by income group as shown in Chart V-7. Aid to health in least developed countries decreased in the 1990s, but they still receive three times more aid to health *per capita* than the other income groups on average. Further details on the geographical breakdown of aid to health are given in Table V-4.

Finally, Table V-5 presents some data on Other Official Flows (OOF)² to health. Bilateral donors extend very few OOF loans to the sector. IBRD lending to health is USD 400-600 million a year and has increased during the most recent

years. Over the period 1990-98, OOF loans for all donors totalled close to USD 8 billion (current). Brazil, Mexico and Indonesia were the main recipient countries. Forty-five per cent of OOF loans to health have been directed to general health sector programmes and 18% to medical research.

Other health-related activities

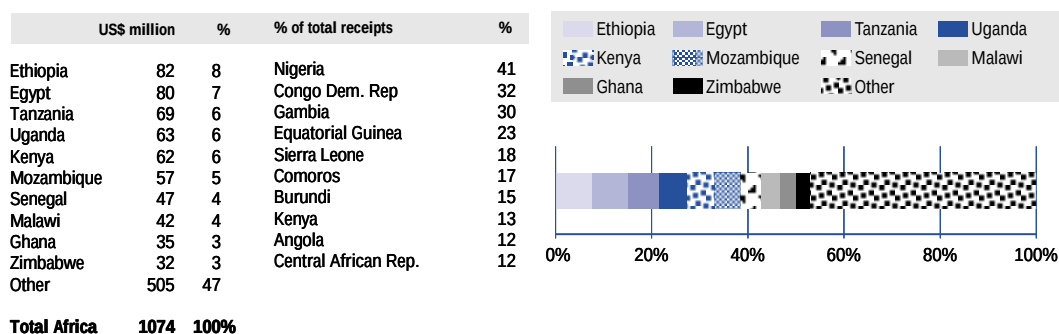
As explained above, data corresponding to the DAC statistical definition of aid to health would not provide a complete picture of these flows. First, the principle of sector coding (one code per activity) means that statistics do not capture aid

2. OOF are transactions by the official sector whose main objective is other than development-motivated, or, if development-motivated, whose grant element is below the 25% threshold which would make them eligible to be recorded as ODA.

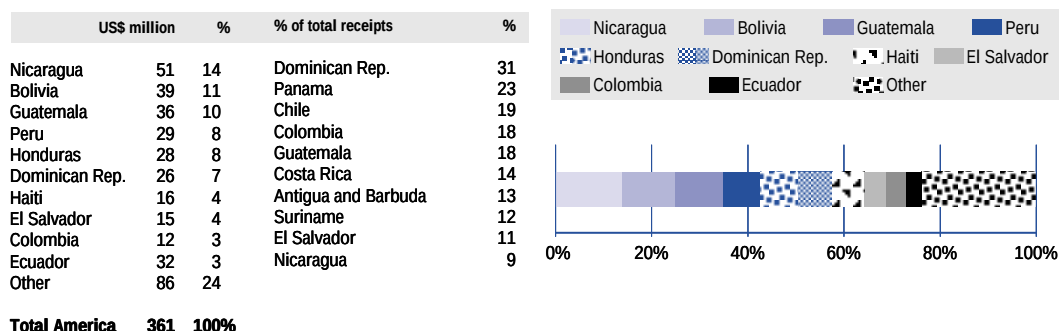
Table V-4. Top ten recipients of aid to health in Africa, Latin America and the Caribbean, and Asia, 1996-98

Annual average, by absolute value and as a percentage of total ODA receipts

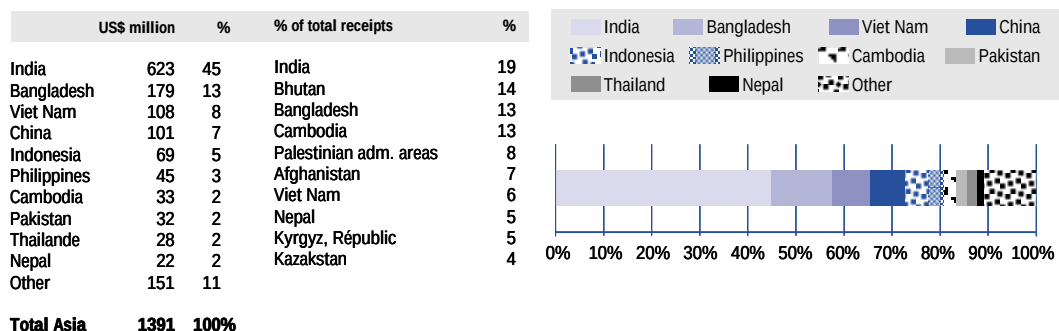
Top ten recipients in Africa, 1996-98



Top ten recipients in Latin America and the Caribbean, 1996-98



Top ten recipients in Asia, 1996-98



Source: CRS statistics.

Table V-5.

Other Official Flows to health 1990-98: Annual average commitments

By donor US\$ million	1990-92	1993-95	1996-98	Main recipients US\$ million	1990-92	1993-95	1996-98
AfDB	3.9	20.3	4.9	Brazil	89.0	53.3	305.0
AsDB	35.0	13.3	59.1	Mexico	60.0	103.3	241.7
Austria	0.0	0.0	14.3	Indonesia	34.7	105.0	95.8
France	4.5	6.9	0.6	Venezuela	33.3	68.0	50.0
IBRD	413.7	404.4	655.7	Morocco	34.7	8.5	44.7
IDB	67.0	146.1	288.1	Argentina	0.0	0.0	72.1
Japan	0.0	0.0	0.0	Malaysia	35.0	33.3	0.0
Netherlands	0.7	0.7	0.0	Chile	62.3	0.0	0.0
United Kingdom	0.0	3.2	0.0	Turkey	0.0	50.0	4.8
Grand Total	524.9	594.9	1 022.7	Nigeria	46.0	0.0	1.0

Source : CRS statistics.

to health extended as part of wider social sector programmes or multisector programmes.³ Secondly, a part of official support to NGO activities may also be excluded, since this is generally not sector coded in as much detail as project and programme aid. Finally, statistics on aid to health also exclude activities in other sectors which may have direct or indirect effects on health status, e.g. girls' education or safe water and sanitation.

4. More aid to health needed

It is difficult to estimate the magnitude of other health-related activities. Multisectoral urban and rural development programmes amounted on average to USD 1.1 billion a year in the 1990s. Activi-

ties reported as other social services have added up to USD 500 million a year. While no estimate can be given on the part directed to the health sector, it seems reasonable to think that, in any case, the amounts do not exceed a few hundred million dollars a year. NGOs are known to be active in the social sectors, but estimates on the sectoral breakdown of their assistance are available only for a few DAC countries. If these were applied to total aid to NGOs from DAC countries, aid to health would increase by several hundred million dollars a year. As regards education and water supply and sanitation, the best proxy for activities directly promoting better health are those reported as "basic social services" (see Annex V-1), as these specifically target the poor groups of populations. In 1997-98, DAC Members' bilateral aid to basic education and poverty-focused water

3. The DAC sectors/purpose likely to include some health activities are: employment policy and administrative management; social welfare services; multisector aid for basic social services; urban development and management and rural development.

supply/sanitation averaged USD 1.1 billion a year.

Thus, a total of USD 5 billion of ODA can be expected to have some measurable impact on health outcomes. Within this figure, aid to the health sector itself totalled USD 3.5 billion, 2 billion of which went to basic health and reproductive health.

While these are rough estimates, they do carry an important message: aid to health is much less than what is needed to achieve the international goals for health. According to the 20/20 Initiative, providing universal access to basic health and reproductive health services requires investments of the order of USD 100 billion a year for ten years. A further USD 100 billion is needed for safe water and sanitation and universal primary education. The 20/20 Initiative suggested that 10% of these costs should be financed by ODA. This means at least USD 10 billion of ODA a year should be spent on basic and reproductive health, and another 10 billion on basic education and water and sanitation. Both amounts represent roughly five times the present spending on these basic services.

In conclusion:

- Aid to health has increased steadily since 1975, with an average annual growth rate of 3% in real terms. Aid to health has continued to grow since 1992, despite a marked fall in total ODA since that time. In 1996-98, it was close to USD 3.5 billion a year.

- Approximately 7% of DAC countries' total bilateral ODA and of multilateral banks' ODA lending has been directed to health during the most recent years.

- Approximately one third of contributions are in support of basic health, slightly over one third in support of reproductive health-care/population activities, the remainder covering general health programmes and medical (non-basic) health services.

However, despite the positive trends in aid to health, the current allocations are far below the estimated funding needs in the sector. Given the importance of health as a key dimension of poverty and the impact of health on other dimensions of poverty, there is a strong case for higher emphasis on health in development co-operation. This applies both to the share of health in total ODA and to work on determining and implementing best practice.

Annex V-1

Measuring aid to basic social services⁴

This annex summarises the latest data available on aid to basic social services (BSS) in the reporting systems of the Development Assistance Committee.⁵

The annex draws on the study “Opportunities and Constraints for Better Donor Reporting on Basic Social Services”, undertaken in 1998 by the OECD with financial support from the Government of the Netherlands, and subsequent recommendations by the DAC Working Party on Statistics⁶. UNICEF, UNDP and Development Initiatives (an NGO based in the United Kingdom which monitors aid activities) collaborated in the study.⁷

The DAC statistical definition of aid to basic social services...

The Oslo Consensus on the 20/20 Initiative defined BSS as comprising basic education, primary health care (including reproductive health and population programmes), nutrition programmes and safe water and sanitation, as well as the institutional capacity for delivering these services. The operational definition established by the DAC Working Party on Statistics identifies aid to BSS through a selection of sector codes. But this “sectoral approach” has its limitations which need to be taken into account when analysing statistical data on aid to BSS.

... implies some underestimation...

The sector code identifies “the specific area of the recipient’s economic or social structure which the transfer is intended to foster”. In DAC reporting, as well as in most donors’ internal reporting systems, each activity can be assigned only one sector code. For activities cutting across several sectors, either a multisector code or the code corresponding to

the largest component of the activity is used. It therefore follows that:

- DAC statistics on aid to BSS only relate to activities which have BSS as their main purpose and fail to capture aid to BSS delivered within wider sector programmes or multisector programmes.
- Aid to BSS through NGOs may also be excluded, since this is not always sector coded in as much detail as project and programme aid.
- On the other hand, some overestimation can occur when projects deal primarily with BSS but also contain components from other areas.

... but can monitor trends and orders of magnitude...

Quantitative targets focus political and public attention on development goals. But there are disadvantages. The fact that statistics are used to assess and compare donors’ performance can lead to an excessive focus on numbers rather than on content and results. In practice, data collection at the international level requires pragmatism. Taking account of the broad estimations required to fix the target of 20%, trends and orders of magnitude are more important than precise shares.

... and estimate the share of aid to BSS in total ODA...

The 20% target is expressed as a percentage of total ODA. This makes for a simple objective, but there are hidden complications. Bilateral ODA includes a number of items which are not programmed in advance, such as emergency aid. Debt reorganisation also varies significantly from one year to another and

4. This annex was provided by the DAC Secretariat for the information of participants at the 5-year review of the June 2000 World Summit for Social Development (WSSD+5), held in Geneva.

5. Annual aggregate DAC Statistics and the Creditor Reporting System (CRS).

6. The Working Party on Statistics (WP-STAT) is a subsidiary body of the DAC. Its mandate includes proposing improvements in the statistical reporting, ensuring the fullest possible comparability of reporting and promoting the wide use of the data in international institutions, developing countries and DAC Member countries.

7. Further information can be obtained from the DAC Secretariat (dac.contact@oecd.org).

is not entirely under the control of the aid administration. As regards multilateral ODA, an individual donor can influence the sectoral focus only indirectly, *e.g.* by directing more of its contributions to agencies that support the 20/20 Initiative or advocating a greater focus on BSS through the governing bodies of other organisations. Another problem is that data on multilateral ODA to BSS, in particular for the European Commission and the UN agencies, are incomplete.

The DAC Working Party on Statistics therefore suggests that aid to BSS should be measured as a share of all the bilateral ODA that can be allocated to sectors. These data are presented in Table V-A1. The share of aid to

BSS in total ODA can be estimated only by adjusting the denominator to allow for incomplete sectoral data on multilateral ODA. The results of the calculations are given in Table V-A2.

... which has still not reached 20%.

In 1997-98, aid to basic social services represented 11% of ODA for all DAC countries combined. This is an underestimation as data are not yet fully available on poverty-focused water supply and sanitation. But in any case, even if all water supply were taken into account, the share would not exceed 15%.

Table V-A1.

DAC Members' bilateral ODA to basic social services, 1997-98, two-year average

US\$ million

	Basic education	Basic health	Population programmes	Water supply & sanitation – small systems	Water supply & sanitation – large systems, poverty marked	TOTAL BSS	TOTAL BSS as a % of total bilateral sector allocable ODA
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Australia	35.1	29.2	9.8	0.9	..	75.1	14%
Austria	1.6	5.7	0.0	6.9	4.1	18.3	8%
Belgium	2.3	25.1	3.7	3.9	..	35.0	12%
Canada (1)	9.2	7.4	16.6	0.5	3.1	36.9	6%
Denmark	10.6	6.6	1.5	13.0	..	31.6	6%
Finland	8.5	1.2	1.1	1.2	..	11.9	7%
France (2)	..	..	..	..	..	..	..
Germany	119.6	109.4	89.3	177.8	..	496.0	14%
Ireland (3)	15.9	12.4	0.0	..	..	28.2	35%
Italy	0.1	9.3	0.4	5.0	..	14.7	7%
Japan (4)	172.3	86.1	7.8	53.8	47.3	367.3	3%
Luxembourg	5.9	9.4	0.0	..	..	15.3	27%
Netherlands	58.3	54.8	25.7	30.1	9.6	178.5	17%
New Zealand	5.6	0.0	0.0	..	..	5.6	9%
Norway	19.1	11.5	10.2	0.0	..	40.8	10%
Portugal	0.6	1.1	0.2	..	..	1.9	5%
Spain	10.5	54.1	3.0	9.5	..	77.2	12%
Sweden	43.1	23.5	30.8	0.3	3.9	101.8	15%
Switzerland	12.1	9.5	1.1	3.8	12.5	39.0	13%
United Kingdom	101.7	79.7	75.2	15.3	5.1	277.1	24%
United States	71.2	94.3	570.3	0.1	..	735.9	20%
TOTAL DAC	703.3	630.4	846.8	322.1	85.7	2 588.2	10%

Source: CRS and DAC statistics.

Notes:

1. **Canada** has stated that, pending the introduction of multiple sector coding in CIDA's project management system, data on aid to BSS derived using the sectoral approach will greatly underestimate its efforts. For its internal purposes, Canada monitors "aid to basic human needs" which represents about 30% of Canada's total ODA. These data cannot be sufficiently disaggregated to estimate aid to BSS.
2. The reporting systems of **France** do not enable distinguishing basic from other social services.
3. **Ireland** has not reported aid to BSS in CRS or DAC but provided separate estimates for this Report.
4. Data for **Japan** exclude technical co-operation. **Greece** is not included as it only became a Member of the DAC in 1999.

Table V-A2.

DAC Members' bilateral and multilateral ODA to basic social services, 1997-98, two-year average

US\$ million

	ODA to Basic Social Services			Total bilateral sector allocable ODA + multilateral commitments	BSS as % of total sector allocable ODA
	Bilateral	Multilateral	TOTAL		
	(1)	(2)	(3)	(4)	(5)
Australia	75.1	12.2	87.3	717	12
Austria	18.3	11.5	29.8	402	7
Belgium	35.0	17.0	52.1	523	10
Canada	36.9	70.0	106.9	1070	10
Denmark	31.6	87.7	119.4	968	12
Finland	11.9	26.2	38.1	287	13
France	..	..	..	..	..
Germany	496.0	144.6	640.6	5577	11
Ireland	28.2	3.8	32.0	128	25
Italy	14.7	42.4	57.1	835	7
Japan	367.3	228.4	595.7	12544	5
Luxembourg	15.3	2.7	18.0	78	23
Netherlands	178.5	118.4	296.9	1591	19
New Zealand	5.6	1.2	6.9	87	8
Norway	40.8	82.1	122.9	655	19
Portugal	1.9	2.4	4.3	62	7
Spain	77.2	9.2	86.5	982	9
Sweden	101.8	67.7	169.5	1 018	17
Switzerland	39.0	26.1	65.1	435	15
United Kingdom	277.1	118.8	395.9	2 224	18
United States	735.9	251.5	987.4	5 415	18
TOTAL DAC	2 588.2	1 324.0	3 912.3	35 598	11

Source : CRS and DAC statistics.

Notes :

Column (1) reproduces the data on bilateral ODA to BSS from Table V-A1. **All notes to Table V-A1 apply equally to this table.**

Column (2) gives the **estimated multilateral ODA to BSS** through the EDF, the multilateral development banks and the UN that can be imputed to individual DAC countries. Data for the EDF and the development banks are based on their reporting on individual aid activities in the CRS. In 1997-98, the EDF reported 4% of its commitments as being for BSS. Consequently, 4% of EU Members' contributions to EDF are included in this column. As the EDF accounts for between 20-40% of total aid by the Commission, a sizeable share of aid to BSS is not captured in DAC statistics. Data for IDA over the same period showed that it directed an average of 13% of its lending to BSS. For the regional development banks, the share varied between 6% and 20%. As regards the UN, the data relate to the UNDP, UNICEF and UNFPA which have all internally estimated their BSS related expenditures (16-17%, 75% and 100% respectively). Other UN agencies are excluded from the table.

Column (3) sums **bilateral and multilateral aid to BSS**.**Column (4)** shows the **denominator, adjusted for bilateral aid** as described in the note to Table V-A1. Column (5) shows the resulting **estimated** shares for each donor.

Definitions:

Basic education comprises primary education, basic life skills for youth and adults, and early childhood education. **Basic health** includes basic health care, basic health infrastructure, basic nutrition, infectious disease control, health education, and health personnel development.

Population policies/programmes and reproductive health covers population policy and administrative management, reproductive health care, family planning, STD control including HIV/AIDS, and personnel development for population and reproductive health.

Aid to water supply and sanitation is defined as part of basic social services *if and only if* it is focused on poverty. This category covers all activities under sector code “water supply and sanitation – small systems” and those under “water supply and sanitation – large systems” which are of direct assistance to poor people. Data for the latter are missing for several Members as the poverty marker was introduced in CRS reporting only at the end of 1997.

Multisector aid for basic social services is identifiable through sector codes from 1999 onwards. The definitions cover, although do not specifically mention, **institutional capacity building, education and training in BSS sub-sectors**. This follows from the principles of sector coding which identify the sectors ultimately assisted rather than the intermediate method of delivery. For example, training of primary school teachers is covered by the sector code “primary education”.

As **only a proportion of aid can be allocated to sectors**, the denominator for measuring sectoral targets should logically comprise only the aid that can be so apportioned. Otherwise there is an implicit assumption that none of the aid unallocable by sector benefits basic social services. The denominator used in Table V-A1 is “bilateral sector allocable ODA”, *i.e.* bilateral ODA *excluding* categories such as general programme aid (structural adjustment, food aid, budget and balance-of-payments support), emergency aid, debt reorganisation and administrative costs of donors.

“While maintaining efforts to integrate women in development, the gender equality objective recognises the vital necessity that women and men, in equal partnership, take the responsibility to define the development agenda, set the vision and goals, and develop strategies.”

Extract from the DAC Statement on Gender Equality (1995)¹

1. Introduction

The most ambitious goal in *Shaping the 21st Century: The Contribution of Development co-operation* is to reduce the proportion of people living in extreme poverty in developing countries by at least one-half by the year 2015. While it was once thought that poverty could be reduced by accelerated economic growth alone, it is now recognised that poverty reduction requires attention to economic, political, social, and legal dimensions. The goals of reducing poverty and realising gender equality are distinct but interrelated. Since gender inequalities intensify poverty, weaken women's and girls' ability to overcome it, and perpetuate poverty from one generation to another, gender must be an essential element in the analysis of poverty and in the design of strategies for its reduction. There is no room for complacency about progress on poverty reduction or on gender equality.

A large body of data and analysis is now available demonstrating the efficacy of integrating gender aspects into policy development and programme implementation. There is a need to strengthen the

understanding of gender equality as a factor in the work of DAC Members to both reduce poverty and to achieve the other development goals. Including a full analysis of social and gender equality factors in development planning is a challenging task. But it is clear that better analysis and improved design based on that analysis reduce risks and make programming more effective and efficient.

2. Beijing and the DAC Statement on Gender Equality

In May 1995, inspired by the process leading up to Beijing,² ministers and heads of development agencies endorsed the statement *Gender Equality: Moving Towards Sustainable, People-centred Development*. The statement affirmed the DAC's commitment to gender equality as a vital goal for development and to gender mainstreaming as a strategy to improve development results, tackle gender disparities and uphold respect for women's human rights.

1. The full report and the DAC Statement on Gender Equality as well as links to the UN site for the *Beijing Platform for Action* and other agency gender sites are available on the OECD DAC WP-GEN web-site: www.oecd.org/dac/gender.

2. United Nations Fourth World Conference on Women: “Gender Equality, Development and Peace”, Beijing, September 1995. The Conference produced the *Beijing Declaration* and the *Beijing Platform for Action*.

For almost two decades, the collaborative work of DAC Members has provided an important impetus to the adoption of policies focusing on gender equality. DAC Members agree that inequality between men and women is a fundamental constraint to economic and social development, and that this challenge must be addressed if development is to flourish.

In preparation for the United Nations Special Session to review five years of progress on implementing the *Beijing Platform for Action*, and in order to assess DAC Members' contributions to meeting the gender equality objectives, an assessment of their own progress was carried out.

"Progress towards gender equality in the perspective of Beijing +5" (the "Beijing +5 Review")³ offers insight into advances towards the DAC gender equality priority goals⁴ and identifies successful strategies and remaining challenges. Integrating gender considerations in the education sector was specifically assessed because education for girls and women is a crucial vehicle for their empowerment. The DAC chose this goal – specifically, closing the gender gap in primary and secondary education by the year 2005 – as a proxy equality indicator in its 1996 policy statement *Shaping the 21st Century Strategy: The Role of Development Co-operation*.

The assessment clearly demonstrates that donors have made substantial progress in identifying gender inequalities. But it also leaves no doubt as to the need for continued and increased efforts

to further develop gender mainstreaming strategies so that the gender equality goals set in 1995 are achieved. Aid agencies' and developing countries' experiences of the last five years provide clear evidence of this.

As the development community strengthens its efforts to focus development activities more closely on poverty alleviation, ensuring that the needs and priorities of both women and men are addressed equitably is even more critical. This is equally vital in order to effectively address important emerging issues in development co-operation, such as governance, human rights, and conflict prevention.

With the development of more sophisticated indicators, there is evidence that poverty affects women and girls disproportionately. Indeed, during the period since the 1995 Beijing Conference, there has been greater recognition by partners of the gender dimensions of poverty, since significant efforts have been made to refocus poverty reduction policies and programmes to address the specific needs and concerns of women in poverty as well as men. However, more and better research is needed to identify innovative and sustainable responses to the gender aspects of poverty.

The Beijing +5 Review acknowledges the efforts made to develop and use participatory approaches, and notes that programmes and projects will only be fully effective and sustainable when more women are fully involved in decision-making at all levels. The development

3. Endorsed by the ministers and heads of aid agencies at the DAC High Level Meeting, 11-12 May 2000.

4. These are outlined in the DAC Statement "Gender Equality: Moving Towards Sustainable, People-centred Development" (1995). See also Section 4 below.

community therefore needs to increase efforts to identify the barriers to women's participation and adopt measures to overcome these barriers. Without women's active participation, through which their voices can effect a decision, there is a danger that the gender equality goal will become marginalised.

Most DAC Members have taken the first crucial steps towards ensuring that gender is mainstreamed throughout organisations and programmes. Most have adopted gender equality as a core strategic objective, and have developed policies accordingly. Many have also developed clear action plans for implementing their policies. However, policy statements, action plans and gender training, while fundamental, are not enough in themselves. What is clear from the Beijing +5 Review is that they are only first steps towards the creation of an enabling policy environment.

It will be difficult to make real progress to ensure that gender issues are fully and effectively mainstreamed within development co-operation efforts without committed management, strong political will and financial commitment world-wide to gender equality, through "engendered" policy dialogue with partners, strategically placed gender units and other means of providing expertise, and constant monitoring of donor and partner country efforts.

These findings are also largely mirrored in the United Nations' review of implementation of the twelve critical areas of concern from the 1995 *Beijing Platform for Action*. The review was carried out by the United Nations based on national reports from member States and UN agencies in preparation for the Beijing +5 Special Session of the General Assembly, "Women

2000: Gender Equality, Development and Peace for the 21st Century", held in New York in June 2000, at which the DAC's report was also distributed.

3. Overview of progress on implementing the DAC gender equality goals

DAC Members have made solid progress over the past five years in implementing the gender goals in their assistance. This is true both internally in their organisations, and in the conduct of their development co-operation activities. However, as Members gain experience with mainstreaming strategies and share lessons, it is also clear that a number of challenges remain, in particular implementation in the field.

Implementation of the goals has been uneven across agencies and between the goals themselves – some goals being easier to work with than others. Policies must therefore be backed up by leadership from senior management, as well as adequate allocation of resources, operational plans and tools.

In conjunction with the *Beijing Platform for Action*, donors have used the DAC Statement to advocate for stronger internal commitment to gender equality. Together, these two statements have led to important changes in the majority of Member agencies, lending impetus to work on gender and providing a solid basis for many donors' gender policies in partner countries. Importantly also, since their adoption five years ago, these statements have strengthened the influence of the gender units and experts, now moving to more strategic and cross-cutting locations within their organisations, closer to

where decisions are made. As a consequence, gender is now often included as a central theme in Members' key policy documents on poverty reduction, governance, human rights and conflict prevention. These encouraging results demonstrate the importance of high-level policy commitment to gender equality issues.

Influence and progress also hinge on the provision of adequate resources. As all staff increasingly assume responsibility for gender issues and as gender units move towards more catalytic, advisory and supportive roles, gender mainstreaming requires more, not fewer, resources. This does not imply constructing new administrative bodies, but rather mainstreaming gender into all existing policies and programmes. However, while many Members have reported increases in gender specialist staff and in budget allocations over the past five years, just as many others continue to struggle with limited budgets and staff.

4. How are Members implementing the goals?

Overarching Goal: Endorse gender equality as an overall strategic objective for promoting the role of women and therefore sustainable, people-centred development

The DAC Statement has led to a shift towards a focus on gender equality and balance in the mainstream of development co-operation as well as the involvement of men to achieve gender equality. This contributes to the overall goal of strengthening women's autonomy, in line with the outcome of the Beijing Confer-

ence and policies of gender-sensitive donors and partner countries.

Over half of DAC Members have established gender equality as a strategic mainstreaming objective. For these Members, this signals a clear commitment to the entire organisation that gender issues are relevant to the work of all staff. Moreover, in agencies which have not yet established gender equality as a strategic mainstreaming objective, gender equality principles are nonetheless supported and visible in policies and practice. There is thus a growing commitment of all Members to implement mainstreaming. Moreover, such examples of commitment reinforce the credibility of dialogue with partner countries.

Efforts to ensure implementation of gender policies have now become a priority for many donors. Most Members use the twin-track approach set out in the *Beijing Platform for Action* and the DAC Statement. This involves:

- The integration of gender equality concerns into the analyses and formulation of all policies, programmes and projects.
- Initiatives to enable women as well as men to formulate and express their views and participate in decision-making across all development issues.

Goal 1: Re-emphasise the socio-cultural aspects of development and the general need for a more people-focused approach which integrates social, economic and political analyses

Strong progress in this area is particularly evident with gender-sensitive methods which systematically integrate the

analysis of socio-cultural factors and assess the socio-cultural impact of development activities. The majority of donors demonstrate their commitment to people-centred development by using such analysis and supporting the development of participatory methods in order to strengthen local ownership and project sustainability. Such factors are crucial if this goal is to be attained. While attempts to implement the goal have not automatically led to the inclusion of women's voices, progress is visible on a number of fronts.

Examples of good practice include:

- *Developing strategies which systematically integrate the analysis of socio-cultural factors and assess the socio-cultural impacts of projects*, in particular, when drafting country programmes.

- *Adopting participatory approaches*: The majority of donors are demonstrating their commitment to people-centred development by using or supporting the development of participatory methods in order to strengthen local ownership and project sustainability.

- *Enhancing staff training to boost capacity*. This is effective when accompanied by strong incentives to develop and use gender-sensitive approaches.

Goal 2: Reconsider the impact of non-project forms of co-operation on men and women, such as programme assistance, public expenditure reviews and structural adjustment

While this is the area where least overall progress is visible, initiatives to

share good practice and build capacity with partners and among Members are taking shape, with the aim of addressing more effectively the challenge posed by this shift towards a more macro perspective. Some agencies have taken up the challenge to extend gender equality principles to the macro-policy, sector-wide and programme levels by:

- *Making wider use of sector-wide approaches (SWAs)*: A Task Force of Members is focusing on introducing gender equality into sector-wide approaches for education, agriculture and health. Successful SWAs can be characterised by a partnership led by government, that works closely with civil society organisations, including women's advocacy groups, multilateral and bilateral donors.

- *Advocating work on gender and economic reform*: Members have carried out advocacy work on gender and economic reform within the Strategic Partnership with Africa (SPA).

Goal 3: Include gender implications in analyses, policies, country and sector strategies

Donors have made the most progress with this goal, which is central to any gender mainstreaming strategy. For those organisations making slower progress, urgent priorities include: building capacity for non-gender specialist staff; developing implementation tools; monitoring results and introducing staff incentives; and integrating gender implications into sectoral and country strategies, an area where previous work has been limited.

Goal 4: Emphasise these principles in continuing and emerging areas of co-operation, in particular participatory development and good governance, human rights, and conflict resolution

Many Members have taken up the challenge to ensure that a gender perspective is incorporated into the newer areas of co-operation and partnership. Most progress has been made in the areas of women's enjoyment of human rights, good governance and democracy, conflict-prevention and peace-building, development of participatory approaches and integration of the gender dimension into efforts to reduce poverty. However, there is a pressing need for the development of good performance indicators for these and other emerging areas of work.

Examples of good practice include:

- *Establishing a human rights fund to promote local awareness of CEDAW⁵ in partner countries.*
- *Using a Gender Equality and Peace-building Framework as a tool to guide development activities.*
- *Lending support to women's grassroots organisations participating in peace-building initiatives and their implementation.*

Goal 5: Help partners strengthen their institutional capacity to incorporate actions in favour of women and to develop new instruments for addressing gender equality

With the emphasis on leadership by partners and local actors, donors are now playing a stronger supportive role

in building national capacity to address gender issues. (See Box VI-1 on efforts and progress in this respect in USAID and Box V1-2 for NZODA.) The partners they work with are in governments, national women's institutions, NGOs and women's associations. Although strengthening institutional capacity is a challenging area and donors will need to devote increasing reflection and resources to making partnership a reality, a number of initiatives are underway to build expertise in the analysis and reduction of gender inequalities, particularly through providing training and advisory support, and disseminating guidelines and other tools. In addition, several bilateral donors are helping to improve the capacity of multilateral donors by various means, including the secondment of gender professional staff.

Goal 6: Increase policy dialogue with partners

There has been a general surge of interest in policy dialogue. As a consequence, many bilateral and multilateral agencies now routinely mainstream gender into negotiations and dialogues with developing country partners. This requires intensive preparation in seeking innovative and effective ways of transmitting the messages and gaining firm commitment on both sides. In order to develop good practices for this goal, such as how to strategically involve civil society actors, women's organisations, NGOs, and multilateral organisations in decision-making processes and planning exercises, experiences need to be shared more widely within the development community.

5. The United Nations Convention on the Elimination of All Forms of Discrimination Against Women.

Box VI-1.

Institutionalising gender equality: United States Agency for International Development*

Experience with institutionalising gender equality in the United States Agency for International Development (USAID) and in the OECD Development Assistance Committee reveals many parallels. Through the 1980s, both in USAID and in the broader donor community, it appeared that the focus remained largely on incorporating WID expertise, projects and activities into development programs of donors. It would be an unfair oversimplification to say that the challenge was seen in terms of the inclusion of women in traditional donor programs. But there was too often a sense that gender was being added on rather than being built in to programs. And there was too often a sense that gender was more a concern of the donors than an issue for the developing countries' own policies and strategies.

The 1990s saw a real shift toward emphasising gender equality as a shared development objective and international support for local efforts to mainstream gender analysis and gender-aware policies in the strategies of developing countries. This basic shift in approach was recognised in the Fourth World Conference on Women in Beijing. It is an important component of continuing international trends toward a comprehensive view of development, the encouragement of results-oriented partnerships and an emphasis on poverty reduction as a leading international goal.

Within the DAC, important steps in recent years included the following:

- The adoption in 1995 of a strong policy statement on gender equality as a strategic development goal.
- The issuance in 1998 of revised guidelines on gender equality and women's empowerment.
- The agreement in 1998 with the United Nations, World Bank, International Monetary Fund and many developing countries on a core set of indicators of progress towards the international development goals and incorporating the principle of gender-disaggregated data.
- The reconfirmation in 2000 of gender equality as a goal and identification of key priorities for the future.

Women have disproportionate representation among the poor. The DAC's current work on guidelines** for poverty reduction acknowledges the differing roles and challenges of women and men, and gender issues have great importance in the strategies outlined. In this regard, a major USAID contribution to the DAC's poverty work has been to make available gender expertise to inform the deliberations and the resulting guidelines.

* This text is an excerpt from a speech that James Michel, Counselor for the United States Agency for International Development (USAID) and former Chair of the DAC, delivered at a Public Meeting of the US Advisory Committee on Voluntary Foreign Aid on 10 May 2000.

** The policy document *DAC Guidelines on Gender Equality and Women's Empowerment in Development Co-operation* (1998) has given weight and direction to Members' internal advocacy efforts. The references throughout the text to the *Beijing Declaration and Platform for Action*, DAC High Level Meeting Statement and the DAC Strategy for the 21st Century are a step towards mainstreaming because they link and highlight international commitments with a gender perspective. The Guidelines are accompanied by a Source Book on Concepts and Approaches Linked to Gender Equality (translated into German, Japanese, Portuguese and Spanish). These have been important inputs to the DAC Poverty Guidelines.

(continued on next page)

Box VI-1. (cont.)

Institutionalising gender equality: United States Agency for International Development

The work undertaken in the DAC was intended, in part, to encourage donors to implement the policies to which they had expressed agreement. Many of these measures are directly relevant to continuing efforts in USAID and many other DAC Members. They include:

- The explicit commitment by leaders (development ministers and aid agency heads) to a clearly articulated and effectively communicated policy.
- A network of concerned individuals and practical instruments for sharing knowledge, information, experience and best practices.
- Training that will help the entire staff to have better skills and an enhanced capacity to identify issues and frame actions in response to available information.
- Processes for continuous reporting, monitoring and evaluation – especially through peer reviews and high-level oversight.

It is most important that gender is increasingly built into the Agency's strategic framework and its goals for human capacity development; population, health and nutrition; economic growth; and democracy and governance. This framework is the basis for supporting bureau and mission strategies. It is also the basis for this year's award-winning report by USAID, under the Government Performance and Results Act.

There are many examples of thoughtful initiatives to advance gender equality showing up in USAID mission and bureau programs. In India, for example, the Mission decided to build its democracy program primarily with a view to increasing women's decision-making power. In the Ukraine, an innovative program for women who may be vulnerable to the trafficking schemes of criminal organisations is literally saving lives. The Latin America and Caribbean Bureau of USAID is working to help give practical effect to the commitment to gender equality expressed in the declaration of the 1998 Summit of the Americas. The Africa Bureau is doing important work to strengthen human and institutional capacities of women in Africa. The Bureau for Europe and Eurasia adopted a new overall strategy in 1999, which notes that gender considerations are being integrated into USAID programs "to ensure that the United States is promoting equal access and opportunities, equal rights and equal protection in its assistance programs".

The parallels between USAID experience and that of the broader donor community offer guidance for the future. As in the DAC, the consolidation of gender equality in USAID will require a combination of:

- Demonstrated high-level commitment to a clear policy.
- Information sharing, especially of best practices.
- Training to enhance skills on how to put available information to best use.
- Reporting, monitoring and evaluation.

Clearly, all development organisations still have a long way to go in advancing gender equality as a worthy goal in its own right and also as an essential factor for development. There are challenges of resource limitations, of societal attitudes and bureaucratic scepticism and inertia. It is still too difficult to assure that gender is factored adequately into economic analysis, scaling up from the project to the program level. More generally, greater public and political confidence in and support for the overall goals of development needs to be generated.

However, the practicalities of working for sustainable partnerships and poverty reduction will provide an environment conducive to further progress for mainstreaming gender equality as a key agent and a key objective of development. Continued collaboration among DAC Members, and with developing countries, multilateral organisations, NGOs and other partners, should yield impressive results in the coming years.

Box VI-2.

Progress towards gender equality in New Zealand Overseas Development Assistance*

New Zealand Overseas Development Assistance (NZODA) developed its first Women in Development (WID) policy in 1992, and introduced a five-year WID action plan, setting out clear objectives and tasks to implement this policy in 1994. This action plan clearly sets out objectives, outputs, necessary actions, timing and responsibilities in order to meet the goals set out in the WID policy.

NZODA has reviewed progress in implementing this action plan every year since then, and has found steady progress in mainstreaming gender throughout its programme. At the time of the 1994/1995 review for example, just 24% of the ODA that was able to be measured for gender integration could be said to be gender specific or fully integrated. This percentage had risen to 30% by the time of the 1995/1996 review, 39% by the time of the 1996/1997 review, and the latest review shows that this percentage has now risen to 52%. Steady progress has also been made in promoting gender equity in NZODA education programmes.

Some of the ways performance is being improved are outlined below:

- All project approval forms include a classification concerning gender integration. Where new projects are presented with anything other than a "fully gender integrated", "gender specific" or "gender neutral" indicator, clear justification needs to be provided as to why this is the case.
- Gender mainstreaming strategies for bilateral programmes have been agreed with the governments of all but one of NZODA's Melanesian and Micronesian partner countries. These strategies are reviewed every year during programme talks, and help guide the gender mainstreaming process throughout the bilateral programme.
- Model terms of reference for consultants working at all stages of the project cycle include clear gender components, thus reminding programme managers of the need to ensure that gender issues are considered throughout the project cycle.
- Efforts to achieve gender mainstreaming are taken into account in staff performance appraisals.
- Clear instructions on gender equity in all NZODA-funded scholarships and training programmes have been developed, and the agency is now very close to achieving gender equity in all of those programmes.

However, New Zealand realises that it and the donor community still have a long way to go before they can claim to have fully and effectively mainstreamed gender issues. The annual reviews of New Zealand's Gender and Development (GAD – previously WID) action plan have pointed to several areas where extra efforts are needed. The new gender action plan currently being developed will seek to outline how best to move forward. The plan focuses on:

- Providing ongoing training to programme managers in how to fully understand the gender implications of the programmes they fund, and with tools to help them effectively integrate gender into their work.

* This text is an excerpt from the Statement by New Zealand at the 2000 High Level Meeting of the Development Assistance Committee, 11-12 May 2000.

(continued on next page)

Box VI-2. (cont.)

Progress towards gender equality in New Zealand Overseas Development Assistance*

- Giving more attention to monitoring gender equality objectives throughout projects and programmes, and to improving the systems in place for doing this.
- Reviewing the extent to which the development of gender policy documents with Pacific partner governments is effectively increasing the extent to which gender issues are mainstreamed in NZODA bilateral programmes, and encouraging the development of similar policy documents with bilateral partners and donors so that the cross-cutting nature of gender issues is made more clear.
- Identifying more clearly the practical benefits gender mainstreaming brings to the development and implementation of projects and programmes.
- Improving data collection.
- Increasing involvement of women in the design of projects and policies.
- Clarifying understanding of the impacts of policies and programmes.

Goal 7: Focus on local communities' abilities to identify gender priorities and support actions in partnership with aid agencies

Efforts have focused on the development and use of participatory approaches, such as participatory poverty assessments. These approaches seek to identify the priorities of communities, including the women therein, in order to secure local ownership of development decisions. Successful strategies to strengthen capacity within women's organisations and communities include gender training using local gender experts. Other strategies seek to encourage women's active participation in community decision-making.

Goal 8: Emphasise gender equality in competence development, management responsibility, accountability, and adequate monitoring and reporting of results

This could involve increased financial commitments and re-writing job descrip-

tions and responsibilities to include gender criteria. These crucial aspects of institutional mainstreaming strategies indicate how organisations prioritise gender equality concerns in practice. (See also Box VI-3 on promoting more equitable relations between women and men within organisations.) Progress has been uneven with the various elements of this goal, often due to limited budgets. Even when agencies increase gender staffing, further resources are needed for the gender mainstreaming tasks in hand. Systematising monitoring and reporting are specific areas where improvements are needed.

Achieving senior management commitment to this goal presents a major challenge for donor organisations and ministries. Visible commitment is desirable in terms of increased resources but also in the returns strong leadership provides on spreading responsibility and accountability. Innovative work on how to make staff accountable for gender is therefore a priority area.

Box VI-3.

Gender equality and institutions: Two challenges*A “tip sheet” from Sweden’s international development agency**

Organisations and institutions are crucial players in development and development co-operation. A gender lens can be applied to NGOs, government bureaucracies, UN organisations, private sector companies, and to development co-operation agencies themselves.

From a gender equality perspective, there are at least two challenges regarding institutions:

How can an organisation promote more equitable relations between women and men through the implementation of its mandate?

Organisations have a profound impact on gender relations and inequalities. Given their mandates and resources, organisations decide (implicitly or overtly) who gets what resources, who benefits from a specific programme and who participates in decisions. For example, there are gender equality implications in the actions of both the Ministry of Finance setting tax policy and a community-based organisation developing a water-users’ committee.

Most organisations pay little attention to the relevance of differences and inequalities between women and men to their area of work. Many people assume that organisations operate in “gender neutral” ways, that their actions will have the same impact on women and men. Yet, it is rarely the case.

Organisations can perpetuate inequality between women and men through implementing policies that widen economic disparities (in the case of a Ministry of Finance) or that fail to support women’s involvement in decision-making processes (in the case of a development co-operation agency). Institutions also have the potential to act in other ways. They can seek to ensure that policies and programmes narrow gender disparities, recognise domestic work, promote more equal decision-making authority and eliminate discrimination on the basis of sex.

How can women and men participate equally in the institution (in its structure, in its decision-making processes, and in the jobs it offers)?

Analysts have argued that organisations themselves (their structures, ways of working, decision-making, and institutional “culture”) can have significant gender overtones. For example, they point out that organisational expectations imply that workers have few or no family responsibilities (that they can be away from home for significant periods of time or that they can work late into the night).

Changing organisations

Planned change, the change agent, leading change, the challenge of change, managing change... The business section of any bookstore is full of texts and studies of organisational change. Yet there are no easy solutions – organisations have proven to be complex. Reaching the goal of equitable relations between women and men will depend on multi-faceted strategies.

* Sida has produced a series of “tip sheets” giving practical examples of tools to help staff include gender in development activities. These can be found at www.sida.se, and in French at www.acdi-cida.gc.ca/.

(continued on next page)

Box VI-3. (cont.)

Gender equality and institutions: Two challenges
A “tip sheet” from Sweden’s international development agency

Attention has recently begun to focus on how development co-operation organisations can be changed to better promote equality between women and men. The initial focus was on the development of policies, but it was soon realised that the implementation of these policies would require additional supports and even organisational transformation. Key factors that can support the change process include:

- Development of a strategy that is based on the individual characteristics of the specific organisation (mandate, structure, staff...).
- Support from the leadership of the organisation.
- Clearly articulated arguments about why and how a gender equality perspective is relevant to the work of the organisation (even better if backed by strong research).
- Development of strategies to deal with resistance.
- Clear organisational targets and goals (with timelines) to hold the organisation accountable for progress.
- Adequate resources (including staff time).
- An internal catalyst that can mobilise resources and keep the issue on the organisation’s agenda.
- Solid networks with gender equality advocates.
- Identification and mobilisation of allies inside an organisation.
- An organisational strategy that holds all staff responsible for the gender equality mandate (rather than assigning implementation responsibility to a small, marginal unit).

Gender mainstreaming strategies require systematic monitoring and reporting mechanisms to anchor accountability and measure performance right from the start. This is generally a problem area for agencies and ministries in relation to many other thematic issues, and not just in relation to gender equality. Nevertheless, some progress has been made, particularly in the regular use of input indicators such as the DAC gender equality marker.

Competencies in monitoring and evaluation need building and good practice needs sharing. Further multi-donor work

on developing gender-sensitive methods and impact indicators with partners is also currently underway. Developing staff competence has been strong in some agencies but many others are struggling with resource problems.

Examples of good practice focusing on competence development and staff incentives include:

- *Gender training* made available to all staff.
- *Job descriptions* revised to explicitly include responsibility for addressing gender issues.

Box VI-3. (cont.)

Models and responses in organisational change processes

(Adapted from: M. Macdonald, E. Sprenger & I. Dubel (1997). *Gender and Organizational Change: Bridging the Gap Between Policy and Practice*. Amsterdam: Royal Tropical Institute.)

Status of gender equality issues in the organisation	Responses of management to a gender equality agenda	Typical behaviours of other employees vis-à-vis gender equality issues	Situations and roles of change agents	Strategies used by change agents
<i>Gender-blind:</i> no recognition of gender differentials; assumptions include biases in favour of existing gender relations.	Defensive; easily accused; insulated by power.	Passive; lack awareness.	<i>The lone pioneer:</i> frequently stigmatised; needs support base; primary support often comes from outside the organisation.	Putting gender on the agenda by explaining; giving facts and figures; formal/ informal organising.
<i>Gender aware:</i> recognition of gender differentials but often only fragmented, translation into practice. Also little recognition that gender equality is the ultimate goal.	Can feel attacked or intimidated. Can seek solutions to fulfil commitments to gender equality that do not challenge <i>status quo</i> ; looks for "easy solutions" that will make the issue "go away".	Increasingly aware but often afraid to rock the boat Request "tools" that will tell them what to do Some seek to promote gender equality, but lack political/institutional support to take risks.	<i>The fighter:</i> charismatic, fast moving; risk-taker; not afraid of conflict; has a small support base in the organisation. <i>The bureaucratic entrepreneur:</i> analyses institutional opportunities and obstacles.	Arguments based on ideology and values; forms strategic alliances (inside and outside the organisation). Seeks to create opportunities and mobilise resources within the current organisational context.
<i>Moving toward gender-redistributive:</i> interventions intended to transform existing distributions to create a more balanced relationship between women and men.	Cares about the organisational gender image; is interested in making alliances with change agents; needs support in policy development and implementation.	Prepared to support management; in need of skills and tools to bring policies into practice.	<i>The player:</i> "plays the organisation"; recognises opportunities, negotiates; is diplomatic, flexible. <i>The catalyst:</i> rather than implementing, seeks to assist others to implement.	Builds planning, monitoring and evaluation systems; mechanisms for learning and accountability; promotes innovative practices, outside networking.

Institutional Analysis from a Gender Equality Perspective

Adapted from OECD/DAC (1998). *DAC Sourcebook on Concepts and Approaches Linked to Gender Equality*. Paris.
Available at: www.oecd.org/dac

A gender analysis of an organisation involves looking at several aspects:

- **The institution's mandate and area of work:** It is important that the relationship between the primary area of work/mandate of the organisation and equality between women and men is clearly understood. For example, if the institution is concerned with promoting environmental sustainability, are the linkages between gender inequality and differences and the environment understood and recognised throughout the organisation?
- **Organisational history and culture:** Both the informal and formal rules that guide an organisation can have gender implications. Factors that support increased attention to equality issues include: flexibility, valuing diversity and different professional specialisations (for example, are social analysis skills considered important or just a "frill"?), recognition and support for people's family responsibilities.
- **Current personnel:** The skills and attitudes of both management and regular staff are important. Does the leadership of the organisation support the move to greater attention to gender equality issues? Does the current skill profile within the organisation support the consideration of gender equality issues or is there a need for new skills?
- **Organisational routines and procedures:** Internal procedures may offer support or hinder the consideration of gender equality issues. For example, if evaluation and monitoring are weak in general, it will be difficult for the organisation to monitor the impact of its programmes and policies on women and men.
- **External environment and pressures:** Effective organisational change is often promoted through a combination of internal advocates and external pressure organisations. Many organisations have moved to develop new skills or programmes at the prompting of external advocacy groups, donor agencies, or "global opinion and consensus" (such as that established through the Beijing Platform for Action).

- *Staff performance appraisals* which take into account the number of gender-inclusive activities undertaken and reward staff by, for example, providing extra funds or promotion points for excellence in promoting gender equality. A central gender and development fund can give increased impetus to such incentives.

The DAC Gender Equality Policy Marker

This marker, one of several DAC Policy Markers, was designed to harmonise with the twin-track mainstreaming approach in the *Beijing Platform for Action* and the DAC Statement. It acts as both an incentive to use gender analysis and as a monitoring tool. The shift to the new marker has been gradual but the vast majority of Members are now making use of it. Moreover, several Members are attempting to extend its application into project monitoring and implementation, rather than employing it solely at the design stage. In order to mark a development activity with the policy marker, criteria that must be fulfilled include: the need to apply gender analysis to the activity; to be explicit about how gender equality will be promoted as a result of the activity concerned; and to address gender equality through a series of the activity's design features.

5. A major policy objective: Closing the gender gaps in education

Gender equality and the removal of gender gaps in primary and secondary education are important goals of the

21st Century Strategy and of the international development goals. Gender equality in primary and secondary education by 2005 was the indicator chosen to demonstrate progress towards gender equality.⁶ Most donors report that in the education sector, gender equality has become an integral part of the policy dialogue with partners. Innovative work has now moved beyond a narrow focus on enrolment ratios to examine achievement, the quality of teaching and of learning materials. On the other hand, much more progress is required in order to attain the goal of universal primary and secondary education by 2005.

Key strategies applied to address these issues include:

- *Gender gaps in the access to education by and enrolment of girls:* Methods to overcome negative cultural attitudes towards the education of girls include gender-sensitisation training with parents; and the provision of segregated dormitories and sanitation facilities.

- *Retention and completion differences:* Scholarship programmes that are of equal benefit to both sexes go some way towards closing these gaps. So do improved curriculum and teaching materials. It is noteworthy that in some country cases, girls have better results in schools than boys and more boys are dropping out. This has given rise to a gender-based examination of curricula to find solutions.

- *Girls' achievement and the quality of teaching:* Recruitment of more female teachers and their increased involvement in decision-making; improved teacher

6. Education is necessary but not sufficient for empowerment of women and equality.

training including gender sensitisation and techniques for teachers to combat negative cultural attitudes.

- *Quality curriculum and learning materials:* Rectification of gender-stereotyping in text books; developing gender-sensitive curricula and materials; and including women's groups in curriculum review committees.

6. Priorities for future action

Throughout the world, the climate for gender mainstreaming is improving with a clear and growing commitment from donors and from partner countries to gender equality. Much progress has been made across donor institutions towards meeting the gender equality goals. However, implementing a gender mainstreaming strategy to support gender equality goals in their own institutions as well as in those of partner countries is a more arduous process than some had anticipated. Continued and intensified efforts are required on the part of donors in partnership with developing countries. In attempting to respond to these needs, there is an increased demand world-wide for the services and expertise of gender equality units and specialists. It is clear that within donor agencies, as well as for partner countries, commitment to mainstreaming needs to be followed through by adopting fully resourced and effective mainstreaming strategies, including monitoring mechanisms.

In order to mainstream gender equality effectively, donors and partners need to identify more clearly the practical benefits mainstreaming brings to devel-

opment results. More reliable data, increased involvement of women in decisions about development activities and a clearer understanding of impacts can only improve the overall quality of development results. With this in mind, DAC Members have agreed to place stronger emphasis on these issues as they strive to achieve partnership. They have also agreed on the importance of monitoring progress towards meeting the goals.

The following areas are priorities for future action by the DAC and its Members:

- *Promote positive attitudes and visible commitment of senior and middle management,* crucial for the success of gender mainstreaming.

- *Ensure gender units and other providers of gender expertise have adequate human resources* in terms of both number and capacity so that they can fulfil their advisory and supportive roles.

- *Disseminate proven operational tools and develop new ones.* While non-gender specialist staff may be committed to gender equality goals, they may not know how to best integrate gender into their work.

- *Shift towards working in partnership with gender specialists* at the country and programme assistance level as well as at the project level in order to make "a comprehensive difference".

- *Carry out "engendered" policy dialogue and other gender-sensitive participatory approaches,* essential for local ownership of development initiatives that further gender equality.

- *Systematically monitor and report on progress*, fundamental to reinforcing accountability for gender equality.

- *Develop additional good impact indicators*, including qualitative ones, particularly for poverty reduction, governance, and conflict prevention.

- *Establish adequate financial budgets to support gender mainstreaming*, including a specific budget for mainstreaming activities and training.

- *Demonstrate the impact of gender mainstreaming on the quality and results of development activities.*

Basic Resource Flows

Table 1.	Total Net Resource Flows from DAC Member Countries and Multilateral Agencies to Aid Recipients	178-179
Table 2.	The Total Net Flow of Long-Term Financial Resources from DAC Countries to Developing Countries and Multilateral Organisations by Type of Flow	180-181
Table 3.	The Total Net Flow of Financial Resources from DAC Countries to Developing Countries and Multilateral Organisations	182-183
Table 4.	Net Official Development Assistance from DAC Countries to Developing Countries and Multilateral Organisations	184-185
Table 5.	The Net Flow of Private Capital from DAC Countries to Developing Countries and Multilateral Organisations	186-187

Aid Performance by DAC Members

Table 6a.	ODA Performance of DAC Countries in 1999 and Recent Years	188
Table 6b.	Debt Forgiveness of Non-ODA Claims	189
Table 7.	Burden Sharing Indicators	191
Table 8.	ODA by Individual DAC Countries at 1998 Prices and Exchange Rates	192
Table 9.	Long-Term Trends in DAC ODA	193
Table 10.	Technical Co-operation Expenditure	194
Table 11.	Non-ODA Financial Flows to Developing Countries, 1999	195

Detailed Data on Financial Flows from DAC Countries

Table 12.	Comparison of Flows by Type in 1998	196-197
Table 13.	Comparison of Flows by Type in 1999	198-199
Table 14.	The Flow of Financial Resources to Developing Countries and Multilateral Organisations	200-215

Multilateral Aid

Table 15.	ODA from DAC Countries to Multilateral Organisations, 1999	216-217
-----------	--	---------

Table 16.	Capital Subscriptions to Multilateral Organisations on a Deposit and an Encashment Basis	218
Table 17.	Net Disbursements of Concessional and Non-Concessional Flows by Multilateral Organisations	219

Sectoral Allocation of ODA

Table 18.	Major Aid Uses by Individual DAC Donors	220-221
Table 19.	Aid by Major Purposes, 1999	222-223

Terms and Conditions

Table 20.	Financial Terms of ODA Commitments	224
Table 21.	DAC Members' Compliance in 1998 and 1999 with the 1978 DAC Terms Recommendations	225
Table 22.	Other Terms Parameters	226
Table 23.	Tying Status of ODA by Individual DAC Members, 1999, percentages	227
Table 24.	Tying Status of ODA by Individual DAC Members, 1999, \$ million	229

Geographical Distribution of ODA

Table 25.	ODA Receipts and Selected Indicators for Developing Countries and Territories	230-233
Table 26.	Distribution of ODA by Income Group	235
Table 27.	Regional Distribution of ODA by Individual DAC Donors and Multilateral Agencies	236-237
Table 28.	Total Net Receipts of ODA by Region and Selected Developing Countries	238-239
Table 29.	Net Disbursements of ODA to Sub-Saharan Africa by Donor	240-241
Table 30.	Net Disbursements of ODA to Sub-Saharan Africa by Recipient	242
Table 31.	Aid from DAC Countries to Least Developed Countries	243
Table 32.	Regional Distribution of ODA by DAC Donors, \$ million	244
Table 33.	Regional Distribution of ODA by DAC Donors, percentages	245
Table 34.	Major Recipients of Individual DAC Members' Aid	246-261

Aid by Non-DAC Donors

Table 35.	ODA from Non-DAC Donors	263
-----------	-------------------------------	-----

Key Reference Indicators for Developing Countries

Table 36.	Debt Service Ratios by Region	264
-----------	-------------------------------------	-----

Key Reference Indicators for DAC Countries

Table 37.	Economic Indicators for DAC Member Countries	265
Table 38.	Deflators for Resource Flows from DAC Donors (1998 = 100)	266-267
Table 39.	Gross National Product and Population of DAC Member Countries	268

Aid and Other Resource Flows to Part II Countries

Table 40.	Net Official Aid Disbursements to Countries on Part II of the DAC List of Aid Recipients	269
Table 41.	The Flow of Financial Resources to Countries on Part II of the DAC List of Aid Recipients and Multilateral Organisations	270-273
Table 42.	OA Receipts and Selected Indicators for Countries and Territories on Part II of the DAC List of Aid Recipients	274

For more information on DAC statistics, please refer to our
WORLD WIDE WEB SITE
<http://www.oecd.org/dac>
See “Statistics”

Note: This report incorporates data submitted up to November 15th 2000. All data in this publication refer to calendar years, unless otherwise stated. The data presented in this report reflect the DAC List as it was in 1999 (for a complete list of countries, please refer to the end of this volume).

Signs Used

()	Secretariat estimate in whole or in part
0 or 0.00	Nil or negligible
– or . .	Not available
n.a.	Not applicable
p	Provisional

Slight discrepancies in totals are due to rounding.

More detailed information on the source and destination of aid and resource flows, is contained in the statistical report on the *Geographical Distribution of Financial Flows to Aid Recipients 1995-1999*.

	1992
I. OFFICIAL DEVELOPMENT FINANCE (ODF)	78.3
1. Official development assistance (ODA) (a)	58.3
of which: Bilateral	41.4
Multilateral	17.0
2. Official Aid (OA)	6.0
of which: Bilateral	5.2
Multilateral	0.8
3. Other ODF	14.0
of which: Bilateral	8.0
Multilateral	5.9
II. TOTAL EXPORT CREDITS	1.0
III. PRIVATE FLOWS	80.1
1. Direct investment (DAC)	30.2
of which: to offshore centres	9.5
2. International bank lending (b)	34.6
of which: Short-term	25.0
3. Total bond lending	7.5
4. Other (including equities) (c)	1.8
5. Grants by non-governmental organisations	6.0
TOTAL NET RESOURCE FLOWS (I+II+III)	159.4
Memorandum items (not included):	
Interest paid by aid recipients (d)	-68.0
Net Use of IMF Credit (e)	0.8
Non-DAC donors (ODA/OA)	1.1
For cross reference	
Total DAC net ODA (a)(f)	60.8
of which: Bilateral grants	34.8

Table 1

Total Net Resource Flows from DAC Member Countries and Multilateral Agencies to Aid Recipients

Current \$ billion							Per cent of total		
1993	1994	1995	1996	1997	1998	1999 (p)	1992	1995	1999 (p)
82.4	84.5	87.6	73.5	75.3	88.4	84.9	49.1	33.0	34.2
55.5	59.6	59.1	55.8	47.7	49.7	51.3	36.6	22.3	20.7
39.4	41.3	40.6	39.1	32.4	35.2	37.9	25.9	15.3	15.3
16.1	18.3	18.4	16.7	15.3	14.5	13.4	10.6	7.0	5.4
6.0	6.9	8.4	5.6	5.6	7.0	7.6	3.8	3.2	3.0
5.2	5.5	7.1	4.0	4.0	4.5	4.7	3.3	2.7	1.9
0.7	1.3	1.3	1.5	1.6	2.5	2.9	0.5	0.5	1.2
21.0	18.1	20.1	12.2	22.0	31.7	26.1	8.8	7.6	10.5
11.4	12.2	14.0	5.7	5.9	12.8	10.4	5.0	5.3	4.2
9.6	5.8	6.1	6.5	16.0	18.9	15.6	3.7	2.3	6.3
-3.0	6.3	5.6	4.0	4.8	8.3	4.0	0.6	2.1	1.6
86.3	134.7	172.0	276.2	241.3	134.0	159.2	50.2	64.9	64.2
41.6	52.1	59.6	68.9	102.3	119.8	131.8	19.0	22.5	53.2
9.4	10.8	6.3	16.7	19.1	20.3	30.0	6.0	2.4	12.1
4.8	32.1	76.9	86.0	12.0	-80.4	-75.5	21.7	29.0	-30.4
7.0	44.0	40.0	40.0	12.0	-74.2	-38.4	15.7	15.1	-15.5
28.7	32.0	26.0	81.9	84.8	40.6	36.7	4.7	9.8	14.8
5.5	12.5	3.5	33.8	37.0	48.4	59.4	1.1	1.3	24.0
5.7	6.0	6.0	5.6	5.2	5.6	6.7	3.8	2.3	2.7
165.7	225.5	265.1	353.7	321.4	230.8	248.0	100.0	100.0	100.0
-64.5	-83.2	-112.3	-108.4	-118.4	-124.1	-115.2			
3.3	0.6	15.6	0.3	14.4	18.8	-12.8			
1.3	1.0	0.8	0.8	0.7	0.6	0.4			
56.5	59.2	58.9	55.6	48.5	52.1	56.4			
33.4	35.2	36.2	36.5	31.3	32.5	33.9			

a) Excluding forgiveness of non-ODA debt for the year 1992.

b) Excluding bond lending by banks (item III.3), and guaranteed financial credits (included in II).

c) Incomplete reporting from several DAC countries (including France, the United Kingdom and the United States). Includes Japan from 1996.

d) Excluding dividends.

e) Non-concessional flows from the IMF General Resources Account.

f) Comprises bilateral ODA as above plus **contributions to** multilateral organisations in place of ODA **disbursements from** multilateral organisations shown above.

p: Provisional.

The Total Net Flow of Long-Term Financial

	1983-84 average	1988-89 average
I. Official Development Assistance	27 450	46 399
1. Bilateral grants and grant-like flows	14 083	25 290
of which: Technical co-operation	5 539	9 560
Developmental food aid (a)	981	1 771
Emergency & distress relief (a)	286	766
Debt forgiveness	128	455
Administrative costs	927	1 734
2. Bilateral loans	4 331	7 173
3. Contributions to multilateral institutions	9 036	13 936
of which: UN (b)	2 272	3 457
EC (b)	1 430	2 711
IDA (b)	3 079	5 549
Regional development banks (b)	1 458	2 050
II. Other Official Flows	5 410	4 890
1. Bilateral	5 279	4 490
2. Multilateral	131	400
III. Private Flows at market terms	38 368	28 817
1. Direct investment	9 452	24 939
2. Bilateral portfolio investment	17 039	1 194
3. Multilateral portfolio investment	5 049	819
4. Export credits	6 829	1 865
IV. Net grants by NGOs	2 458	4 155
TOTAL NET FLOWS	73 687	84 261
Total net flows at 1998 prices and exchange rates (c)	138 927	101 900

Table 2

Resources from DAC Countries to Developing Countries and Multilateral Organisations by Type of Flow

Net disbursements at current prices and exchange rates

\$ million					Per cent of total						
1995	1996	1997	1998	1999	1983-84 average	1988-89 average	1995	1996	1997	1998	1999
58 926	55 622	48 497	52 084	56 378	37	55	36	29	26	29	30
36 184	36 534	31 282	32 465	33 910	19	30	22	19	17	18	18
14 298	14 142	12 888	13 056	13 033	8	11	9	7	7	7	7
1 346	821	1 081	919	1 045	1	2	1	0	1	1	1
3 062	2 693	2 165	2 787	4 365	0	1	2	1	1	2	2
3 724	3 398	3 122	3 012	2 277	0	1	2	2	2	2	1
2 889	2 856	2 719	2 814	3 049	1	2	2	1	1	2	2
4 444	2 585	1 147	2 739	3 951	6	9	3	1	1	2	2
18 299	16 503	16 068	16 880	18 517	12	17	11	9	9	9	10
4 267	4 383	3 885	4 249	3 646	3	4	3	2	2	2	2
5 370	4 727	4 860	5 002	4 991	2	3	3	2	3	3	3
5 405	3 992	4 062	4 155	2 834	4	7	3	2	2	2	1
1 301	1 578	1 551	1 895	5 020	2	2	1	1	1	1	3
9 872	5 562	6 125	13 491	15 477	7	6	6	3	3	7	8
9 084	6 089	6 074	11 483	14 528	7	5	5	3	3	6	8
788	- 527	51	2 008	949	0	0	0	0	0	1	1
90 411	126 809	125 623	111 223	110 404	52	34	55	66	68	61	58
52 484	58 879	77 137	83 416	89 373	13	30	32	30	42	46	47
33 145	67 584	50 861	27 762	24 934	23	1	20	35	27	15	13
- 790	- 948	-6 126	-2 059	-5 768	7	1	0	0	-3	-1	-3
5 572	1 295	3 751	2 104	1 866	9	2	3	1	2	1	1
5 973	5 568	5 191	5 609	6 684	3	5	4	3	3	3	4
165 182	193 561	185 436	182 407	188 943	100	100	100	100	100	100	100
145 779	176 156	181 782	182 407	185 475							

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Grants and capital subscriptions, does not include concessional lending to multilateral agencies.

c) Deflated by the total DAC deflator.

The Total Net Flow

	\$ million			
	1983-84 average	1988-89 average	1995	1996
Australia	1 233	2 565	2 536	- 721
Austria	93	227	906	1 878
Belgium	2 141	1 623	- 234	5 614
Canada	2 694	2 849	5 724	6 682
Denmark	851	816	1 799	1 949
Finland	245	857	604	1 147
France	8 151	5 337	12 477	17 486
Germany	6 757	11 979	21 197	20 815
Greece	..	..	..	184
Ireland	46	81	247	371
Italy	2 716	5 419	2 800	4 713
Japan	9 831	20 457	42 295	38 088
Luxembourg	6	21	72	89
Netherlands	2 113	2 567	6 795	9 514
New Zealand	102	136	166	147
Norway	670	904	1 670	1 668
Portugal	10	119	395	944
Spain	155	510	2 025	4 259
Sweden	1 285	2 341	2 224	2 003
Switzerland	3 311	1 629	1 118	-1 471
United Kingdom	5 467	6 879	13 382	22 470
United States	25 811	16 944	46 984	55 731
TOTAL DAC	73 687	84 261	165 182	193 561
<i>of which:</i>				
EU Members	30 035	38 776	64 688	93 436

Table 3

of Financial Resources from DAC Countries to Developing Countries and Multilateral Organisations

Net disbursements at current prices and exchange rates

1997	1998	1999	Per cent of GNP						
			1983-84 average	1988-89 average	1995	1996	1997	1998	1999
-3 043	1 745	1 749	0.76	1.01	0.76	-0.19	-0.80	0.49	0.46
1 661	889	1 963	0.14	0.18	0.39	0.82	0.80	0.42	0.96
-10 636	7 725	5 528	2.69	1.06	-0.09	2.11	-4.32	3.08	2.21
10 536	9 227	6 984	0.84	0.57	1.04	1.18	1.76	1.60	1.13
1 928	1 806	1 992	1.59	0.80	1.07	1.15	1.15	1.05	1.16
449	1 633	875	0.50	0.81	0.50	0.96	0.39	1.31	0.69
13 979	8 402	9 125	1.62	0.56	0.81	1.14	1.00	0.59	0.64
19 785	22 436	20 181	1.06	0.99	0.87	0.88	0.94	1.05	0.96
185	189	195	..	..	..	0.15	0.15	0.16	0.16
323	333	251	0.28	0.28	0.46	0.64	0.54	0.50	0.32
8 116	13 171	11 337	0.66	0.64	0.26	0.39	0.71	1.13	0.97
29 509	17 902	20 794	0.81	0.71	0.82	0.82	0.70	0.47	0.47
100	118	124	0.13	0.23	0.40	0.47	0.58	0.68	0.69
8 683	12 752	7 985	1.65	1.14	1.71	2.38	2.38	3.35	2.02
182	154	163	0.47	0.35	0.31	0.25	0.31	0.31	0.33
1 647	1 983	2 060	1.27	1.03	1.16	1.08	1.08	1.37	1.37
1 337	2 015	2 337	0.05	0.28	0.38	0.89	1.33	1.89	2.17
7 411	11 841	29 029	0.10	0.14	0.37	0.74	1.41	2.10	4.90
2 092	2 847	2 892	1.41	1.28	1.00	0.84	0.96	1.30	1.24
-3 457	4 683	3 226	3.35	0.86	0.35	-0.48	-1.31	1.67	1.17
19 659	12 136	10 017	1.24	0.83	1.19	1.93	1.50	0.86	0.69
74 991	48 421	50 138	0.74	0.34	0.65	0.73	0.93	0.55	0.54
185 436	182 407	188 943	0.92	0.60	0.75	0.87	0.85	0.82	0.80
75 070	98 292	103 830	1.13	0.75	0.78	1.09	0.93	1.17	1.23

Net Official

	1983-84 average	1988-89 average	1995	\$ million 1996
Australia	765	1 060	1 194	1 074
Austria	169	292	767	557
Belgium	463	652	1 034	913
Canada	1 527	2 334	2 067	1 795
Denmark	422	929	1 623	1 772
Finland	166	657	388	408
France	2 967	5 632	8 443	7 451
Germany	2 979	4 839	7 524	7 601
Greece	..	..	..	184
Ireland	34	53	153	179
Italy	983	3 403	1 623	2 416
Japan	4 040	9 049	14 489	9 439
Luxembourg	6	18	65	82
Netherlands	1 232	2 162	3 226	3 246
New Zealand	58	96	123	122
Norway	562	951	1 244	1 311
Portugal	10	97	258	218
Spain	102	395	1 348	1 251
Sweden	747	1 666	1 704	1 999
Switzerland	303	587	1 084	1 026
United Kingdom	1 520	2 616	3 202	3 199
United States	8 396	8 909	7 367	9 377
TOTAL DAC	27 450	46 399	58 926	55 622
<i>of which:</i>				
EU Members	11 800	23 413	31 358	31 476
<i>Memo:</i>				
Average country effort				

Table 4

Development Assistance from DAC Countries to Developing Countries and Multilateral Organisations

Net disbursements at current prices and exchange rates

1997	1998	1999	Per cent of GNP						
			1983-84 average	1988-89 average	1995	1996	1997	1998	1999
1 061	960	982	0.47	0.42	0.36	0.28	0.28	0.27	0.26
527	456	527	0.26	0.23	0.33	0.24	0.26	0.22	0.26
764	883	760	0.58	0.43	0.38	0.34	0.31	0.35	0.30
2 045	1 707	1 699	0.48	0.47	0.38	0.32	0.34	0.30	0.28
1 637	1 704	1 733	0.79	0.91	0.96	1.04	0.97	0.99	1.01
379	396	416	0.34	0.62	0.32	0.34	0.33	0.32	0.33
6 307	5 742	5 637	0.59	0.59	0.55	0.48	0.45	0.40	0.39
5 857	5 581	5 515	0.47	0.40	0.31	0.32	0.28	0.26	0.26
173	179	194	..	..	..	0.15	0.14	0.15	0.15
187	199	245	0.21	0.18	0.29	0.31	0.31	0.30	0.31
1 266	2 278	1 806	0.24	0.40	0.15	0.20	0.11	0.20	0.15
9 358	10 640	15 323	0.33	0.31	0.28	0.20	0.22	0.28	0.35
95	112	119	0.12	0.20	0.36	0.44	0.55	0.65	0.66
2 947	3 042	3 134	0.97	0.96	0.81	0.81	0.81	0.80	0.79
154	130	134	0.26	0.24	0.23	0.21	0.26	0.27	0.27
1 306	1 321	1 370	1.06	1.09	0.87	0.85	0.86	0.91	0.91
250	259	276	0.05	0.23	0.25	0.21	0.25	0.24	0.26
1 234	1 376	1 363	0.06	0.11	0.24	0.22	0.24	0.24	0.23
1 731	1 573	1 630	0.82	0.91	0.77	0.84	0.79	0.72	0.70
911	898	969	0.31	0.31	0.34	0.34	0.34	0.32	0.35
3 433	3 864	3 401	0.34	0.32	0.29	0.27	0.26	0.27	0.23
6 878	8 786	9 145	0.24	0.18	0.10	0.12	0.09	0.10	0.10
48 497	52 084	56 378	0.34	0.33	0.27	0.25	0.22	0.23	0.24
26 785	27 641	26 756	0.44	0.45	0.38	0.37	0.33	0.33	0.32
			0.43	0.45	0.41	0.39	0.38	0.39	0.39

The Net

	1983-84 average	1988-89 average	1995	\$ million 1996
Australia	306	1 348	1 281	-2 091
Austria	- 83	- 56	6	938
Belgium	1 521	560	-1 554	4 547
Canada	781	70	3 067	4 096
Denmark	222	- 12	- 7	188
Finland	13	167	8	495
France	4 422	-1 207	3 710	10 318
Germany	2 602	5 292	11 683	11 975
Greece	..	..	..	..
Ireland	2	4	48	125
Italy	1 116	1 187	120	289
Japan	4 407	10 840	22 046	27 469
Luxembourg	..	..	..	..
Netherlands	761	214	3 123	5 858
New Zealand	37	29	26	9
Norway	31	- 83	334	278
Portugal	..	- 13	126	593
Spain	53	84	942	2 885
Sweden	242	549	480	- 17
Switzerland	2 954	959	- 151	-2 679
United Kingdom	3 497	3 621	9 482	18 808
United States	15 484	5 264	35 642	42 726
TOTAL DAC	38 368	28 817	90 411	126 809
<i>of which:</i>				
EU Members	14 368	10 390	28 166	57 001

Table 5

Flow of Private Capital^a from DAC Countries to Developing Countries and Multilateral Organisations

Net disbursements at current prices and exchange rates

1997	1998	1999	Per cent of GNP						
			1983-84 average	1988-89 average	1995	1996	1997	1998	1999
-4 352	528	..	0.19	0.53	0.38	- 0.55	- 1.15	0.15	..
952	306	1 334	- 0.13	- 0.04	0.00	0.41	0.46	0.14	0.65
-11 439	6 727	4 765	1.91	0.37	- 0.58	1.71	- 4.65	2.68	1.90
7 261	5 469	4 484	0.24	0.01	0.56	0.72	1.21	0.95	0.73
118	- 60	410	0.41	- 0.01	- 0.00	0.11	0.07	- 0.03	0.24
1	1 176	313	0.03	0.16	0.01	0.41	0.00	0.94	0.25
7 579	2 851	3 524	0.88	- 0.13	0.24	0.67	0.54	0.20	0.25
13 518	16 205	13 853	0.41	0.44	0.48	0.50	0.64	0.76	0.66
..	..	..	..	..	..	..	..	..	..
80	90	..	0.01	0.01	0.09	0.21	0.13	0.13	..
5 848	11 061	9 484	0.27	0.14	0.01	0.02	0.51	0.95	0.81
15 953	-3 744	-4 297	0.36	0.38	0.43	0.59	0.38	- 0.10	- 0.10
..	..	..	..	..	..	..	..	..	..
5 577	9 300	4 581	0.60	0.10	0.79	1.47	1.53	2.45	1.16
13	11	16	0.17	0.07	0.05	0.02	0.02	0.02	0.03
221	535	522	0.06	- 0.09	0.23	0.18	0.15	0.37	0.35
1 000	1 636	1 953	..	- 0.03	0.12	0.56	0.99	1.53	1.81
6 054	10 297	27 655	0.03	0.02	0.17	0.50	1.15	1.82	4.67
333	1 221	1 192	0.27	0.30	0.22	- 0.01	0.15	0.56	0.51
-4 427	3 583	2 236	2.99	0.50	- 0.05	- 0.88	- 1.67	1.28	0.81
16 025	7 919	6 160	0.79	0.44	0.85	1.61	1.23	0.56	0.42
65 308	36 112	32 218	0.44	0.11	0.49	0.56	0.81	0.41	0.35
125 623	111 223	110 404	0.48	0.20	0.41	0.57	0.57	0.50	0.47
45 646	68 728	75 225	0.54	0.20	0.34	0.66	0.56	0.82	0.89

^a) Excluding grants by NGOs.

Table 6a**ODA Performance of DAC Countries in 1999 and Recent Years**

	\$ million			Per cent of GNP					
	1998 actual ^a	1999 actual ^a	1999 volume ^b	1984-88 average	1989-93 average	1998-99 average	1997	1998	1999
Australia	960	982	946	0.44	0.36	0.26	0.28	0.27	0.26
Austria	456	527	545	0.24	0.29	0.24	0.26	0.22	0.26
Belgium	883	760	785	0.48	0.42	0.33	0.31	0.35	0.30
Canada	1 707	1 699	1 674	0.49	0.45	0.29	0.34	0.30	0.28
Denmark	1 704	1 733	1 759	0.87	0.98	1.00	0.97	0.99	1.01
Finland	396	416	432	0.49	0.65	0.32	0.33	0.32	0.33
France	5 742	5 637	5 862	0.59	0.62	0.40	0.45	0.40	0.39
Germany	5 581	5 515	5 704	0.42	0.39	0.26	0.28	0.26	0.26
Greece	179	194	195	..	..	0.15	0.14	0.15	0.15
Ireland	199	245	249	0.22	0.18	0.30	0.31	0.30	0.31
Italy	2 278	1 806	1 862	0.35	0.33	0.17	0.11	0.20	0.15
Japan	10 640	15 323	13 451	0.31	0.30	0.32	0.22	0.28	0.35
Luxembourg	112	119	121	0.18	0.28	0.65	0.55	0.65	0.66
Netherlands	3 042	3 134	3 213	0.98	0.88	0.80	0.81	0.80	0.79
New Zealand	130	134	135	0.27	0.24	0.27	0.26	0.27	0.27
Norway	1 321	1 370	1 328	1.09	1.11	0.91	0.86	0.91	0.91
Portugal	259	276	281	0.11	0.29	0.25	0.25	0.24	0.26
Spain	1 376	1 363	1 385	0.08	0.23	0.24	0.24	0.24	0.23
Sweden	1 573	1 630	1 686	0.85	0.95	0.71	0.79	0.72	0.70
Switzerland	898	969	999	0.31	0.35	0.34	0.34	0.32	0.35
United Kingdom	3 864	3 401	3 399	0.31	0.31	0.25	0.26	0.27	0.23
United States	8 786	9 145	9 010	0.22	0.18	0.10	0.09	0.10	0.10
TOTAL DAC	52 084	56 378	55 021	0.34	0.33	0.24	0.22	0.23	0.24
<i>of which:</i>									
EU Members	27 641	26 756	27 477	0.45	0.45	0.32	0.33	0.33	0.32

a) At current prices and exchange rates.

b) At 1998 prices and exchange rates.

Table 6b

Debt Forgiveness of Non-ODA Claims^a

\$ million

Per cent change 1998-99		In volume terms ^b	Annual average % change in volume ^b 1993/94- 1998/99
In national currency	In \$		
-0.5	2.2	-1.5	-0.2
20.6	15.6	19.5	-3.5
-10.2	-13.9	-11.1	1.6
-0.3	-0.5	-1.9	-5.0
6.0	1.7	3.2	3.5
9.7	5.1	9.0	2.5
2.5	-1.8	2.1	-6.8
3.1	-1.2	2.2	-3.7
12.0	8.2	8.9	..
29.9	23.6	25.2	15.9
-17.1	-20.7	-18.3	-7.9
25.3	44.0	26.4	4.2
10.7	6.1	8.3	15.9
7.4	3.0	5.6	4.3
4.2	2.9	4.2	4.8
7.1	3.7	0.5	3.6
11.5	6.7	8.5	-1.6
3.6	-0.9	0.7	0.9
7.7	3.6	7.2	-3.1
11.9	8.0	11.3	1.3
-9.9	-12.0	-12.0	-0.8
4.1	4.1	2.6	-4.0
6.6	8.2	5.6	-1.4
0.8	-3.2	-0.6	-2.6

	1990	1991	1992
Australia	-	-	4.2
Austria	-	4.2	25.3
Belgium	-	-	30.2
France	294.0	-	108.5
Germany	-	-	620.4
Japan	15.0	6.8	32.0
Netherlands	12.0	-	11.4
Norway	-	-	46.8
Sweden	5.0	-	7.1
United Kingdom	8.0	17.0	90.4
United States	1 200.0	1 855.0	894.0
TOTAL DAC	1 534.0	1 882.9	1 870.2

a) These data are included in the ODA figures of individual countries but are excluded from DAC total ODA in all tables showing performance by donor. See Notes on Definitions and Measurement.

Table 7

Burden Sharing Indicators

1998-99 average

Net disbursements

	Grant equivalent of total ODA ^a as % of GNP	Multilateral ODA as % of GNP ^b		Aid to LICs ^c	of which: Aid to LLDCs ^d	ODA per capita of donor country 1998 dollars		Aid by NGOs as % of GNP	
						Memo: 1988-89	1998-99	Memo: 1988-89	1998-99
				as % of GNP					
Australia	0.26	0.06	n.a.	0.09	0.04	62	51	0.02	0.03
Austria	0.26	0.04	(0.08)	0.08	0.04	50	62	0.02	0.03
Belgium	0.34	0.05	(0.13)	0.13	0.08	87	82	0.01	0.02
Canada	0.29	0.08	n.a.	0.11	0.05	83	56	0.05	0.02
Denmark	1.02	0.35	(0.41)	0.50	0.32	238	326	0.02	0.02
Finland	0.35	0.10	(0.14)	0.14	0.08	134	80	0.01	0.00
France	0.45	0.05	(0.11)	0.13	0.07	126	98	0.01	0.00
Germany	0.30	0.04	(0.10)	0.11	0.05	103	69	0.06	0.05
Greece	0.30	0.02	(0.09)	0.04	0.00	..	18	..	0.00
Ireland	0.15	0.05	(0.12)	0.15	0.13	19	60	0.09	0.03
Italy	0.19	0.07	(0.13)	0.09	0.05	72	36	0.00	0.00
Japan	0.33	0.08	n.a.	0.16	0.05	80	95	0.00	0.01
Luxembourg	0.65	0.09	(0.18)	0.31	0.17	64	271	0.00	0.03
Netherlands	0.85	0.17	(0.24)	0.32	0.18	182	199	0.08	0.06
New Zealand	0.27	0.06	n.a.	0.09	0.06	30	35	0.02	0.03
Norway	0.91	0.25	n.a.	0.47	0.32	244	298	0.06	0.10
Portugal	0.28	0.01	(0.07)	0.13	0.12	16	27	0.00	0.00
Spain	0.25	0.03	(0.09)	0.07	0.02	12	35	0.00	0.01
Sweden	0.66	0.18	(0.22)	0.32	0.19	216	184	0.07	0.02
Switzerland	0.34	0.09	n.a.	0.16	0.09	115	133	0.05	0.03
United Kingdom	0.27	0.04	(0.10)	0.11	0.06	64	61	0.03	0.03
United States	0.11	0.03	n.a.	0.03	0.02	46	33	0.04	0.04
TOTAL DAC	0.25	0.06	(0.08)	0.10	0.05	73	64	0.03	0.03

a) Calculated on a gross disbursement basis.

b) In brackets, including EC. Capital subscriptions are on a deposit basis.

c) Low-income countries (LICs) comprise LLDCs and all other countries with per capita income (World Bank Atlas basis) of \$765 or less in 1995. Includes imputed multilateral ODA.

d) Least developed countries (LLDCs) are countries in the current United Nations list. Includes imputed multilateral ODA.

Table 8

ODA by Individual DAC Countries at 1998 Prices and Exchange Rates

Net disbursements										\$ million
	1990 ^a	1991 ^a	1992 ^a	1993	1994	1995	1996	1997	1998	1999
Australia	861	926	934	938	990	1 051	876	898	960	946
Austria	439	598	528	557	641	647	487	523	456	545
Belgium	977	908	833	833	711	875	802	764	883	785
Canada	2 165	2 183	2 195	2 203	2 163	1 951	1 657	1 898	1 707	1 674
Denmark	1 276	1 315	1 400	1 427	1 486	1 444	1 592	1 647	1 704	1 759
Finland	709	810	617	424	310	333	369	379	396	432
France	7 309	7 904	8 036	8 138	8 385	7 392	6 592	6 288	5 742	5 862
Germany	7 076	7 621	6 904	7 041	6 610	6 313	6 628	5 838	5 581	5 704
Greece	..	..	..	..	..	..	168	168	179	195
Ireland	64	82	73	93	121	154	175	186	199	249
Italy	3 295	3 126	3 657	3 314	2 920	1 685	2 257	1 274	2 278	1 862
Japan	10 388	11 360	10 686	9 439	10 183	10 327	7 892	8 678	10 640	13 451
Luxembourg	28	45	38	53	59	57	74	95	112	121
Netherlands	2 721	2 711	2 716	2 592	2 473	2 746	2 869	2 954	3 042	3 213
New Zealand	97	104	107	105	106	104	96	127	130	135
Norway	1 139	1 125	1 128	1 047	1 169	1 114	1 147	1 215	1 321	1 328
Portugal	190	247	298	259	325	237	200	253	259	281
Spain	928	1 155	1 281	1 310	1 327	1 218	1 109	1 237	1 376	1 385
Sweden	1 839	1 845	2 034	1 909	1 901	1 590	1 729	1 684	1 573	1 686
Switzerland	829	929	1 171	834	941	887	875	913	898	999
United Kingdom	3 184	3 639	3 483	3 671	3 883	3 680	3 600	3 577	3 864	3 399
United States	12 163	10 830	12 156	11 111	10 673	7 752	9 680	6 964	8 786	9 010
TOTAL DAC	57 678	59 465	60 274	57 297	57 375	51 558	50 876	47 561	52 084	55 021
<i>Memo:</i>										
Total DAC at current prices and exchange rates	52 961	56 678	60 850	56 486	59 152	58 926	55 622	48 497	52 084	56 378

a) Excluding non-ODA debt forgiveness. See Table 6b.

Table 9

Long-term Trends in DAC ODA

	Volume of net ODA (\$ million at 1998 prices and exchange rates)			Share of total DAC (at current prices and exchange rates, per cent)			Two-year averages, net disbursements ODA as per cent GNP		
	1978-79	1988-89	1998-99	1978-79	1988-89	1998-99	1978-79	1988-89	1998-99
Australia	911	1 033	953	3.0	2.3	1.8	0.54	0.42	0.26
Austria	298	383	500	0.7	0.6	0.9	0.23	0.23	0.24
Belgium	947	862	834	2.9	1.4	1.5	0.57	0.43	0.33
Canada	1 740	2 233	1 690	5.2	5.0	3.1	0.50	0.47	0.29
Denmark	803	1 221	1 731	2.1	2.0	3.2	0.71	0.91	1.00
Finland	141	662	414	0.4	1.4	0.7	0.19	0.62	0.32
France	3 862	7 099	5 802	10.4	12.1	10.5	0.41	0.59	0.40
Germany	5 332	6 366	5 642	14.0	10.4	10.2	0.41	0.40	0.26
Greece	..	..	187	..	..	0.3	..	..	0.15
Ireland	62	68	224	0.1	0.1	0.4	0.20	0.18	0.30
Italy	803	4 111	2 070	1.6	7.3	3.8	0.11	0.40	0.17
Japan	5 395	9 853	12 046	12.0	19.5	23.9	0.25	0.31	0.32
Luxembourg	..	24	116	..	0.0	0.2	..	0.20	0.65
Netherlands	2 043	2 695	3 127	6.2	4.7	5.7	0.86	0.96	0.80
New Zealand	117	100	133	0.3	0.2	0.2	0.34	0.24	0.27
Norway	643	1 028	1 325	1.9	2.0	2.5	0.93	1.09	0.91
Portugal	..	158	270	..	0.2	0.5	..	0.23	0.25
Spain	..	481	1 380	..	0.9	2.5	..	0.11	0.24
Sweden	1 461	1 831	1 629	4.3	3.6	3.0	0.89	0.91	0.71
Switzerland	394	765	948	0.9	1.3	1.7	0.21	0.31	0.34
United Kingdom	4 495	3 680	3 631	8.8	5.6	6.7	0.49	0.32	0.25
United States	10 689	11 283	8 898	25.2	19.2	16.5	0.22	0.18	0.10
TOTAL DAC	40 136	55 937	53 552	100.0	100.0	100.0	0.33	0.33	0.24
<i>of which:</i>									
EU Members	20 247	29 642	27 559	51.5	50.5	50.2	0.44	0.45	0.32

Table 10**Technical Co-operation Expenditure**

Net disbursements

\$ million at current prices and exchange rates

	1983-84 average	1988-89 average	1995	1996	1997	1998	1999
Australia	132	207	366	411	397	364	361
Austria	32	49	162	148	115	123	105
Belgium	114	160	294	286	258	290	276
Canada	110	261	396	331	408	427	347
Denmark	83	98	101	104	114	113	83
Finland	42	45	51	47	58	68	72
France	1 233	1 822	2 526	2 502	2 172	2 081	1 962
Germany	855	1 523	2 479	2 396	1 957	1 988	1 911
Greece	..	..	..	18	26	15	24
Ireland	6	12	52	67	73	-	-
Italy	181	319	81	60	58	40	53
Japan	412	1 115	2 398	2 184	1 956	1 819	2 136
Luxembourg	..	0	2	2	2	2	1
Netherlands	281	637	947	952	917	912	598
New Zealand	12	41	42	46	62	54	53
Norway	40	86	176	168	171	178	134
Portugal	..	22	61	64	48	85	97
Spain	..	51	169	88	128	148	118
Sweden	125	261	237	260	46	58	47
Switzerland	33	83	363	374	286	287	110
United Kingdom	328	625	782	849	894	727	667
United States	1 520	2 142	2 614	2 787	2 741	3 278	3 877
TOTAL DAC	5 539	9 560	14 298	14 142	12 888	13 056	13 033

Table 11

Non-ODA Financial Flows to Developing Countries, 1999

Per cent of reporting country's GNP

	<i>Memo:</i>	<i>of which:</i>								<i>Memo:</i>
	Total net flows	Total non-ODA flows	Export credits	OOF excl export credits	Direct investment	Bank lending	Non-bank portfolio	Multi-lateral private flows	NGOs net	Non-ODA debt claims ^a on LDCs
Australia	0.46	0.20	-0.00	0.18	..	..	..	..	0.02	0.65
Austria	0.96	0.70	0.26	-	0.41	-	-	-	0.04	5.59
Belgium	2.21	1.90	-0.06	-0.03	0.11	-0.13	1.99	-	0.03	1.19
Canada	1.13	0.86	0.11	0.00	0.66	0.06	0.02	-	0.02	1.56
Denmark	1.16	0.15	0.04	-0.11	0.20	-	-	-	0.02	0.64
Finland	0.69	0.36	0.18	0.01	0.11	-0.03	0.09	-	0.00	1.07
France	0.64	0.24	-0.04	-0.00	0.39	-0.13	0.03	-	-0.00	2.27
Germany	0.96	0.70	0.07	-0.03	0.28	0.14	0.19	-0.01	0.05	1.22
Greece	0.16	0.00	0.00	..	..	..	..	..	..	..
Ireland	0.32	0.01	-	-	..	..	..	..	0.01	..
Italy	0.97	0.81	-0.04	0.00	0.14	0.00	0.71	-	0.00	1.11
Japan	0.47	0.12	-0.07	0.23	0.12	-0.07	-	-0.09	0.01	0.91
Luxembourg	0.69	0.03	..	..	..	..	..	..	0.03	0.14
Netherlands	2.02	1.22	0.06	0.05	1.04	0.08	-0.17	0.10	0.07	0.98
New Zealand	0.33	0.06	-	0.00	0.03	-	-	-	0.03	..
Norway	1.37	0.46	0.12	-	0.23	-	-	-	0.11	0.35
Portugal	2.17	1.91	0.28	0.10	1.53	-	-	-	-	0.25
Spain	4.90	4.67	-0.01	0.00	4.68	-	-	-	-	1.87
Sweden	1.24	0.54	0.23	-0.00	0.28	-	-	-	0.03	3.01
Switzerland	1.17	0.82	0.15	0.01	0.67	-	-	-	-	2.22
United Kingdom	0.69	0.46	-0.00	-0.00	0.44	-0.01	-	-	0.03	1.32
United States	0.54	0.44	0.03	0.05	0.24	0.00	0.10	-0.02	0.04	0.48
TOTAL DAC	0.80	0.56	0.01	0.06	0.38	-0.01	0.11	-0.02	0.03	0.99
<i>of which:</i>										
EU Members	1.23	0.91	0.02	-0.01	0.65	0.01	0.20	0.00	0.02	1.53

a) Official and officially supported credits outstanding.

	Total DAC Countries	Australia	Austria	Belgium	Canada	Denmark	Finland	France	Germany
NET DISBURSEMENTS									
I. Official Development Assistance (ODA) (A + B)	52 084	960	456	883	1 707	1 704	396	5 742	5 581
ODA as % of GNP	0.23	0.27	0.22	0.35	0.30	0.99	0.32	0.40	0.26
A. Bilateral Official Development Assistance (1 + 2)	35 204	752	292	537	1 222	1 014	209	4 185	3 491
1. Grants and grant-like contributions	32 465	752	274	546	1 248	1 026	217	4 540	3 315
of which: Technical co-operation	13 056	364	123	290	427	113	68	2 081	1 988
Developmental food aid (a)	919	10	2	21	115	-	-	52	40
Emergency and distress relief (a)	2 787	66	34	20	151	92	26	89	173
Contributions to NGOs	1 037	-	1	5	151	7	5	22	-
Administrative costs	2 814	54	20	44	109	87	17	271	268
2. Development lending and capital	2 739	-	18	- 10	- 26	- 12	- 8	- 355	176
of which: New development lending	3 451	-	18	- 6	- 26	- 29	- 9	170	167
B. Contributions to Multilateral Institutions	16 880	209	164	346	484	690	187	1 557	2 090
Grants and capital subscriptions, total	16 646	209	164	347	484	690	187	1 296	2 100
of which: EC	5 002	-	80	195	-	110	65	782	1 236
IDA	4 155	52	28	48	132	82	10	234	341
Regional Development Banks	1 895	36	14	38	92	54	28	141	111
II. Other Official Flows (OOF) net (C + D)	13 491	146	81	79	1 896	127	56	- 191	- 321
C. Bilateral Other Official Flows (1 + 2)	11 483	53	81	79	1 896	5	56	- 191	- 37
1. Official export credits (b)	4 829	41	81	7	1 973	-	56	-	298
2. Equities and other bilateral assets	6 653	12	-	73	- 77	5	-	- 191	- 335
D. Multilateral Institutions	2 008	94	-	-	-	123	-	-	- 284
III. Grants by Private Voluntary Agencies	5 609	111	46	36	155	35	5	-	972
IV. Private Flows at Market Terms (long-term) (1 to 4)	111 223	528	306	6 727	5 469	- 60	1 176	2 851	16 205
1. Direct investment	83 416	355	215	1 011	5 656	- 60	- 17	6 188	5 721
2. Private export credits	2 104	-	91	- 457	127	-	42	- 442	2 023
3. Securities of multilateral agencies	-2 059	-	-	-	-	-	-	-	1 327
4. Bilateral portfolio investment	27 762	173	-	6 172	- 313	-	1 151	-2 895	7 134
V. Total Resource Flows (long-term) (I to IV)	182 407	1 745	889	7 725	9 227	1 806	1 633	8 402	22 436
Total Resource Flows as a % of GNP	0.82	0.49	0.42	3.08	1.60	1.05	1.31	0.59	1.05
<i>For reference:</i>									
GROSS DISBURSEMENTS									
Official Development Assistance (c)	58 758	960	517	908	1 739	1 747	407	6 947	6 654
New development lending	8 657	-	76	15	7	-	1	668	1 179
Food aid, Total	2 029	79	15	36	146	38	16	52	210
Other Official Flows	28 744	246	109	163	3 684	173	334	405	1 565
of which: Official export credits	10 035	141	109	7	3 684	-	334	-	912
Private export credits	22 900	-	172	454	446	-	45	-	5 301
COMMITMENTS									
Official Development Assistance, total (c)	60 601	771	754	908	1 861	1 373	432	7 205	7 252
Bilateral grants, Total	31 864	565	435	546	1 266	674	254	4 362	3 475
Debt forgiveness	3 055	13	-	122	77	-	1	1 221	193
Bilateral loans, Total	11 868	-	110	15	4	-	3	1 185	882
<i>Memo items on debt reorganisation:</i>									
Gross ODA debt reorganisation grants	3 283	13	46	122	93	54	1	1 232	183
of which: debt forgiveness	3 012	13	-	122	77	13	1	1 221	179
Net ODA debt reorganisation grants	2 359	13	46	117	93	41	0	687	183

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

Table 12

Comparison of Flows by Type in 1998

\$ million

Greece	Ireland	Italy	Japan	Luxem- bourg	Nether- lands	New Zealand	Norway	Portugal	Spain	Sweden	Switzer- land	United Kingdom	United States
179	199	2 278	10 640	112	3 042	130	1 321	259	1 376	1 573	898	3 864	8 786
0.15	0.30	0.20	0.28	0.65	0.80	0.27	0.91	0.24	0.24	0.72	0.32	0.27	0.10
63	124	697	8 553	77	2 133	98	950	176	838	1 041	633	2 132	5 988
53	124	624	4 901	77	2 323	98	944	156	666	1 045	632	2 328	6 574
15	-	40	1 819	2	912	54	178	85	148	58	287	727	3 278
1	-	39	56	1	2	-	-	-	12	-	-	-	568
1	10	22	124	10	297	5	213	1	27	212	131	187	898
-	3	17	257	1	311	6	-	2	1	108	29	111	-
-	-	30	657	1	164	7	60	6	38	83	19	226	652
10	-	73	3 652	-	- 190	-	6	20	171	- 5	-	- 196	- 585
10	-	- 42	3 652	-	- 190	-	4	8	214	-	-	- 2	- 489
116	75	1 581	2 087	35	909	32	371	82	538	532	265	1 732	2 798
116	75	1 581	2 087	35	909	32	371	82	538	532	265	1 732	2 814
91	49	707	-	19	307	-	-	59	370	97	-	835	-
3	7	490	703	4	226	6	60	6	51	124	74	441	1 035
6	-	183	471	-	62	4	48	7	33	86	55	88	341
9	-	- 209	10 804	-	253	-	-	114	35	13	35	- 54	618
9	-	- 209	8 727	-	253	-	-	114	35	13	35	- 54	618
9	-	26	1 806	-	45	-	-	-	-	-	-	70	417
-	-	- 235	6 921	-	208	-	-	114	35	13	35	- 125	201
-	-	-	2 076	-	-	-	-	-	-	-	-	-	-
-	45	40	203	6	158	12	126	7	133	40	167	408	2 906
-	90	11 061	-3 744	-	9 300	11	535	1 636	10 297	1 221	3 583	7 919	36 112
-	-	1 813	5 850	-	7 673	11	391	1 333	10 370	1 221	3 583	9 286	22 815
-	-	1 416	-2 638	-	81	-	144	303	- 72	-	-	- 55	1 543
-	-	-	-4 556	-	760	-	-	-	-	-	-	-	410
-	90	7 832	-2 400	-	787	-	-	-	-	-	-	- 1 313	11 344
189	333	13 171	17 902	118	12 752	154	1 983	2 015	11 841	2 847	4 683	12 136	48 421
0.16	0.50	1.13	0.47	0.68	3.35	0.31	1.37	1.89	2.10	1.30	1.67	0.86	0.55
179	199	2 447	13 176	112	3 232	130	1 327	260	1 530	1 581	898	4 228	9 580
10	-	126	6 188	-	-	-	10	10	325	-	-	39	2
1	-	69	56	2	92	-	39	5	84	11	34	47	996
9	-	155	18 539	-	571	-	-	132	35	14	35	192	2 384
9	-	26	3 041	-	363	-	-	-	-	-	-	70	1 339
-	-	3 126	5 410	-	159	-	179	346	-	1	-	-	7 262
-	199	1 816	15 235	109	2 984	129	1 082	260	1 637	1 919	548	4 228	9 901
-	124	550	4 750	73	2 078	99	694	156	666	1 440	454	2 328	6 875
-	-	269	300	-	208	-	-	45	147	-	-	422	38
-	-	128	8 739	-	-	-	6	21	433	4	-	161	178
-	-	269	381	-	154	-	37	57	161	8	10	422	38
-	-	269	381	-	76	-	-	45	147	8	-	422	38
-	-	269	381	-	154	-	37	57	118	-	10	114	38

	Total DAC Countries	Australia	Austria	Belgium	Canada	Denmark	Finland	France	Germany
NET DISBURSEMENTS									
I. Official Development Assistance (ODA) (A + B)	56 378	982	527	760	1 699	1 733	416	5 637	5 515
ODA as % of GNP	0.24	0.26	0.26	0.30	0.28	1.01	0.33	0.39	0.26
A. Bilateral Official Development Assistance (1 + 2)	37 862	730	344	437	1 172	1 026	241	4 125	3 278
1. Grants and grant-like contributions	33 910	730	381	454	1 195	1 023	286	4 320	3 236
of which: Technical co-operation	13 033	361	105	276	347	83	72	1 962	1 911
Developmental food aid (a)	1 045	3	1	-	61	-	-	51	32
Emergency and distress relief (a)	4 365	127	68	34	164	87	55	195	262
Contributions to NGOs	1 151	-	1	5	184	7	5	32	-
Administrative costs	3 049	52	19	49	135	86	18	249	267
2. Development lending and capital	3 951	-	- 37	- 17	- 23	3	- 45	- 195	42
of which: New development lending	4 431	-	46	- 13	- 23	- 24	- 10	140	41
B. Contributions to Multilateral Institutions	18 517	252	183	323	527	708	176	1 512	2 238
Grants and capital subscriptions, total	18 337	252	183	330	527	708	176	1 304	2 246
of which: EC	4 991	-	120	218	-	75	57	799	1 324
IDA	2 834	73	-	46	136	93	13	224	416
Regional Development Banks	5 020	70	15	8	70	22	25	142	96
II. Other Official Flows (OOF) net (C + D)	15 477	671	23	- 76	665	- 189	140	- 3	- 179
C. Bilateral Other Official Flows (1 + 2)	14 528	626	23	- 76	665	2	140	- 3	- 43
1. Official export credits (b)	770	- 18	23	5	694	-	126	-	357
2. Equities and other bilateral assets	13 758	645	-	- 80	- 29	2	13	- 3	- 400
D. Multilateral Institutions	949	45	-	-	-	- 191	-	-	- 136
III. Grants by Private Voluntary Agencies	6 684	95	80	78	137	37	6	- 32	992
IV. Private Flows at Market Terms (long-term) (1 to 4)	110 404	-	1 334	4 765	4 484	410	313	3 524	13 853
1. Direct investment	89 373	-	831	277	4 052	344	145	5 517	5 871
2. Private export credits	1 866	-	503	- 148	- 29	67	98	- 605	1 136
3. Securities of multilateral agencies	- 5 768	-	-	-	-	-	-	-	- 229
4. Bilateral portfolio investment	24 934	-	-	4 636	460	-	70	- 1 388	7 075
V. Total Resource Flows (long-term) (I to IV)	188 943	1 749	1 963	5 528	6 984	1 992	875	9 125	20 181
Total Resource Flows as a % of GNP	0.80	0.46	0.96	2.21	1.13	1.16	0.69	0.64	0.96
<i>For reference:</i>									
GROSS DISBURSEMENTS									
Official Development Assistance (c)	63 029	982	692	795	1 724	1 764	465	6 594	6 513
New development lending	9 968	-	127	12	2	-	-	634	917
Food aid, Total	2 732	49	14	26	115	40	14	51	197
Other Official Flows	36 059	761	79	8	1 559	29	564	1 152	1 575
of which: Official export credits	6 560	71	79	5	1 559	-	551	-	785
Private export credits	19 149	-	612	550	106	170	107	-	4 430
COMMITMENTS									
Official Development Assistance, total (c)	65 457	1 253	868	795	1 902	1 343	435	6 890	7 284
Bilateral grants, Total	36 390	974	429	454	1 171	777	256	4 311	3 297
Debt forgiveness	2 153	4	86	38	40	-	37	1 168	285
Bilateral loans, Total	11 407	-	209	12	-	-	7	1 067	1 113
<i>Memo items on debt reorganisation:</i>									
Gross ODA debt reorganisation grants	2 541	4	124	38	57	9	37	1 176	111
of which: debt forgiveness	2 277	4	86	38	40	6	37	1 168	88
Net ODA debt reorganisation grants	1 976	4	42	34	57	3	1	834	111

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

Table 13

Comparison of Flows by Type in 1999

\$ million

Greece	Ireland	Italy	Japan	Luxem- bourg	Nether- lands	New Zealand	Norway	Portugal	Spain	Sweden	Switzer- land	United Kingdom	United States
194	245	1 806	15 323	119	3 134	134	1 370	276	1 363	1 630	969	3 401	9 145
0.15	0.31	0.15	0.35	0.66	0.79	0.27	0.91	0.26	0.23	0.70	0.35	0.23	0.10
79	149	451	10 476	89	2 162	101	1 007	207	829	1 146	719	2 249	6 848
77	149	551	5 475	89	2 359	101	993	273	653	1 143	719	2 067	7 638
24	-	53	2 136	1	598	53	134	97	118	47	110	667	3 877
-	-	44	42	2	2	-	-	-	7	-	-	-	799
15	31	103	181	24	400	5	244	3	68	271	202	223	1 603
-	4	21	251	2	361	5	-	2	1	102	35	132	-
1	-	23	767	2	230	8	67	5	30	90	20	243	688
2	-	-100	5 001	-	-198	-	14	-65	176	3	-	182	-790
2	-	-103	5 001	-	-198	-	3	9	188	-	-	-8	-620
115	97	1 355	4 848	30	972	33	363	69	534	484	250	1 153	2 297
115	97	1 355	4 848	30	972	33	363	69	534	484	250	1 153	2 310
91	57	679	-	16	244	-	-	61	367	90	-	794	-
-	7	297	155	4	246	8	53	-	66	105	92	-	800
6	-	147	3 689	-	58	5	42	-	32	64	47	34	448
1	-	19	9 507	-	-8	-	-	107	11	-1	21	-24	4 793
1	-	19	8 276	-	-8	-	-	107	11	-1	21	-24	4 793
1	-	-	-708	-	-200	-	-	-	-	-	-	40	451
-	-	19	8 983	-	192	-	-	107	11	-1	21	-64	4 342
-	-	-	1 231	-	-	-	-	-	-	-	-	-	-
-	6	28	261	6	278	13	168	-	-	71	-	480	3 981
-	-	9 484	-4 297	-	4 581	16	522	1 953	2 7 655	1 192	2 236	6 160	32 218
-	-	1 655	5 277	-	4 103	16	340	1 650	27 710	665	1 834	6 361	22 724
-	-	-506	-2 355	-	418	-	182	304	-55	527	402	-104	2 031
-	-	-	-4 070	-	387	-	-	-	-	-	-	-	-1 856
-	-	8 335	-3 149	-	-327	-	-	-	-	-	-	-98	9 319
195	251	11 337	20 794	124	7 985	163	2 060	2 337	29 029	2 892	3 226	10 017	50 138
0.16	0.32	0.97	0.47	0.69	2.02	0.33	1.37	2.17	4.90	1.24	1.17	0.69	0.54
194	245	1 999	18 301	119	3 332	134	1 375	352	1 382	1 630	969	3 409	10 060
2	-	90	7 979	-	-	-	9	11	188	-	-	-	-1
12	-	117	42	2	79	1	54	6	14	10	23	73	1 794
1	-	190	22 877	-	274	-	-	108	18	6	21	258	6 582
1	-	-	1 962	-	82	-	-	-	-	-	-	40	1 424
-	-	330	1 142	-	970	-	248	323	-	1 334	834	-	7 994
194	245	1 959	16 316	124	2 788	130	1 515	352	1 382	2 154	1 658	3 409	12 459
77	149	562	5 256	93	1 835	98	1 149	273	653	1 709	818	2 067	9 982
-	-	102	-	-	52	-	-	97	62	-	-	113	68
2	-	53	8 384	-	-	-	7	11	195	-	-	189	157
-	-	102	270	-	159	-	23	123	73	32	19	113	68
-	-	102	270	-	96	-	-	97	62	-	-	113	68
-	-	102	270	-	159	-	23	49	54	32	19	113	68

	Australia				
	1988-1989	1996	1997	1998	1999
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 060	1 074	1 061	960	982
ODA as % of GNP	0.42	0.28	0.28	0.27	0.26
A. Bilateral Official Development Assistance (1 + 2)	664	852	776	752	730
1. Grants and grant-like contributions	664	852	790	752	730
of which: Technical co-operation	207	411	397	364	361
Developmental food aid (a)	46	23	16	10	3
Emergency and distress relief (a)	7	32	32	66	127
Contributions to NGOs	8	4	-	-	-
Administrative costs	36	49	46	54	52
2. Development lending and capital	-	-	- 14	-	-
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	396	222	285	209	252
Grants and capital subscriptions, total	396	222	285	209	252
of which: EC	-	-	-	-	-
IDA	132	90	96	52	73
Regional Development Banks	121	58	87	36	70
II. Other Official Flows (OOF) net (C + D)	111	220	97	146	671
C. Bilateral Other Official Flows (1 + 2)	80	220	97	53	626
1. Official export credits (b)	80	220	97	41	- 18
2. Equities and other bilateral assets	-	-	-	12	645
D. Multilateral Institutions	30	-	-	94	45
III. Grants by Private Voluntary Agencies	46	76	151	111	95
IV. Private Flows at Market Terms (long-term) (1 to 4)	1 348	-2 091	-4 352	528	-
1. Direct investment	950	- 994	-3 773	355	-
2. Private export credits	43	-	-	-	-
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	356	-1 097	- 579	173	-
V. Total Resource Flows (long-term) (I to IV)	2 565	- 721	-3 043	1 745	1 749
Total Resource Flows as a % of GNP	1.01	-0.19	-0.80	0.49	0.46
<i>For reference:</i>					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	1 061	1 074	1 075	960	982
New development lending	-	-	-	-	-
Food aid, Total	95	51	84	79	49
Other Official Flows	342	220	197	246	761
of which: Official export credits	111	220	196	141	71
Private export credits	572	-	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	1 019	1 141	1 063	771	1 253
Bilateral grants, Total	702	918	778	565	974
Debt forgiveness	-	-	14	13	4
Bilateral loans, Total	-	-	-	-	-
<i>Memo items on debt reorganisation:</i>					
Gross ODA debt reorganisation grants	-	7	14	13	4
of which: debt forgiveness	-	7	14	13	4
Net ODA debt reorganisation grants (d)	-	-	-	13	4

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

d) Available only from 1998.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations

\$ million

Austria					Belgium				
1988-1989	1996	1997	1998	1999	1988-1989	1996	1997	1998	1999
292	557	527	456	527	652	913	764	883	760
0.23	0.24	0.26	0.22	0.26	0.43	0.34	0.31	0.35	0.30
182	412	306	292	344	386	530	438	537	437
97	353	253	274	381	343	528	459	546	454
49	148	115	123	105	160	286	258	290	276
3	1	2	2	1	8	17	9	21	-
18	92	37	34	68	2	24	37	20	34
-	3	4	1	1	1	2	-	5	5
6	15	14	20	19	30	47	39	44	49
85	59	53	18	- 37	43	2	- 21	- 10	- 17
85	59	53	18	46	41	5	- 18	- 6	- 13
110	145	221	164	183	266	384	326	346	323
110	145	221	164	183	266	386	329	347	330
-	94	97	80	120	122	187	191	195	218
52	-	66	28	-	76	104	58	48	46
24	4	11	14	15	24	7	3	38	8
- 34	335	148	81	23	397	94	- 2	79	- 76
- 34	142	62	81	23	354	94	- 2	79	- 76
- 34	142	62	81	23	44	27	21	7	5
-	-	-	-	-	672	68	- 23	73	- 80
-	193	86	-	-	43	-	-	-	-
26	47	33	46	80	14	60	40	36	78
- 56	938	952	306	1 334	560	4 547	-11 439	6 727	4 765
29	247	225	215	831	544	461	371	1 011	277
- 85	691	727	91	503	- 172	- 127	- 330	- 457	- 148
-	-	-	-	-	- 82	-	-	-	-
-	-	-	-	-	269	4 213	-11 480	6 172	4 636
227	1 878	1 661	889	1 963	1 623	5 614	-10 636	7 725	5 528
0.18	0.82	0.80	0.42	0.96	1.06	2.11	-4.32	3.08	2.21
340	611	562	517	692	668	953	805	908	795
129	111	87	76	127	56	39	17	15	12
6	21	19	15	14	37	44	38	36	26
9	359	174	109	79	421	177	116	163	8
9	167	88	109	79	22	27	21	7	5
89	781	808	172	612	1 306	59	567	454	550
496	735	613	754	868	727	953	805	908	795
100	500	289	435	429	335	528	459	546	454
-	-	-	-	86	-	62	55	122	38
274	42	63	110	209	72	39	17	15	12
-	42	36	46	124	-	62	55	122	38
-	-	-	-	86	-	62	55	122	38
-	-	-	46	42	-	-	-	117	34

	Canada				
	1988-1989	1996	1997	1998	1999
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	2 334	1 795	2 045	1 707	1 699
ODA as % of GNP	0.47	0.32	0.34	0.30	0.28
A. Bilateral Official Development Assistance (1 + 2)	1582	1 356	1 263	1 222	1 172
1. Grants and grant-like contributions	1 624	1 392	1 354	1 248	1 195
of which: Technical co-operation	261	331	408	427	347
Developmental food aid (a)	181	83	164	115	61
Emergency and distress relief (a)	43	174	159	151	164
Contributions to NGOs	196	153	137	151	184
Administrative costs	163	120	115	109	135
2. Development lending and capital	- 42	- 35	- 91	- 26	- 23
of which: New development lending	- 42	- 27	- 46	- 26	- 23
B. Contributions to Multilateral Institutions	751	439	781	484	527
Grants and capital subscriptions, total	751	439	782	484	527
of which: EC	-	-	-	-	-
IDA	179	-	297	132	136
Regional Development Banks	200	36	132	92	70
II. Other Official Flows (OOF) net (C + D)	217	489	1 054	1 896	665
C. Bilateral Other Official Flows (1 + 2)	223	489	1 054	1 896	665
1. Official export credits (b)	223	609	1 068	1 973	694
2. Equities and other bilateral assets	-	- 119	- 14	- 77	- 29
D. Multilateral Institutions	- 6	-	-	-	-
III. Grants by Private Voluntary Agencies	228	302	175	155	137
IV. Private Flows at Market Terms (long-term) (1 to 4)	70	4 096	7 261	5 469	4 484
1. Direct investment	135	4 562	6 707	5 656	4 052
2. Private export credits	- 1	- 11	34	127	- 29
3. Securities of multilateral agencies	119	-	-	-	-
4. Bilateral portfolio investment	- 183	- 455	521	- 313	460
V. Total Resource Flows (long-term) (I to IV)	2 849	6 682	10 536	9 227	6 984
Total Resource Flows as a % of GNP	0.57	1.18	1.76	1.60	1.13
<i>For reference:</i>					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	2 399	1 844	2 141	1 739	1 724
New development lending	23	13	5	7	2
Food aid, Total	348	151	179	146	115
Other Official Flows	641	1 792	2 279	3 684	1 559
of which: Official export credits	641	1 792	2 279	3 684	1 559
Private export credits	163	177	139	446	106
COMMITMENTS					
Official Development Assistance, total (c)	2 866	2 207	2 132	1 861	1 902
Bilateral grants, Total	1 831	1 547	1 299	1 266	1 171
Debt forgiveness	55	128	58	77	40
Bilateral loans, Total	125	-	-	4	-
<i>Memo items on debt reorganisation:</i>					
Gross ODA debt reorganisation grants	55	128	58	93	57
of which: debt forgiveness	55	128	58	77	40
Net ODA debt reorganisation grants (d)	-	-	-	93	57

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

d) Available only from 1998.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations
(continued)

\$ million

Denmark					Finland				
1988-1989	1996	1997	1998	1999	1988-1989	1996	1997	1998	1999
929	1 772	1 637	1 704	1 733	657	408	379	396	416
0.91	1.04	0.97	0.99	1.01	0.62	0.34	0.33	0.32	0.33
500	1 058	1 010	1 014	1 026	408	215	200	209	241
473	1 074	1 012	1 026	1 023	360	218	204	217	286
98	104	114	113	83	45	47	58	68	72
-	-	-	-	-	2	-	-	-	-
-	54	95	92	87	26	39	29	26	55
3	9	7	7	7	17	-	1	5	5
24	86	87	87	86	17	20	20	17	18
27	- 16	- 2	- 12	3	47	- 4	- 4	- 8	- 45
48	- 34	- 29	- 29	- 24	47	- 6	- 7	- 9	- 10
429	715	627	690	708	249	194	179	187	176
429	715	627	690	708	249	194	179	187	176
62	84	88	110	75	-	48	48	65	57
58	56	4	82	93	37	33	14	10	13
17	11	55	54	22	26	29	25	28	25
- 123	- 48	143	127	- 189	20	243	59	56	140
- 118	- 3	10	5	2	-	243	59	56	140
- 124	-	-	-	-	-	243	59	56	126
10	- 3	10	5	2	-	-	-	-	13
- 5	- 45	133	123	- 191	19	-	-	-	-
21	36	29	35	37	14	-	10	5	6
- 12	188	118	- 60	410	167	495	1	1 176	313
72	199	136	- 60	344	101	280	30	- 17	145
- 139	- 11	- 18	-	67	85	53	288	42	98
-	-	-	-	-	-	-	-	-	-
56	-	-	-	-	- 19	162	- 317	1 151	70
816	1 949	1 928	1 806	1 992	857	1 147	449	1 633	875
0.80	1.15	1.15	1.05	1.16	0.81	0.96	0.39	1.31	0.69
959	1 820	1 674	1 747	1 764	658	419	390	407	465
57	1	-	-	-	49	5	4	1	-
31	39	36	38	40	40	10	13	16	14
101	245	423	173	29	20	520	539	334	564
63	155	-	-	-	-	520	539	334	551
88	-	-	-	170	182	98	308	45	107
987	2 174	1 512	1 373	1 343	767	450	382	432	435
554	1 290	802	674	777	474	215	205	254	256
9	-	-	-	-	32	-	-	1	37
25	129	-	-	-	41	13	6	3	7
21	27	32	54	9	31	-	-	1	37
21	27	17	13	6	31	-	-	1	37
-	-	-	41	3	-	-	-	-	1

	France				
	1988-1989	1996	1997	1998	1999
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	5 632	7 451	6 307	5 742	5 637
ODA as % of GNP	0.59	0.48	0.45	0.40	0.39
A. Bilateral Official Development Assistance (1 + 2)	4343	5 754	4 777	4 185	4 125
1. Grants and grant-like contributions	2 923	5 634	4 906	4 540	4 320
of which: Technical co-operation	1 822	2 502	2 172	2 081	1 962
Developmental food aid (a)	60	70	49	52	51
Emergency and distress relief (a)	-	96	71	89	195
Contributions to NGOs	18	22	-	22	32
Administrative costs	197	303	267	271	249
2. Development lending and capital	1 420	120	- 130	- 355	- 195
of which: New development lending	1 315	638	317	170	140
B. Contributions to Multilateral Institutions	1 290	1 697	1 530	1 557	1 512
Grants and capital subscriptions, total	1 290	1 697	1 530	1 296	1 304
of which: EC	617	845	881	782	799
IDA	284	471	281	234	224
Regional Development Banks	168	146	131	141	142
II. Other Official Flows (OOF) net (C + D)	779	- 284	94	- 191	- 3
C. Bilateral Other Official Flows (1 + 2)	779	- 284	94	- 191	- 3
1. Official export credits (b)	325	80	-	-	-
2. Equities and other bilateral assets	908	- 364	94	- 191	- 3
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	133	-	-	-	- 32
IV. Private Flows at Market Terms (long-term) (1 to 4)	-1 207	10 318	7 579	2 851	3 524
1. Direct investment	1 071	3 860	4 148	6 188	5 517
2. Private export credits	-1 658	1 106	- 960	- 442	- 605
3. Securities of multilateral agencies	338	-	-	-	-
4. Bilateral portfolio investment	- 957	5 352	4 390	-2 895	-1 388
V. Total Resource Flows (long-term) (I to IV)	5 337	17 486	13 979	8 402	9 125
Total Resource Flows as a % of GNP	0.56	1.14	1.00	0.59	0.64
<i>For reference:</i>					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	5 872	8 588	7 337	6 947	6 594
New development lending	1 514	1 108	818	668	634
Food aid, Total	209	70	49	52	51
Other Official Flows	1 123	479	788	405	1 152
of which: Official export credits	543	249	-	-	-
Private export credits	-	-	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	6 587	7 422	7 141	7 205	6 890
Bilateral grants, Total	3 011	4 044	4 496	4 362	4 311
Debt forgiveness	-	-	1 109	1 221	1 168
Bilateral loans, Total	2 287	1 404	1 115	1 185	1 067
<i>Memo items on debt reorganisation:</i>					
Gross ODA debt reorganisation grants	293	1 462	1 568	1 232	1 176
of which: debt forgiveness	293	1 462	1 546	1 221	1 168
Net ODA debt reorganisation grants (d)	-	-	-	687	834

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

d) Available only from 1998.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations
(continued)

\$ million

Germany					Greece				
1988-1989	1996	1997	1998	1999	1988-1989	1996	1997	1998	1999
4 839	7 601	5 857	5 581	5 515	-	184	173	179	194
0.40	0.32	0.28	0.26	0.26	-	0.15	0.14	0.15	0.15
3173	4 535	3 639	3 491	3 278	-	27	36	63	79
2 311	4 507	3 406	3 315	3 236	-	27	36	53	77
1 523	2 396	1 957	1 988	1 911	-	18	26	15	24
108	44	45	40	32	-	8	-	1	-
33	294	205	173	262	-	1	2	1	15
155	-	-	-	-	-	-	-	-	-
97	273	234	268	267	-	-	-	-	1
862	29	233	176	42	-	-	-	10	2
798	93	221	167	41	-	-	-	10	2
1 666	3 066	2 218	2 090	2 238	-	156	136	116	115
1 675	3 080	2 229	2 100	2 246	-	156	136	116	115
743	1 355	1 327	1 236	1 324	-	128	112	91	91
505	1 159	346	341	416	-	6	2	3	-
102	63	170	111	96	-	-	1	6	6
1 160	194	- 482	- 321	- 179	-	-	12	9	1
1 161	527	- 193	- 37	- 43	-	-	12	9	1
2	583	507	298	357	-	-	12	9	1
2 297	- 57	- 700	- 335	- 400	-	-	-	-	-
- 1	- 332	- 288	- 284	- 136	-	-	-	-	-
687	1 044	892	972	992	-	-	-	-	-
5 292	11 975	13 518	16 205	13 853	-	-	-	-	-
1 871	3 096	4 996	5 721	5 871	-	-	-	-	-
848	1 712	1 534	2 023	1 136	-	-	-	-	-
469	187	196	1 327	- 229	-	-	-	-	-
2 103	6 980	6 792	7 134	7 075	-	-	-	-	-
11 979	20 815	19 785	22 436	20 181	-	184	185	189	195
0.99	0.88	0.94	1.05	0.96	-	0.15	0.15	0.16	0.16
5 526	9 133	6 941	6 654	6 513	-	184	173	179	194
1 463	1 451	1 238	1 179	917	-	-	-	10	2
307	279	88	210	197	-	8	-	1	12
3 531	2 693	1 738	1 565	1 575	-	-	12	9	1
875	1 205	1 103	912	785	-	-	12	9	1
5 082	5 856	5 184	5 301	4 430	-	-	-	-	-
6 425	10 747	7 884	7 252	7 284	-	-	-	-	194
2 710	5 092	3 856	3 475	3 297	-	-	-	-	77
48	774	355	193	285	-	-	-	-	-
2 009	2 257	1 263	882	1 113	-	-	-	-	2
53	774	338	183	111	-	-	-	-	-
53	774	338	179	88	-	-	-	-	-
-	-	-	183	111	-	-	-	-	-

	Ireland				
	1988-1989	1996	1997	1998	1999
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	53	179	187	199	245
ODA as % of GNP	0.18	0.31	0.31	0.30	0.31
A. Bilateral Official Development Assistance (1 + 2)	21	114	120	124	149
1. Grants and grant-like contributions	21	114	120	124	149
of which: Technical co-operation	12	67	73	-	-
Developmental food aid (a)	-	-	-	-	-
Emergency and distress relief (a)	1	16	11	10	31
Contributions to NGOs	1	-	-	3	4
Administrative costs	2	14	12	-	-
2. Development lending and capital	-	-	-	-	-
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	32	65	67	75	97
Grants and capital subscriptions, total	32	65	67	75	97
of which: EC	19	41	39	49	57
IDA	5	7	7	7	7
Regional Development Banks	-	-	-	-	-
II. Other Official Flows (OOF) net (C + D)	-	-	-	-	-
C. Bilateral Other Official Flows (1 + 2)	-	-	-	-	-
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	-	-	-	-	-
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	24	68	56	45	6
IV. Private Flows at Market Terms (long-term) (1 to 4)	4	125	80	90	-
1. Direct investment	-	-	-	-	-
2. Private export credits	106	-	-	-	-
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	- 102	125	80	90	-
V. Total Resource Flows (long-term) (I to IV)	81	371	323	333	251
Total Resource Flows as a % of GNP	0.28	0.64	0.54	0.50	0.32
<i>For reference:</i>					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	53	179	187	199	245
New development lending	-	-	-	-	-
Food aid, Total	-	1	1	-	-
Other Official Flows	-	-	-	-	-
of which: Official export credits	-	-	-	-	-
Private export credits	106	-	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	53	179	187	199	245
Bilateral grants, Total	21	114	120	124	149
Debt forgiveness	-	-	-	-	-
Bilateral loans, Total	-	-	-	-	-
<i>Memo items on debt reorganisation:</i>					
Gross ODA debt reorganisation grants	-	-	-	-	-
of which: debt forgiveness	-	-	-	-	-
Net ODA debt reorganisation grants (d)	-	-	-	-	-

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

d) Available only from 1998.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations
(continued)

\$ million

Italy					Japan				
1988-1989	1996	1997	1998	1999	1988-1989	1996	1997	1998	1999
3 403	2 416	1 266	2 278	1 806	9 049	9 439	9 358	10 640	15 323
0.40	0.20	0.11	0.20	0.15	0.31	0.20	0.22	0.28	0.35
2 298	811	454	697	451	6 600	8 207	6 552	8 553	10 476
1 567	530	361	624	551	2 972	5 438	4 985	4 901	5 475
319	60	58	40	53	1 115	2 184	1 956	1 819	2 136
148	59	16	39	44	75	63	44	56	42
115	97	50	22	103	14	72	74	124	181
109	34	19	17	21	69	236	334	257	251
85	38	26	30	23	267	703	677	657	767
732	281	93	73	- 100	3 628	2 769	1 568	3 652	5 001
646	99	- 18	- 42	- 103	3 628	-	1 737	3 652	5 001
1 105	1 604	812	1 581	1 355	2 449	1 232	2 806	2 087	4 848
1 105	1 604	812	1 581	1 355	2 449	1 232	2 806	2 087	4 848
368	551	614	707	679	-	-	-	-	-
508	412	5	490	297	1 059	-	1 307	703	155
172	339	1	183	147	695	226	573	471	3 689
798	1 978	962	- 209	19	452	947	3 975	10 804	9 507
806	1 978	962	- 209	19	109	1 290	3 854	8 727	8 276
294	181	107	26	-	-1 542	- 282	- 382	1 806	- 708
1 105	1 798	855	- 235	19	3 641	1 572	4 236	6 921	8 983
- 8	-	-	-	-	343	- 343	121	2 076	1 231
31	31	41	40	28	115	232	223	203	261
1 187	289	5 848	11 061	9 484	10 840	27 469	15 953	-3 744	-4 297
812	457	1 449	1 813	1 655	7 418	8 573	10 273	5 850	5 277
474	-1 810	-1 017	1 416	- 506	453	- 485	-	-2 638	-2 355
-	-	-	-	-	909	- 599	-1 411	-4 556	-4 070
- 99	1 642	5 416	7 832	8 335	2 060	19 981	7 090	-2 400	-3 149
5 419	4 713	8 116	13 171	11 337	20 457	38 088	29 509	17 902	20 794
0.64	0.39	0.71	1.13	0.97	0.71	0.82	0.70	0.47	0.47
3 500	2 547	1 413	2 447	1 999	10 213	12 903	12 565	13 176	18 301
740	207	110	126	90	4 792	-	4 774	6 188	7 979
267	144	99	69	117	133	63	44	56	42
1 032	2 043	1 097	155	190	5 158	8 203	11 458	18 539	22 877
411	181	107	26	-	1 113	1 701	1 804	3 041	1 962
5 220	1 940	2 069	3 126	330	2 467	-	-	5 410	1 142
4 065	2 604	1 233	1 816	1 959	11 988	16 529	16 978	15 235	16 316
1 654	639	232	550	562	3 260	5 629	5 382	4 750	5 256
1	-	20	269	102	109	-	272	300	-
1 021	248	285	128	53	6 838	10 900	9 185	8 739	8 384
1	-	20	269	102	98	422	273	381	270
1	-	20	269	102	98	422	273	381	270
-	-	-	269	102	-	-	-	381	270

	Luxembourg				
	1988-1989	1996	1997	1998	1999
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	18	82	95	112	119
ODA as % of GNP	0.20	0.44	0.55	0.65	0.66
A. Bilateral Official Development Assistance (1 + 2)	10	57	66	77	89
1. Grants and grant-like contributions	10	57	66	77	89
of which: Technical co-operation	-	2	2	2	1
Developmental food aid (a)	1	1	1	1	2
Emergency and distress relief (a)	2	9	8	10	24
Contributions to NGOs	-	12	1	1	2
Administrative costs	-	2	3	1	2
2. Development lending and capital	-	-	-	-	-
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	9	26	28	35	30
Grants and capital subscriptions, total	9	26	28	35	30
of which: EC	5	14	14	19	16
IDA	3	5	5	4	4
Regional Development Banks	1	-	-	-	-
II. Other Official Flows (OOF) net (C + D)	3	-	-	-	-
C. Bilateral Other Official Flows (1 + 2)	3	-	-	-	-
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	6	-	-	-	-
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	-	7	6	6	6
IV. Private Flows at Market Terms (long-term) (1 to 4)	-	-	-	-	-
1. Direct investment	-	-	-	-	-
2. Private export credits	-	-	-	-	-
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	-	-	-	-	-
V. Total Resource Flows (long-term) (I to IV)	21	89	100	118	124
Total Resource Flows as a % of GNP	0.23	0.47	0.58	0.68	0.69
<i>For reference:</i>					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	18	82	95	112	119
New development lending	-	-	-	-	-
Food aid, Total	1	2	2	2	2
Other Official Flows	3	-	-	-	-
of which: Official export credits	-	-	-	-	-
Private export credits	-	-	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	-	88	88	109	124
Bilateral grants, Total	-	54	59	73	93
Debt forgiveness	-	-	-	-	-
Bilateral loans, Total	-	-	-	-	-
<i>Memo items on debt reorganisation:</i>					
Gross ODA debt reorganisation grants	-	-	-	-	-
of which: debt forgiveness	-	-	-	-	-
Net ODA debt reorganisation grants (d)	-	-	-	-	-

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

d) Available only from 1998.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations
(continued)

\$ million

Netherlands					New Zealand				
1988-1989	1996	1997	1998	1999	1988-1989	1996	1997	1998	1999
2 162	3 246	2 947	3 042	3 134	96	122	154	130	134
0.96	0.81	0.81	0.80	0.79	0.24	0.21	0.26	0.27	0.27
1 532	2 275	2 133	2 133	2 162	85	102	113	98	101
1 382	2 509	2 302	2 323	2 359	85	102	113	98	101
637	952	917	912	598	41	46	62	54	53
39	4	2	2	2	-	-	-	-	-
29	341	279	297	400	1	4	6	5	5
-	300	267	311	361	1	3	4	6	5
71	157	184	164	230	2	8	9	7	8
150	- 234	- 169	- 190	- 198	-	-	-	-	-
200	- 234	- 169	- 190	- 198	-	-	-	-	-
631	971	813	909	972	11	20	41	32	33
631	971	813	909	972	11	20	41	32	33
177	245	256	307	244	-	-	-	-	-
178	272	186	226	246	4	-	14	6	8
27	50	46	62	58	1	-	6	4	5
2	57	- 193	253	- 8	2	-	-	-	-
2	57	- 193	253	- 8	1	-	-	-	-
-	-	- 413	45	- 200	1	-	-	-	-
20	57	219	208	192	-	-	-	-	-
-	-	-	-	-	1	-	-	-	-
189	353	353	158	278	10	16	15	12	13
214	5 858	5 577	9 300	4 581	29	9	13	11	16
505	6 225	4 557	7 673	4 103	28	9	13	11	16
- 691	- 499	74	81	418	1	-	-	-	-
- 238	1 044	- 805	760	387	-	-	-	-	-
638	- 912	1 750	787	- 327	-	-	-	-	-
2 567	9 514	8 683	12 752	7 985	136	147	182	154	163
1.14	2.38	2.38	3.35	2.02	0.35	0.25	0.31	0.31	0.33
2 290	3 481	3 115	3 232	3 332	96	122	154	130	134
262	1	-	-	-	-	-	-	-	-
117	123	47	92	79	-	1	1	-	1
34	57	668	571	274	2	-	-	-	-
-	-	448	363	82	1	-	-	-	-
530	339	103	159	970	1	-	-	-	-
2 476	2 228	2 700	2 984	2 788	93	122	159	129	130
1 482	2 188	1 963	2 078	1 835	84	102	118	99	98
25	181	116	208	52	-	-	-	-	-
305	-	-	-	-	-	-	-	-	-
26	218	159	154	159	-	-	-	-	-
26	218	159	76	96	-	-	-	-	-
-	-	-	154	159	-	-	-	-	-

	Norway				
	1988-1989	1996	1997	1998	1999
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	951	1 311	1 306	1 321	1 370
ODA as % of GNP	1.09	0.85	0.86	0.91	0.91
A. Bilateral Official Development Assistance (1 + 2)	563	944	916	950	1 007
1. Grants and grant-like contributions	563	935	907	944	993
of which: Technical co-operation	86	168	171	178	134
Developmental food aid (a)	7	-	-	-	-
Emergency and distress relief (a)	46	199	192	213	244
Contributions to NGOs	71	-	-	-	-
Administrative costs	35	56	55	60	67
2. Development lending and capital	-	9	9	6	14
of which: New development lending	-	9	9	4	3
B. Contributions to Multilateral Institutions	388	367	390	371	363
Grants and capital subscriptions, total	388	367	390	371	363
of which: EC	-	-	-	-	-
IDA	72	78	71	60	53
Regional Development Banks	45	31	49	48	42
II. Other Official Flows (OOF) net (C + D)	- 16	- 1	-	-	-
C. Bilateral Other Official Flows (1 + 2)	1	- 1	-	-	-
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	1	- 1	-	-	-
D. Multilateral Institutions	- 17	-	-	-	-
III. Grants by Private Voluntary Agencies	52	80	121	126	168
IV. Private Flows at Market Terms (long-term) (1 to 4)	- 83	278	221	535	522
1. Direct investment	22	185	116	391	340
2. Private export credits	- 105	92	105	144	182
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	-	-	-	-	-
V. Total Resource Flows (long-term) (I to IV)	904	1 668	1 647	1 983	2 060
Total Resource Flows as a % of GNP	1.03	1.08	1.08	1.37	1.37
<i>For reference:</i>					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	955	1 314	1 309	1 327	1 375
New development lending	3	12	12	10	9
Food aid, Total	32	51	61	39	54
Other Official Flows	26	-	-	-	-
of which: Official export credits	-	-	-	-	-
Private export credits	42	143	160	179	248
COMMITMENTS					
Official Development Assistance, total (c)	755	1 231	1 080	1 082	1 515
Bilateral grants, Total	368	847	680	694	1 149
Debt forgiveness	-	30	35	-	-
Bilateral loans, Total	2	11	13	6	7
<i>Memo items on debt reorganisation:</i>					
Gross ODA debt reorganisation grants	-	44	32	37	23
of which: debt forgiveness	-	44	32	-	-
Net ODA debt reorganisation grants (d)	-	-	-	37	23

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

d) Available only from 1998.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations
(continued)

\$ million

Portugal					Spain				
1988-1989	1996	1997	1998	1999	1988-1989	1996	1997	1998	1999
97	218	250	259	276	395	1 251	1 234	1 376	1 363
0.23	0.21	0.25	0.24	0.26	0.11	0.22	0.24	0.24	0.23
74	157	163	176	207	211	888	765	838	829
65	126	115	156	273	99	563	540	666	653
22	64	48	85	97	51	88	128	148	118
-	-	-	-	-	17	14	3	12	7
-	6	-	1	3	1	13	18	27	68
-	2	2	2	2	11	-	-	1	1
-	5	1	6	5	20	38	36	38	30
10	31	48	20	- 65	112	325	226	171	176
28	- 1	- 1	8	9	129	325	226	214	188
23	61	87	82	69	184	364	469	538	534
23	61	87	82	69	184	364	469	538	534
17	53	61	59	61	87	269	321	370	367
-	-	8	6	-	62	3	41	51	66
2	1	9	7	-	17	18	26	33	32
33	135	82	114	107	-	-	-	35	11
33	135	82	114	107	-	-	-	35	11
-	-	-	-	-	-	-	-	-	-
33	135	82	114	107	-	-	-	35	11
-	-	-	-	-	-	-	-	-	-
2	- 1	4	7	-	32	122	123	133	-
- 13	593	1 000	1 636	1 953	84	2 885	6 054	10 297	27 655
8	482	702	1 333	1 650	309	2 885	6 054	10 370	27 710
- 11	111	298	303	304	- 71	-	-	- 72	- 55
-	-	-	-	-	-	-	-	-	-
- 11	-	-	-	-	- 155	-	-	-	-
119	944	1 337	2 015	2 337	510	4 259	7 411	11 841	29 029
0.28	0.89	1.33	1.89	2.17	0.14	0.74	1.41	2.10	4.90
102	220	252	260	352	410	1 344	1 367	1 530	1 382
28	-	-	10	11	129	418	358	325	188
4	7	7	5	6	17	19	103	84	14
33	157	122	132	108	-	-	-	35	18
-	-	-	-	-	-	-	-	-	-
-	163	348	346	323	330	-	-	-	-
95	115	148	260	352	-	1 314	1 208	1 637	1 382
8	54	46	156	273	-	563	540	666	653
-	48	45	45	97	-	120	80	147	62
143	33	63	21	11	-	388	199	433	195
-	38	45	57	123	-	120	94	161	73
-	36	45	45	97	-	120	80	147	62
-	-	-	57	49	-	-	-	118	54

	Sweden				
	1988-1989	1996	1997	1998	1999
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 666	1 999	1 731	1 573	1 630
ODA as % of GNP	0.91	0.84	0.79	0.72	0.70
A. Bilateral Official Development Assistance (1 + 2)	1 155	1 395	1 209	1 041	1 146
1. Grants and grant-like contributions	1 158	1 395	1 209	1 045	1 143
of which: Technical co-operation	261	260	46	58	47
Developmental food aid (a)	16	-	-	-	-
Emergency and distress relief (a)	162	269	234	212	271
Contributions to NGOs	87	109	109	108	102
Administrative costs	56	96	90	83	90
2. Development lending and capital	- 4	-	-	- 5	3
of which: New development lending	- 4	-	-	-	-
B. Contributions to Multilateral Institutions	512	604	522	532	484
Grants and capital subscriptions, total	514	604	522	532	484
of which: EC	-	105	93	97	90
IDA	128	137	126	124	105
Regional Development Banks	58	50	60	86	64
II. Other Official Flows (OOF) net (C + D)	-	-	1	13	- 1
C. Bilateral Other Official Flows (1 + 2)	-	-	1	13	- 1
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	-	-	1	13	- 1
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	126	22	27	40	71
IV. Private Flows at Market Terms (long-term) (1 to 4)	549	- 17	333	1 221	1 192
1. Direct investment	121	339	482	1 221	665
2. Private export credits	697	- 357	- 149	-	527
3. Securities of multilateral agencies	2	-	-	-	-
4. Bilateral portfolio investment	- 272	-	-	-	-
V. Total Resource Flows (long-term) (I to IV)	2 341	2 003	2 092	2 847	2 892
Total Resource Flows as a % of GNP	1.28	0.84	0.96	1.30	1.24
<i>For reference:</i>					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	1 672	1 999	1 731	1 581	1 630
New development lending	-	-	-	-	-
Food aid, Total	16	-	26	11	10
Other Official Flows	-	2	5	14	6
of which: Official export credits	-	-	-	-	-
Private export credits	1 464	889	666	1	1 334
COMMITMENTS					
Official Development Assistance, total (c)	1 681	1 996	1 558	1 919	2 154
Bilateral grants, Total	1 177	1 417	1 097	1 440	1 709
Debt forgiveness	-	81	-	-	-
Bilateral loans, Total	-	-	-	4	-
<i>Memo items on debt reorganisation:</i>					
Gross ODA debt reorganisation grants	10	29	11	8	32
of which: debt forgiveness	10	17	-	8	-
Net ODA debt reorganisation grants (d)	-	-	-	-	32

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

d) Available only from 1998.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations
(continued)

\$ million

Switzerland					United Kingdom				
1988-1989	1996	1997	1998	1999	1988-1989	1996	1997	1998	1999
587	1 026	911	898	969	2 616	3 199	3 433	3 864	3 401
0.31	0.34	0.34	0.32	0.35	0.32	0.27	0.26	0.27	0.23
434	722	575	633	719	1 446	1 790	1 979	2 132	2 249
403	726	586	632	719	1 538	1 782	1 926	2 328	2 067
83	374	286	287	110	625	849	894	727	667
22	13	12	-	-	29	-	-	-	-
44	81	122	131	202	32	195	164	187	223
76	56	37	29	35	12	65	76	111	132
13	23	19	19	20	80	131	147	226	243
31	- 4	- 11	-	-	- 92	8	53	- 196	182
31	- 4	4	-	-	- 53	- 79	- 63	- 2	- 8
153	304	335	265	250	1 169	1 409	1 454	1 732	1 153
153	304	335	265	250	1 170	1 411	1 461	1 732	1 153
-	-	-	-	-	494	707	718	835	794
-	128	139	74	92	299	323	291	441	-
49	17	52	55	47	69	58	110	88	34
- 7	-	-	35	21	391	81	- 113	- 54	- 24
- 7	-	-	35	21	391	81	- 113	- 54	- 24
- 7	-	-	-	-	269	22	47	70	40
-	-	-	35	21	290	60	- 159	- 125	- 64
-	-	-	-	-	-	-	-	-	-
90	182	60	167	-	251	382	313	408	480
959	-2 679	-4 427	3 583	2 236	3 621	18 808	16 025	7 919	6 160
1 442	-1 758	-1 996	3 583	1 834	3 860	6 464	12 685	9 286	6 361
- 774	- 338	467	-	402	1 004	224	-	- 55	- 104
34	- 583	- 338	-	-	-	-	-	-	-
257	-	-2 560	-	-	-1 242	12 120	3 340	-1 313	- 98
1 629	-1 471	-3 457	4 683	3 226	6 879	22 470	19 659	12 136	10 017
0.86	-0.48	-1.31	1.67	1.17	0.83	1.93	1.50	0.86	0.69
590	1 030	926	898	969	2 765	3 311	3 519	4 228	3 409
34	-	5	-	-	22	8	3	39	-
38	29	22	34	23	175	30	15	47	73
-	-	-	35	21	461	257	185	192	258
-	-	-	-	-	269	22	47	70	40
852	-	-	-	834	6 203	904	-	-	-
649	1 004	926	548	1 658	2 947	3 311	3 519	4 228	3 409
514	695	586	454	818	1 666	1 782	1 926	2 328	2 067
-	-	15	-	-	45	81	295	422	113
-	-	5	-	-	49	118	132	161	189
-	32	15	10	19	41	81	295	422	113
-	-	15	-	-	41	81	295	422	113
-	-	-	10	19	-	-	-	114	113

	United States				
	1988-1989	1996	1997	1998	1999
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	8 909	9 377	6 878	8 786	9 145
ODA as % of GNP	0.18	0.12	0.09	0.10	0.10
A. Bilateral Official Development Assistance (1 + 2)	6 796	6 917	4 939	5 988	6 848
1. Grants and grant-like contributions	6 632	7 672	5 633	6 574	7 638
of which: Technical co-operation	2 142	2 787	2 741	3 278	3 877
Developmental food aid (a)	1 010	420	718	568	799
Emergency and distress relief (a)	190	585	340	898	1 603
Contributions to NGOs	-	-	-	-	-
Administrative costs	533	671	641	652	688
2. Development lending and capital	165	- 755	- 694	- 585	- 790
of which: New development lending	302	- 898	- 862	- 489	- 620
B. Contributions to Multilateral Institutions	2 113	2 460	1 939	2 798	2 297
Grants and capital subscriptions, total	2 117	2 476	1 956	2 814	2 310
of which: EC	-	-	-	-	-
IDA	1 910	710	700	1 035	800
Regional Development Banks	231	435	-	341	448
II. Other Official Flows (OOF) net (C + D)	705	1 119	287	618	4 793
C. Bilateral Other Official Flows (1 + 2)	705	1 119	287	618	4 793
1. Official export credits (b)	- 852	- 57	- 335	417	451
2. Equities and other bilateral assets	3 092	1 176	622	201	4 342
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	2 066	2 509	2 518	2 906	3 981
IV. Private Flows at Market Terms (long-term) (1 to 4)	5 264	42 726	65 308	36 112	32 218
1. Direct investment	5 640	23 308	29 962	22 815	22 724
2. Private export credits	1 862	943	2 698	1 543	2 031
3. Securities of multilateral agencies	- 734	- 997	-3 768	410	-1 856
4. Bilateral portfolio investment	-1 505	19 472	36 416	11 344	9 319
V. Total Resource Flows (long-term) (I to IV)	16 944	55 731	74 991	48 421	50 138
Total Resource Flows as a % of GNP	0.34	0.73	0.93	0.55	0.54
<i>For reference:</i>					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	9 761	10 344	8 032	9 580	10 060
New development lending	302	9	7	2	- 1
Food aid, Total	1 783	750	1 124	996	1 794
Other Official Flows	2 703	3 148	2 912	2 384	6 582
of which: Official export credits	482	922	1 265	1 339	1 424
Private export credits	5 238	6 735	8 927	7 262	7 994
COMMITMENTS					
Official Development Assistance, total (c)	9 992	10 505	8 260	9 901	12 459
Bilateral grants, Total	7 161	8 014	5 761	6 875	9 982
Debt forgiveness	469	-	175	38	68
Bilateral loans, Total	738	82	488	178	157
<i>Memo items on debt reorganisation:</i>					
Gross ODA debt reorganisation grants	-	-	175	38	68
of which: debt forgiveness	-	-	175	38	68
Net ODA debt reorganisation grants (d)	-	-	-	38	68

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

d) Available only from 1998.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations
(continued)

\$ million

TOTAL DAC COUNTRIES					EC				
1988-1989	1996	1997	1998	1999	1988-1989	1996	1997	1998	1999
46 399	55 622	48 497	52 084	56 378	2 803	5 455	5 261	5 140	4 937
0.33	0.25	0.22	0.23	0.24	-	-	-	-	-
32 463	39 119	32 429	35 204	37 862	2 530	5 261	5 156	5 124	4 911
25 290	36 534	31 282	32 465	33 910	2 457	4 951	4 560	4 462	4 514
9 560	14 142	12 888	13 056	13 033	393	226	267	215	195
1 771	821	1 081	919	1 045	416	352	357	364	382
766	2 693	2 165	2 787	4 365	59	768	784	501	677
836	1 010	998	1 037	1 151	76	191	182	162	184
1 734	2 856	2 719	2 814	3 049	83	118	112	106	101
7 173	2 585	1 147	2 739	3 951	73	311	596	662	397
7 197	- 54	1 354	3 451	4 431	73	311	596	662	397
13 936	16 503	16 068	16 880	18 517	273	193	105	16	26
13 951	16 538	16 106	16 646	18 337	270	193	105	16	26
2 711	4 727	4 860	5 002	4 991	-	-	-	-	-
5 549	3 992	4 062	4 155	2 834	-	-	-	-	-
2 051	1 578	1 551	1 895	5 020	-	-	-	-	-
4 890	5 562	6 125	13 491	15 477	89	303	836	846	637
4 490	6 089	6 074	11 483	14 528	89	303	836	846	637
-1 321	1 768	849	4 829	770	-	-	-	-	-
12 075	4 321	5 224	6 653	13 758	89	303	836	846	637
400	- 527	51	2 008	949	-	-	-	-	-
4 155	5 568	5 191	5 609	6 684	-	-	-	-	-
28 817	126 809	125 623	111 223	110 404	-	-	-	-	-
24 939	58 879	77 137	83 416	89 373	-	-	-	-	-
1 865	1 295	3 751	2 104	1 866	-	-	-	-	-
819	- 948	-6 126	-2 059	-5 768	-	-	-	-	-
1 194	67 584	50 861	27 762	24 934	-	-	-	-	-
84 261	193 561	185 436	182 407	188 943	2 891	5 758	6 097	5 985	5 574
0.60	0.87	0.85	0.82	0.80	-	-	-	-	-
49 906	63 502	55 762	58 758	63 029	2 843	5 688	5 499	5 412	5 264
9 605	3 383	7 437	8 657	9 968	113	544	834	934	725
3 656	1 893	2 058	2 029	2 732	579	442	462	379	408
15 640	20 353	22 712	28 744	36 059	325	509	1 010	1 029	855
4 540	7 159	7 909	10 035	6 560	-	-	-	-	-
29 934	18 084	19 280	22 900	19 149	-	-	-	-	-
54 670	67 057	59 577	60 601	65 457	4 076	7 741	6 078	7 887	7 610
27 111	36 232	30 692	31 864	36 390	3 595	6 397	5 445	6 980	7 099
792	1 505	2 645	3 055	2 153	-	-	-	-	-
13 927	15 665	12 833	11 868	11 407	176	1 085	507	771	395
629	3 486	3 222	3 283	2 541	-	-	-	-	-
629	3 398	3 122	3 012	2 277	-	-	-	-	-
-	-	-	2 359	1 976	-	-	-	-	-

Net disbursements

		World	<i>of which:</i>	Regional	<i>of which:</i>		
	Total	Bank Group	IDA	Development Banks	African Dev. Bank	Asian Dev. Bank	Inter-American Dev. Bank
Australia	252	84	73	70	-	70	-
Austria	183	3	-	15	-	9	6
Belgium	323	47	46	8	1	4	2
Canada	527	136	136	70	- 0	38	10
Denmark	708	131	93	22	2	6	3
Finland	176	13	13	25	11	4	2
France	1 512	224	224	142	92	30	16
Germany	2 238	416	416	96	3	76	15
Greece	115	3	-	6	-	-	-
Ireland	97	7	7	-	-	-	-
Italy	1 355	303	297	147	33	29	69
Japan	4 848	161	155	3 689	-	3 584	105
Luxembourg	30	6	4	-	-	-	-
Netherlands	972	250	246	58	-	-	57
New Zealand	32	8	8	5	-	5	-
Norway	363	55	53	42	25	5	1
Portugal	69	0	-	0	-	-	0
Spain	534	66	66	32	12	0	21
Sweden	484	105	105	64	17	23	1
Switzerland	250	92	92	47	30	12	4
United Kingdom	1 153	3	-	34	0	29	0
United States	2 297	800	800	435	128	223	47
TOTAL DAC	18 517	2 914	2 834	5 007	355	4 148	360
<i>of which:</i>							
EU Members	9 947	1 577	1 517	650	172	210	193

Table 15

ODA from DAC Countries to Multilateral Organisations, 1999

\$ million

United Nations Agencies	of which:				of which:		Other Multilateral	of which:	
	UNDP	WFP	UNICEF	UNHCR	EC	EDF		IFAD	IMF ^a
65	4	25	3	18	-	-	33	1	2
27	10	2	2	0	120	42	17	2	5
37	12	2	3	3	212	93	20	1	8
136	28	54	9	-	-	-	185	4	117
281	68	35	34	35	75	36	198	-	-
72	12	11	12	7	57	6	8	1	-
119	13	3	9	10	799	286	228	7	208
325	46	25	6	5	1 317	518	84	-	8
10	0	-	-	-	91	19	5	-	-
17	3	2	2	2	57	16	16	0	14
151	13	20	10	7	679	283	75	3	6
728	97	31	26	82	-	-	270	-	77
8	1	-	1	0	16	4	1	0	1
235	75	27	25	23	244	86	186	7	11
9	3	0	1	1	-	-	10	0	-
231	71	25	36	22	-	-	36	5	12
5	1	0	0	0	61	14	2	-	-
46	7	1	2	2	367	275	23	-	9
222	59	11	32	33	90	-	3	1	-
86	34	-	11	9	-	-	25	-	5
242	59	0	23	17	794	244	79	3	28
594	95	8	105	53	-	-	468	16	-
3 646	713	281	351	330	4 978	1 920	1 972	53	511
1 797	381	138	159	145	4 978	1 920	945	27	298

a) IMF PRGF.

Table 16

**Capital Subscriptions to Multilateral Organisations^a
on a Deposit and an Encashment Basis**

Net disbursements

\$ million

	Deposit basis					Encashment basis				
	1988	1996	1997	1998	1999	1988	1996	1997	1998	1999
Australia	349	-	-	88	10	77	-	-	164	10
Austria	121	3	83	44	19	57	71	-	72	65
Belgium	23	-	-	-	-	-	143	123	107	108
Canada	400	190	283	283	322	349	431	438	382	546
Denmark	115	66	72	122	103	-	64	130	121	115
Finland	81	64	39	36	29	-	64	58	64	38
France	494	627	480	383	374	-	-	-	-	-
Germany	561	1 378	600	488	568	474	917	819	777	685
Greece	-	-	5	13	-	-	-	-	-	-
Ireland	13	-	-	-	-	6	-	-	-	-
Italy	186	760	4	677	499	334	309	174	402	663
Japan	2 274	452	2 116	757	-	-	-	-	-	3 208
Luxembourg	-	-	-	-	-	-	-	-	-	-
Netherlands	268	327	238	287	308	183	48	46	60	57
New Zealand	4	-	22	10	13	-	13	15	11	13
Norway	143	108	131	107	96	105	-	-	-	-
Portugal	2	1	1	0	1	-	10	8	12	12
Spain	13	21	85	110	70	-	-	-	-	-
Sweden	194	-	-	-	-	-	-	-	181	-
Switzerland	62	145	198	3	-	31	149	-	3	123
United Kingdom	489	468	511	-	54	448	-	-	-	-
United States	2 466	1 300	700	1 411	1 374	1 314	1 700	1 565	1 574	1 415
TOTAL DAC	8 259	5 909	5 566	4 822	3 838	..	..	..	..	..
<i>of which:</i>										
EU Members	2 560	3 714	2 116	2 161	2 023	..	..	..	..	..

a) World Bank, IDA, IDB, African Development Bank, Asian Development Bank and Caribbean Development Bank.
Note: Not all contributions to these agencies are in the form of capital subscriptions.

Table 17

Net Disbursements of Concessional and Non-concessional Flows by Multilateral Organisations^a

Net disbursements at current prices and exchange rates

\$ million

	1983-84 average	1988-89 average	1995	1996	1997	1998	1999
CONCESSIONAL FLOWS							
<i>Major Financial Institutions</i>							
IDA	2 414	3 417	4 928	5 723	5 253	4 646	3 770
IBRD	44	-	-	-	-	-	-
IDB	401	139	235	405	292	328	223
African Dev. Fund	135	422	570	591	589	576	459
Asian Dev. Fund	263	813	1 158	1 102	1 010	1 001	937
IFAD	157	109	86	152	109	135	131
EBRD	-	-	15	18	17	23	11
Sub-total	3 414	4 899	6 991	7 992	7 269	6 709	5 531
<i>United Nations^b</i>							
WFP	654	820	1 093	371	279	270	354
UNDP	607	945	504	555	670	604	508
UNHCR	376	483	880	281	261	236	253
UNRWA	201	248	348	237	264	298	286
UNICEF	245	450	796	677	514	484	564
UNTA	235	256	559	243	434	283	428
UNFPA	120	143	230	215	216	214	185
Other UN	312	614	722	512	70	134	161
Sub-total	2 751	3 959	5 133	3 091	2 707	2 521	2 741
IMF ^c	-	297	1 605	330	178	181	197
Caribbean Dev. Bank	23	36	- 24	1	0	3	12
Council of Europe	2	8	-	-	-	-	-
Nordic Dev. Fund	-	-	49	71	47	45	38
Total above	6 191	9 199	13 754	11 484	10 202	9 459	8 519
EC	1 181	2 464	4 723	5 261	5 156	5 124	4 911
Arab Funds	230	99	- 21	- 36	- 37	- 8	37
Total concessional	7 601	11 762	18 455	16 709	15 321	14 575	13 467
NON-CONCESSIONAL FLOWS							
<i>Major Financial Institutions</i>							
IBRD	5 382	3 360	- 543	- 238	3 145	5 746	3 802
IFC	146	372	657	902	246	678	663
IDB	1 254	1 175	1 387	1 409	2 697	4 112	5 956
African Dev. Bank	128	720	471	291	- 33	- 197	- 114
Asian Dev. Bank	531	633	1 147	218	3 971	4 654	2 580
IFAD	-	-	-	- 1	9	- 23	13
EBRD	-	-	268	377	244	320	218
Total above	7 441	6 260	3 387	2 959	10 278	15 290	13 117
Caribbean Dev. Bank	12	25	31	14	23	44	61
Council of Europe	-	407	- 176	-	-	-	-
Nordic Dev. Fund	-	-	-	-	3	-	-
Sub-total	7 453	6 692	3 243	2 972	10 304	15 334	13 178
EC	143	89	151	303	836	846	637
Arab Funds	29	12	-	-	-	-	-
Total non-concessional	7 625	6 792	3 393	3 275	11 140	16 180	13 815

a) To countries and territories on Part I of the DAC List of Aid Recipients.

b) The data for UN agencies has been reviewed to include only regular budget expenditures. This has led to revisions of UNDP data since 1990. For WFP and UNHCR revisions have only been possible from 1996 onwards, while for UNICEF the data are revised from 1997.

c) IMF Trust Fund, SAF and PRGF.

	Social and administrative infrastructure		Economic infrastructure		Agriculture	
	1978-79	1998-99	1978-79	1998-99	1978-79	1998-99
Australia	7.8	53.8	11.2	6.1	5.1	12.3
Austria	20.2	42.7	18.2	0.8	35.0	2.3
Belgium	7.7	36.3	1.8	3.1	4.1	8.8
Canada	10.4	26.4	32.5	5.9	12.6	3.1
Denmark	14.3	34.6	3.5	9.7	10.6	9.0
Finland	4.9	35.6	14.2	5.7	11.8	8.5
France	60.0	39.2	13.7	9.0	7.4	5.7
Germany	18.9	38.4	24.4	18.9	11.0	7.2
Greece	-	62.6	-	2.8	-	2.3
Ireland	-	41.7	-	5.5	-	5.2
Italy	36.5	18.3	5.2	2.5	11.9	3.2
Japan	10.1	19.3	37.3	34.6	15.4	8.4
Luxembourg	-	56.1	-	2.1	-	6.9
Netherlands	28.6	24.7	11.3	5.4	24.8	6.2
New Zealand	26.1	51.6	23.4	5.1	18.9	4.3
Norway	21.1	39.4	27.3	7.7	19.7	4.0
Portugal	-	22.0	-	11.4	-	1.2
Spain	-	35.9	-	9.8	-	3.9
Sweden	18.1	32.8	2.7	9.1	10.9	4.5
Switzerland	16.0	21.5	1.3	8.4	21.1	7.5
United Kingdom	13.2	28.5	16.1	11.5	8.0	8.2
United States	11.2	32.9	10.4	10.6	14.4	3.1
TOTAL DAC	21.9	29.3	17.4	18.0	12.4	6.3

Table 18

Major Aid Uses by Individual DAC Donors

Per cent of total bilateral commitments

Industry and other production		Commodity aid and programme assistance		Emergency aid		Other		Memo: Share of ODA through NGO's ^a 1998-99
1978-79	1998-99	1978-79	1998-99	1978-79	1998-99	1978-79	1998-99	
1.4	0.5	64.3	1.4	0.9	12.6	9.3	13.2	0.0
5.9	1.4	-	0.4	0.3	8.8	20.3	43.5	0.2
1.8	2.7	2.7	5.1	1.1	5.3	80.9	38.7	0.6
9.1	2.4	10.3	8.4	0.5	12.9	24.6	40.9	9.8
16.9	0.6	3.2	0.9	2.4	6.4	49.1	38.8	0.4
18.4	1.6	0.5	0.7	2.0	15.3	48.1	32.5	1.2
13.3	1.0	3.7	2.2	0.2	0.2	1.7	42.7	0.5
17.8	1.2	3.1	2.5	0.7	5.0	24.0	26.8	-
-	3.9	-	12.8	-	12.0	-	3.7	-
-	1.4	-	3.1	-	15.1	100.0	28.0	1.6
12.2	2.4	4.7	9.5	2.5	11.7	27.1	52.3	0.9
11.7	4.7	3.8	11.6	0.2	2.0	21.5	19.4	2.0
-	4.2	-	1.7	-	20.7	-	8.3	1.1
8.6	1.1	5.1	2.0	1.6	12.6	19.9	48.0	10.9
5.7	2.7	14.7	4.7	0.7	4.6	10.5	27.1	4.0
11.0	2.0	5.0	0.5	6.9	25.0	8.9	21.3	-
-	1.8	-	1.6	-	0.8	-	61.2	0.8
-	1.2	-	1.4	-	5.4	-	42.4	0.0
11.7	0.8	1.4	1.7	2.3	22.0	52.9	29.2	6.6
10.9	3.0	10.1	1.2	8.0	25.5	32.7	32.9	1.6
25.7	4.3	2.6	7.7	0.2	8.3	34.3	31.5	3.3
4.9	0.2	37.9	13.2	2.2	21.0	19.0	19.0	-
11.9	2.4	13.4	7.9	1.2	9.3	21.8	26.8	2.0

a) On a disbursements basis.

Commitments

	<i>Per cent of bilateral total</i>											
	Australia	Austria	Belgium	Canada	Denmark	Finland	France ^d	Germany	Greece	Ireland	Italy	Japan
Social and administrative infrastructure	52.5	45.0	42.5	26.8	45.6	34.2	39.2	34.7	70.1	38.7	25.4	18.9
Education ^a	15.7	19.8	13.0	8.1	1.2	7.4	27.4	16.8	6.3	15.9	5.8	8.7
of which: Basic education	3.9	0.5	0.5	0.8	0.1	0.2	-	1.9	-	-	0.0	0.4
Health	9.6	13.4	12.9	1.6	14.0	6.4	3.8	2.8	4.3	10.1	5.2	2.4
of which: Basic health	7.8	12.6	4.6	0.8	10.4	3.5	0.2	1.9	0.9	-	2.1	0.7
Population ^b	2.6	0.0	0.7	0.4	0.1	0.5	0.0	0.8	-	-	0.1	0.1
Water supply and sanitation	2.5	7.1	2.1	1.8	20.1	4.6	2.3	5.9	0.4	3.1	3.1	5.8
Government and civil society	14.4	4.3	7.8	11.4	8.4	8.2	1.0	2.9	54.8	9.0	7.3	0.9
Other social infrastructure/service	7.9	0.4	6.1	3.4	1.9	7.2	4.7	5.6	4.3	0.6	3.8	1.0
Economic infrastructure	2.3	0.8	3.0	5.2	9.4	5.3	9.0	25.8	2.0	5.3	4.1	31.5
Transport and communications	1.2	0.0	1.2	0.6	6.6	1.1	4.3	12.7	1.6	3.1	2.5	21.6
Energy	0.4	0.7	0.3	3.7	2.5	3.6	3.8	6.8	-	-	1.1	9.1
Other	0.6	0.1	1.5	0.8	0.2	0.6	0.9	6.4	0.4	2.3	0.5	0.8
Production	14.8	2.0	11.5	4.1	13.2	4.9	6.7	4.9	4.0	6.1	6.4	13.9
Agriculture	14.3	1.1	9.1	2.6	13.2	3.9	5.7	3.9	1.7	4.9	2.9	7.6
Industry, mining and construction	0.0	0.4	2.2	1.2	-	0.9	0.9	0.7	1.3	1.2	2.9	5.7
Trade and tourism	0.5	0.4	0.2	0.3	-	0.1	0.1	0.4	0.9	0.1	0.6	0.7
Multisector	5.9	6.8	5.3	6.5	10.0	8.3	7.6	9.9	1.0	3.2	7.4	4.8
Programme assistance	0.6	0.5	3.0	7.3	1.7	1.4	2.2	2.4	2.3	2.5	9.4	11.2
Debt relief ^c	0.4	29.7	8.2	4.9	-	14.1	27.5	7.6	-	-	17.1	4.6
Emergency aid	15.0	10.9	7.4	14.0	-	18.3	0.2	6.0	18.9	20.9	20.5	2.9
Administrative expenses	7.7	3.0	10.4	11.3	10.2	6.7	4.6	6.0	0.9	9.8	3.7	5.6
Unspecified	0.7	1.4	8.7	19.9	9.9	6.8	3.1	2.5	0.7	13.5	6.1	6.3
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Memo item:</i>												
Food aid, total	2.6	0.3	2.2	5.2	-	1.6	0.8	1.7	15.1	-	7.2	0.4

Table 19

Aid by Major Purposes, 1999

Luxem- bourg	Nether- lands	New Zealand	Norway	Portugal	Spain	Sweden	Switzer- land	United Kingdom	United States	TOTAL DAC	Per cent of total Multilateral finance (ODF)		
											Total	World Bank	Regional Dev. Banks ^e
52.2	24.6	51.2	43.9	21.1	41.1	33.8	21.4	29.2	31.3	29.9	40.1	34.5	49.1
18.7	8.3	35.1	10.4	7.3	12.1	5.8	3.6	9.6	3.2	10.7	4.8	6.3	2.4
3.2	3.9	1.8	6.5	0.0	2.2	2.9	1.2	3.0	1.2	1.2	0.9	1.3	0.1
14.5	5.0	4.5	5.8	3.0	6.0	4.2	5.1	5.8	4.2	4.2	1.7	2.1	1.0
6.6	1.1	3.3	2.3	0.2	4.2	1.2	3.0	2.3	3.1	2.0	0.1	0.1	-
1.8	1.8	0.7	2.1	0.0	0.3	2.7	0.3	3.4	6.0	1.8	0.6	1.0	-
8.1	3.2	1.5	3.0	0.2	1.8	3.6	3.7	2.5	2.1	4.1	4.3	2.4	7.3
1.0	3.2	5.2	12.8	5.9	9.7	10.5	8.5	3.9	5.9	4.2	14.1	12.4	16.6
8.1	3.1	4.2	9.8	4.7	11.4	7.0	0.1	4.0	10.0	4.9	14.7	10.3	21.7
2.0	4.1	5.3	6.5	6.6	1.6	9.0	8.3	12.2	12.9	17.2	24.7	30.2	16.0
0.2	1.8	2.6	1.7	4.5	0.3	3.4	3.3	4.4	0.2	8.7	11.6	13.6	8.5
1.8	0.8	1.0	3.1	0.0	0.8	2.6	1.3	5.3	0.9	4.6	3.6	1.9	6.4
-	1.4	1.7	1.7	2.1	0.5	3.0	3.7	2.5	11.8	3.9	9.4	14.7	1.1
8.7	5.4	7.0	6.7	1.4	5.6	3.8	7.4	14.1	2.5	8.1	16.7	12.4	23.5
5.3	4.9	4.4	5.1	0.9	4.0	3.1	5.3	9.4	2.3	5.5	6.8	9.4	2.7
0.6	0.5	0.7	1.4	0.1	1.2	0.1	0.6	4.1	0.1	2.2	9.6	2.6	20.6
2.8	0.0	2.0	0.2	0.3	0.4	0.6	1.5	0.6	0.0	0.4	0.3	0.4	0.2
2.0	7.1	9.0	10.0	20.5	8.3	6.3	17.8	2.9	9.9	7.4	5.5	4.5	7.2
1.9	3.1	9.2	0.5	2.3	1.5	1.8	0.0	8.7	9.9	6.9	1.1	1.8	-
-	6.3	-	2.2	43.5	11.1	2.8	2.6	5.0	0.7	7.4	-	-	-
26.8	14.6	4.6	21.5	1.1	10.4	23.6	28.1	9.9	25.8	11.1	2.6	4.3	-
2.7	-	8.1	5.5	1.8	4.7	7.9	2.8	7.5	6.8	5.9	-	-	-
3.6	34.8	5.5	3.1	1.8	15.7	11.0	11.6	10.4	0.3	6.1	9.2	12.4	4.3
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1.9	0.3	0.2	2.6	0.1	2.1	0.9	3.1	0.2	19.9	5.2	-	-	-

a) Including students and trainees.

b) Population and reproductive health.

c) Including forgiveness of non-ODA debt.

d) 1998 data.

e) Including the African Development Bank, Asian Development Bank and Inter-American Development Bank.

Table 20

Financial Terms of ODA Commitments^a
1998-1999 average

	Grant element of total ODA Norm: 86% ^b		Grant share of:		Grant element of ODA loans	Grant element of ODA to LLDCs ^c	Grant element of bilateral ODA to LLDCs
	1988-89	1998-99	Bilateral ODA	Total ODA			
Australia	100.0	100.0	100.0	100.0	-	100.0	100.0
Austria	67.8	89.6	60.0	74.2	59.7	100.0	100.0
Belgium	98.8	99.8	96.9	98.3	79.0	99.9	99.9
Canada	99.7	100.0	99.8	99.9	89.4	100.0	100.0
Denmark	99.7	100.0	100.0	100.0	-	100.0	100.0
Finland	98.8	99.9	97.9	98.8	31.3	99.7	99.5
France	86.0	93.3	76.4	78.0	57.4	99.4	99.2
Germany	89.7	96.0	76.6	86.3	70.7	100.0	100.0
Greece	..	..	97.7	99.1	..	..	..
Ireland	100.0	100.0	100.0	100.0	-	100.0	100.0
Italy	90.9	99.6	92.2	98.1	74.8	100.0	100.0
Japan	76.5	83.6	36.3	45.4	69.7	98.5	98.0
Luxembourg	81.9	100.0	100.0	100.0	-	100.0	100.0
Netherlands	94.4	100.0	100.0	100.0	-	100.0	100.0
New Zealand	100.0	100.0	100.0	100.0	-	100.0	100.0
Norway	99.8	99.7	99.3	99.5	31.0	99.6	99.5
Portugal	75.2	98.2	92.4	95.2	44.7	97.9	97.6
Spain	52.0	91.4	63.7	77.7	68.5	92.8	84.6
Sweden	100.0	100.0	99.9	99.9	-	100.0	100.0
Switzerland	100.0	100.0	100.0	100.0	-	100.0	100.0
United Kingdom	99.8	100.0	91.7	95.1	-	100.0	100.0
United States	97.5	99.4	98.1	98.5	57.6	99.8	99.7
TOTAL DAC	90.0	94.2	73.4	80.6	68.5	99.5	99.3

a) Excluding debt reorganisation. Equities are treated as having 100% grant element, but are not treated as loans.

b) Countries whose ODA commitments as a percentage of GNP is significantly below the DAC average are not considered as having met the terms target. This provision disqualified Greece, Italy and the United States in 1999.

c) Including imputed multilateral grant element. See note a) to Table 31.

Table 21

**DAC Members' Compliance in 1998 and 1999 with
the 1978 DAC Terms Recommendations**

	ODA commitments ^a \$ million		Grant element of ODA commitments ^a Norm: 86% ^b		Volume test: ODA commitments ^a as per cent of GNP		Grant element of bilateral ODA commitments ^a to LLDC's (two alternative norms) 3 years average		
					1998 Norm: 0.19%	1999 Norm: 0.20%	Annually for all LLDC's Norm: 90%	for each LLDC Norm: 86%	
	1998	1999	1998	1999	1998	1999	1998	1999	1997-1999 ^d
Australia	759	1 248	100.0	100.0	0.22	0.33	100.0	100.0	c
Austria	557	678	91.3	88.2	0.26	0.33	100.0	100.0	c
Belgium	787	757	99.6	99.9	0.31	0.30	99.8	100.0	c
Canada	1 768	1 845	100.0	100.0	0.31	0.30	100.0	100.0	c
Denmark	1 274	1 343	100.0	100.0	0.74	0.78	100.0	100.0	c
Finland	431	398	99.8	100.0	0.35	0.31	99.1	100.0	c
France	5 681	5 705	92.2	94.4	0.40	0.40	99.4	99.0	c
Germany	6 998	6 948	97.2	94.8	0.33	0.33	100.0	100.0	c
Greece	..	194	..	..	..	0.15	..	..	..
Ireland ^c	199	245	100.0	100.0	0.30	0.31	100.0	100.0	c
Italy	1 432	1 854	99.8	99.4	0.12	0.16	100.0	100.0	c
Japan	14 827	16 316	81.3	85.7	0.39	0.37	99.8	96.3	c
Luxembourg	109	124	100.0	100.0	0.63	0.69	100.0	100.0	c
Netherlands	2 728	2 673	100.0	100.0	0.72	0.67	100.0	100.0	c
New Zealand ^c	129	130	100.0	100.0	0.26	0.26	100.0	100.0	c
Norway	1 075	1 490	99.6	99.8	0.74	0.99	99.4	99.5	c
Portugal	191	229	98.9	97.7	0.18	0.21	98.2	97.3	c
Spain	1 475	1 303	90.2	92.7	0.26	0.22	82.6	87.1	n
Sweden	1 911	2 131	100.0	100.0	0.87	0.91	100.0	100.0	c
Switzerland	543	1 658	100.0	100.0	0.19	0.60	100.0	100.0	c
United Kingdom ^c	3 805	3 295	100.0	100.0	0.27	0.23	100.0	100.0	c
United States	9 861	12 388	99.2	99.5	0.11	0.13	99.2	100.0	c
TOTAL DAC	56 538	62 953	93.4	94.8	0.25	0.27	99.5	99.1	c

a) Excluding debt reorganisation. Equities are treated as having 100% grant element, but are not treated as loans.

b) Countries whose ODA as a percentage of GNP is significantly below the DAC average are not considered as having met the terms target. This provision disqualified Greece, Italy and the United States in 1999.

c) Gross disbursements.

d) c = compliance, n = non compliance.

Table 22

Other Terms Parameters^{a)}

Commitments

	Grant share of total ODA (per cent)		Bilateral ODA loans							
			Grant element (per cent)		Average maturity (years)		Average grace period (years)		Average interest rate (per cent)	
	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999
Australia	100.0	100.0	-	-	-	-	-	-	-	-
Austria	80.3	69.2	56.0	61.6	26.8	27.8	10.5	10.3	3.0	2.4
Belgium	98.1	98.4	79.6	75.1	29.2	28.4	10.2	9.4	0.4	0.8
Canada	99.8	100.0	89.4	-	38.0	-	13.3	-	-	-
Denmark	100.0	100.0	-	-	-	-	-	-	-	-
Finland	99.3	98.1	31.3	-	10.0	-	10.0	-	5.5	-
France	78.1	77.8	55.2	60.7	21.0	24.0	7.7	9.2	2.2	1.9
Germany	88.1	84.5	76.4	66.4	40.0	38.7	10.2	5.7	1.2	1.7
Greece	..	99.1	..	..	..	..	..	..	..	..
Ireland	100.0	100.0	-	-	-	-	-	-	-	-
Italy	99.1	97.3	76.7	74.3	31.1	30.7	13.1	10.8	1.0	1.1
Japan	41.8	48.6	67.7	71.7	31.2	32.6	9.6	9.2	1.8	1.3
Luxembourg	100.0	100.0	-	-	-	-	-	-	-	-
Netherlands	100.0	100.0	-	-	-	-	-	-	-	-
New Zealand	100.0	100.0	-	-	-	-	-	-	-	-
Norway	99.5	99.6	31.7	30.1	9.1	9.8	2.8	1.9	2.2	1.7
Portugal	95.0	95.3	62.4	31.6	24.1	6.1	4.0	3.2	1.0	0.8
Spain	70.7	85.6	66.6	70.6	26.2	28.8	9.2	10.4	1.1	1.4
Sweden	99.8	100.0	-	-	-	-	-	-	-	-
Switzerland	100.0	100.0	-	-	-	-	-	-	-	-
United Kingdom	95.8	94.3	-	-	-	-	-	-	-	-
United States	98.2	98.8	53.5	61.1	22.6	25.6	5.0	5.4	2.2	1.6
TOTAL DAC	79.4	81.6	66.3	69.9	30.3	32.2	9.3	8.9	1.8	1.4

a) Excluding debt reorganisation. Equities are treated as having 100% grant element, but are not treated as loans.

Table 23

Tying Status of ODA by Individual DAC Members, 1999

Commitments (excluding technical co-operation and administrative costs)

Per cent

	Bilateral ODA				Memo: Reporting Rate ^d
	Untied	Partially Untied	Tied	Total	
Australia	86.7	-	13.3	100.0	100.0
Austria	39.8	-	60.2	100.0	100.0
Belgium (a)	39.0	49.1	11.9	100.0	100.0
Canada	29.6	-	70.4	100.0	89.7
Denmark	70.8	-	29.2	100.0	100.0
Finland	84.7	-	15.3	100.0	100.0
France (b)	66.8	23.4	9.8	100.0	100.0
Germany	84.7	-	15.3	100.0	100.0
Greece	3.3	-	96.7	100.0	100.0
Ireland	..	..	..	..	Not reported
Italy	22.6	-	77.4	100.0	100.0
Japan	96.4	2.9	0.7	100.0	100.0
Luxembourg	96.1	-	3.9	100.0	100.0
Netherlands	94.1	0.9	4.9	100.0	100.0
New Zealand	..	..	..	..	Not reported
Norway	99.1	-	0.9	100.0	100.0
Portugal	96.6	-	3.4	100.0	74.5
Spain (b)	26.1	-	73.9	100.0	69.5
Sweden	91.5	6.6	1.9	100.0	100.0
Switzerland	96.8	-	3.2	100.0	100.0
United Kingdom (c)	91.8	-	8.2	100.0	100.0
United States	..	..	..	..	Not reported
TOTAL DAC	(83.8)	(4.7)	(11.5)	100.0	(82.9)

a) Includes technical co-operation and administrative costs.

b) 1998 data.

c) Gross disbursements.

d) Reporting rate is the percentage of bilateral ODA covered by tying status reporting (excluding technical co-operation and administrative costs, unless otherwise shown).

Table 24

*Tying Status of ODA by Individual DAC Members, 1999*Commitments (excluding technical co-operation
and administrative costs)

\$ million

	Bilateral ODA				Memo: Technical Co-operation
	Untied	Partially Untied	Tied	Total	
Australia	281	-	43	324	575
Austria	207	-	314	521	98
Belgium (a)	55	70	17	142	276
Canada	232	-	550	782	167
Denmark	435	-	179	614	84
Finland	148	-	27	175	71
France (b)	2 177	763	319	3 259	2 034
Germany	2 034	-	367	2 401	1 744
Greece	2	-	52	54	24
Ireland	..	..	..	..	-
Italy	116	-	396	512	81
Japan	10 278	311	76	10 664	2 206
Luxembourg	85	-	3	89	1
Netherlands	1 727	17	90	1 835	479
New Zealand	..	..	..	..	55
Norway	932	-	8	940	152
Portugal	131	-	5	136	97
Spain (b)	166	-	468	634	148
Sweden	1 558	112	33	1 703	6
Switzerland	669	-	22	691	127
United Kingdom (c)	1 255	-	112	1 366	667
United States	..	..	..	..	6 908
TOTAL DAC	(22 486)	(1 272)	(3 081)	(26 839)	15 998

a) Includes technical co-operation and administrative costs.

b) 1998 data.

c) Gross disbursements.

	Net ODA Receipts (\$ million)					GNP/CAP (e)	Population	Current GNP	ODA/GNP
	1995	1996	1997	1998	1999	1998 US\$	1998 million	1998 \$ million	1998 per cent
AFRICA									
NORTH OF SAHARA									
Algeria	312	304	248	393	89	1 550	29.51	45 382	0.87
Egypt	2 014	2 199	1 981	1 951	1 579	1 280	61.40	83 852	2.33
Libya	6	8	7	7	7	..	5.30	..	..
Morocco	495	650	463	529	678	1 240	27.78	34 292	1.54
Tunisia	71	124	193	147	244	2 060	9.34	19 088	0.77
North of Sahara Unall.	71	54	21	21	64	..	..	..	..
North of Sahara, Total	2 969	3 339	2 914	3 049	2 662	..	133.32	(182 615)	(1.67)
SOUTH OF SAHARA									
Angola	418	473	355	335	388	380	12.00	4 114	8.15
Benin	280	288	221	210	211	380	5.95	2 280	9.23
Botswana	90	75	122	106	61	3 070	1.56	4 631	2.30
Burkina Faso	489	415	368	397	398	240	10.73	2 569	15.47
Burundi	288	111	56	77	74	140	6.55	872	8.78
Cameroon	444	411	498	424	434	600	14.30	8 403	5.04
Cape Verde	117	117	111	130	136	1 290	0.42	533	24.33
Central African Rep.	166	167	91	120	117	300	3.48	1 038	11.56
Chad	236	296	228	167	188	230	7.28	1 666	10.04
Comoros	42	39	27	35	21	370	0.53	198	17.87
Congo, Dem. Rep.	196	166	157	126	132	110	48.22	6 210	2.02
Congo, Rep.	125	429	269	65	140	680	2.78	1 668	3.89
Côte d'Ivoire	1 212	964	446	799	447	720	14.49	10 446	7.64
Djibouti	105	97	85	81	75	..	0.64	509	15.90
Equatorial Guinea	34	31	24	25	20	1 060	0.43	404	6.17
Eritrea	149	159	123	167	148	210	3.88	803	20.79
Ethiopia	883	817	572	648	633	100	61.27	6 453	10.04
Gabon	144	127	39	45	48	3 960	1.18	4 198	1.06
Gambia	47	37	38	38	33	340	1.22	413	9.14
Ghana	651	649	489	701	607	390	18.46	7 335	9.56
Guinea	417	299	381	359	238	540	7.08	3 654	9.83
Guinea-Bissau	116	178	124	96	52	160	1.16	191	50.02
Kenya	731	591	445	475	308	350	29.29	11 394	4.17
Lesotho	114	104	92	66	31	590	2.06	1 165	5.68
Liberia	122	171	75	73	94	..	2.96	..	..
Madagascar	301	357	833	495	358	260	14.59	3 665	13.50
Malawi	432	492	345	434	446	210	10.53	1 778	24.41
Mali	541	491	428	346	354	240	10.60	2 584	13.41
Mauritania	230	272	238	172	219	410	2.53	960	17.87
Mauritius	23	19	42	40	42	3 640	1.16	3 954	1.01
Mayotte	108	130	104	104	112	..	0.13	..	-
Mozambique	1 064	888	947	1 039	118	210	16.95	3 680	28.24
Namibia	192	188	165	180	178	1 930	1.66	3 104	5.80
Niger	274	254	333	291	187	200	10.14	2 019	14.43
Nigeria	212	191	201	204	152	290	120.82	39 531	0.52
Rwanda	702	467	230	350	373	230	8.11	2 017	17.35
Sao Tome & Principe	84	47	33	28	28	270	0.14	36	78.99
Senegal	666	579	422	500	534	520	9.04	4 646	10.77
Seychelles	13	19	17	24	13	6 710	0.08	531	4.50
Sierra Leone	206	184	119	106	74	150	4.85	655	16.24
Somalia	189	88	81	80	115	..	9.08	..	..
South Africa	386	358	495	512	539	3 320	41.40	130 945	0.39
St. Helena	13	16	15	16	14	..	0.01	..	..
Sudan	239	219	138	209	243	290	28.35	9 512	2.20
Swaziland	55	30	27	30	29	1 400	0.99	1 342	2.27
Tanzania	877	877	944	1 000	990	210	32.13	7 956	12.56
Togo	192	157	125	128	71	320	4.46	1 487	8.64
Uganda	830	676	813	471	590	310	20.90	6 769	6.96
Zambia	2 034	610	610	349	623	330	9.67	3 046	11.45
Zimbabwe	491	371	335	280	244	620	11.69	5 911	4.74
South of Sahara Unall.	419	893	741	415	327	..	..	..	..
South of Sahara, Total	18 387	16 083	14 214	13 569	12 006	..	627.91	(317 278)	(4.28)
Africa Unspecified	577	546	831	724	628	..	..	..	..
AFRICA, TOTAL	21 932	19 968	17 959	17 341	15 296	..	761.23	(499 893)	(3.47)

Table 25

ODA Receipts^a and Selected Indicators for Developing Countries and Territories

	Net ODA Receipts (\$ million)					GNP/CAP (e)	Population	Current GNP	ODA/GNP
	1995	1996	1997	1998	1999	1998 US\$	1998 million	1998 \$ million	1998 per cent
AMERICA									
NORTH AND CENTRAL AMERICA									
Anguilla	3	3	3	3	2	..	0.01	..	..
Antigua and Barbuda	2	11	4	10	11	8 520	0.07	597	1.65
Aruba	26	20	25	11	- 7	..	0.09	..	..
Bahamas (b)	4	-	-	-	-	..	0.29	..	-
Barbados	- 1	5	4	16	- 2	..	0.27	..	..
Belize	15	18	14	15	46	2 670	0.24	647	2.33
Bermuda (c)	- 2	- 4	-	-	-	..	0.06	2 255	-
Cayman Islands (c)	- 1	- 2	-	-	-	..	0.04	..	..
Costa Rica	21	- 12	- 7	29	- 10	2 740	3.53	10 162	0.28
Cuba	64	57	65	80	58	..	11.10	..	..
Dominica	24	42	14	19	10	3 150	0.07	234	8.31
Dominican Republic	118	98	71	120	195	1 770	8.25	14 955	0.81
El Salvador	296	296	272	180	183	1 850	6.06	11 787	1.53
Grenada	10	11	9	6	10	3 190	0.10	318	1.92
Guatemala	208	192	263	233	293	1 640	10.80	18 703	1.24
Haiti	726	369	325	407	263	410	7.65	3 858	10.55
Honduras	404	357	297	321	817	730	6.16	5 034	6.37
Jamaica	108	58	71	18	- 23	2 200	2.58	6 258	0.30
Mexico	385	287	99	15	34	3 980	95.85	403 048	0.00
Montserrat	9	14	43	66	41	..	0.01	..	..
Netherlands Antilles	98	121	111	129	127	..	0.21	..	..
Nicaragua	652	931	410	572	675	410	4.79	1 998	28.65
Panama	39	48	42	22	14	3 010	2.76	8 619	0.25
St. Kitts-Nevis	4	6	7	7	5	6 060	0.04	261	2.51
St. Lucia	48	38	25	6	26	3 660	0.15	576	1.06
St. Vincent And Gr.	47	26	6	20	16	2 550	0.11	301	6.79
Trinidad & Tobago	25	17	33	14	26	4 230	1.29	5 446	0.25
Turks & Caicos Islands	6	4	4	6	7	..	0.02	..	..
Virgin Islands	1	1	2	1	3	..	0.02	..	..
West Indies Unall.	50	27	36	30	24	..	..	..	..
N. & C. America Unall.	87	67	129	187	256	..	..	..	..
North & Central America, Total	3 478	3 107	2 377	2 543	3 099	..	162.60	(495 056)	(0.51)
SOUTH AMERICA									
Argentina	143	134	95	77	91	8 020	36.13	291 049	0.03
Bolivia	719	831	698	628	569	1 000	7.95	8 333	7.54
Brazil	273	288	273	329	184	4 630	165.87	758 869	0.04
Chile	157	196	127	105	69	5 020	14.82	73 893	0.14
Colombia	171	188	195	168	301	2 470	40.80	100 426	0.17
Ecuador	225	245	149	176	146	1 530	12.18	18 914	0.93
Falkland Islands (c)	2	2	-	-	-	..	0.00	..	-
Guyana	86	142	264	93	27	780	0.85	665	13.99
Paraguay	136	84	103	76	78	1 760	5.22	8 658	0.88
Peru	365	329	393	502	452	2 490	24.80	61 261	0.82
Suriname	77	109	76	59	36	1 660	0.41	727	8.09
Uruguay	68	35	34	24	22	6 140	3.29	20 634	0.12
Venezuela	44	38	9	37	44	3 530	23.24	93 342	0.04
South America Unall.	139	115	69	63	113	..	..	..	..
South America, Total	2 605	2 738	2 486	2 335	2 129	..	335.57	(1 436 770)	(0.16)
America Unspecified	333	1 683	605	716	736	..	..	..	..
AMERICA, TOTAL	6 416	7 528	5 468	5 594	5 964	..	498.17	(1 931 826)	(0.29)

	Net ODA Receipts (\$ million)					GNP/CAP (e)	Population	Current GNP	ODA/GNP
	1995	1996	1997	1998	1999	1998 US\$	1998 million	1998 \$ million	1998 per cent
ASIA									
<i>MIDDLE EAST</i>									
Bahrain	48	81	92	47	4	7 640	0.64	4 715	1.00
Iran	191	169	199	164	161	1 820	61.95	113 837	0.14
Iraq	327	348	220	116	76	..	22.33	..	..
Israel (c)	336	2 217	-	-	-	17 450	5.96	122 440	-
Jordan	537	505	461	408	430	1 490	4.56	7 168	5.69
Kuwait (b)	3	-	-	-	-	..	1.87	31 193	-
Lebanon	187	232	249	238	194	3 510	4.21	16 153	1.47
Oman	59	62	65	41	40	..	2.30	..	..
Palestinian Adm. Areas	498	549	599	603	512	1 560	2.73	4 316	13.98
Qatar (b)	2	-	-	-	-	..	0.74	..	-
Saudi Arabia	17	23	11	25	29	6 910	20.74	133 208	0.02
Syria	347	219	197	155	228	1 030	15.28	15 325	1.01
United Arab Emirates (b)	5	-	-	-	-	17 870	2.72	50 307	-
Yemen	169	247	356	310	456	350	16.60	5 630	5.51
Middle East Unall.	127	88	66	54	236	..	..	..	..
Middle East, Total	2 855	4 741	2 515	2 162	2 366	..	162.64	(504 292)	(0.43)
<i>SOUTH AND CENTRAL ASIA</i>									
Afghanistan	214	183	230	154	142	..	25.05	..	..
Armenia	218	293	166	142	208	470	3.80	1 960	7.27
Azerbaijan	109	96	177	89	162	500	7.91	4 104	2.16
Bangladesh	1 277	1 235	1 010	1 251	1 203	360	125.63	45 568	2.75
Bhutan	72	58	66	56	67	470	0.76	373	14.94
Georgia	209	310	238	166	239	740	5.44	3 569	4.66
India	1 732	1 897	1 641	1 595	1 484	420	979.67	416 143	0.38
Kazakhstan	58	124	130	207	161	1 330	15.59	21 678	0.96
Kyrgyzstan	283	231	238	216	267	360	4.70	1 562	13.83
Maldives	58	32	26	25	31	1 110	0.27	310	8.07
Myanmar	149	42	34	59	73	..	44.46	..	..
Nepal	432	390	401	404	344	210	22.85	4 880	8.29
Pakistan	823	884	594	1 050	732	490	131.58	64 485	1.63
Sri Lanka	553	485	329	490	251	810	18.78	15 528	3.15
Tajikistan	65	103	85	105	122	280	6.12	1 778	5.91
Turkmenistan	26	24	10	17	21	540	4.72	2 740	0.60
Uzbekistan	81	87	128	145	134	710	24.05	17 433	0.83
South Asia Unall.	62	18	35	23	226	..	..	..	..
South and Central Asia, Total	6 420	6 493	5 538	6 193	5 867	..	1 421.38	(602 112)	(1.03)
<i>FAR EAST ASIA</i>									
Brunei (b)	4	-	-	-	-	24 630	0.31	7 201	-
Cambodia	556	422	333	337	279	260	11.50	2 845	11.85
China	3 525	2 605	2 013	2 359	2 324	740	1 238.60	929 673	0.25
Hong Kong, China (c)	18	13	-	-	-	23 390	6.69	163 562	-
Chinese Taipei (c)	0	16	-	-	-	13 240	21.82	268 612	-
Indonesia	1 387	1 117	825	1 258	2 206	640	203.68	85 486	1.47
Korea, Dem. Rep.	14	26	88	109	201	..	23.17	..	..
Korea, Rep.	57	- 149	- 161	- 50	- 55	8 500	46.43	312 445	-0.02
Laos	309	332	328	281	294	320	4.97	1 224	22.99
Macao	- 4	0	0	1	0	..	0.46	..	..
Malaysia	109	- 457	- 245	202	143	3 680	22.18	68 581	0.29
Mongolia	206	200	247	203	219	380	2.58	989	20.57
Philippines	883	879	681	607	690	1 050	75.17	68 326	0.89
Singapore (b)	17	-	-	-	-	30 560	3.16	88 736	-
Thailand	858	827	618	690	1 003	2 070	61.20	108 104	0.64
Timor (East)	0	0	0	2	153	..	0.71	..	..
Viet Nam	823	919	987	1 163	1 421	350	76.52	27 184	4.28
Far East Asia Unall.	145	52	97	64	104	..	..	..	..
Far East Asia, Total	8 906	6 802	5 812	7 226	8 981	..	1 799.16	(2 132 968)	(0.34)
Asia Unspecified	447	480	242	193	198	..	..	..	..
ASIA, TOTAL	18 627	18 516	14 108	15 774	17 411	..	3 383.18	(3 239 373)	(0.49)

Table 25

ODA Receipts^a and Selected Indicators for Developing Countries and Territories (continued)

	Net ODA Receipts (\$ million)					GNP/CAP (e)	Population	Current GNP	ODA/GNP
	1995	1996	1997	1998	1999	1998 US\$	1998 million	1998 \$ million	1998 per cent
EUROPE									
Albania	181	228	166	258	480	820	3.34	3 123	8.27
Cyprus (c)	22	23	-	-	-	11 910	0.75	9 032	-
Gibraltar	0	- 0	0	0	1	..	0.03	..	..
Malta	9	72	22	22	25	9 140	0.38	3 411	0.64
Moldova (d)	-	-	60	34	102	380	4.30	1 656	2.07
Turkey	302	231	- 4	12	- 10	3 160	63.37	206 135	0.01
Bosnia and Herzegovina	924	844	861	898	1 063	..	3.77	3 944	22.77
Croatia	54	133	40	39	48	4 650	4.50	21 752	0.18
Macedonia/FYROM	79	106	98	92	273	1 690	2.01	3 286	2.81
Slovenia	53	82	97	40	31	9 780	1.98	19 669	0.20
Yugoslavia, Fed. Rep.	95	70	97	107	638	..	10.62	..	..
States Ex-Yugoslavia Unsp.	436	276	69	106	434	..	..	..	..
Europe Unallocated	125	108	236	339	561	..	..	..	..
EUROPE, TOTAL	2 280	2 172	1 743	1 949	3 647	..	95.05	(272 008)	(0.72)
OCEANIA									
Cook Islands	13	11	10	8	6	..	0.02	..	..
Fiji	43	45	43	36	34	2 250	0.79	1 513	2.41
French Polynesia	451	404	367	370	352	..	0.23	..	..
Kiribati	15	13	16	17	21	1 170	0.09	93	18.66
Marshall Islands	39	73	63	50	63	1 540	0.06	102	49.31
Micronesia, Fed. States	77	113	96	80	108	1 800	0.11	214	37.45
Nauru	2	3	3	2	7	..	0.01	..	..
New Caledonia	451	396	339	338	315	..	0.21	..	..
Niue	8	7	5	4	4	..	0.00	..	..
Northern Marianas Isl.	- 1	- 2	1	0	0	..	0.07	..	..
Palau	142	62	38	89	29	..	0.02	..	..
Papua New Guinea	370	379	346	361	216	890	4.60	3 476	10.39
Samoa	43	32	27	36	23	1 070	0.17	176	20.63
Solomon Islands	46	42	42	43	40	780	0.42	312	13.65
Tokelau	4	5	4	4	5	..	0.00	..	..
Tonga	39	32	28	25	21	1 750	0.10	176	14.00
Tuvalu	8	10	10	5	7	..	0.01	..	..
Vanuatu	46	31	27	41	37	1 260	0.18	223	18.20
Wallis & Futuna	1	2	1	47	50	..	0.02	..	..
Oceania Unallocated	64	116	88	92	88	..	..	..	..
OCEANIA, TOTAL	1 863	1 775	1 554	1 650	1 424	..	7.10	(6 286)	(26.24)
LDCs Unspecified	8 492	6 441	7 465	7 904	7 825	..	..	..	..
ALL LDCs, TOTAL	59 610	56 400	48 296	50 212	51 568	..	4 744.73	(5 949 386)	(0.84)
By Income Group (f)									
LLDCs	16 532	13 482	12 573	12 075	11 058	..	619.47	(144 729)	(8.34)
Other LICs	15 324	14 711	11 818	13 168	13 356	..	2 715.48	(1 571 074)	(0.84)
LMICs	12 946	12 737	10 995	11 491	13 413	..	897.79	(1 232 462)	(0.93)
UMICs	2 180	1 725	1 565	1 850	1 622	..	419.81	(1 945 338)	(0.10)
HICs	1 080	792	684	801	735	..	47.75	(312 445)	(0.26)
Unallocated	11 138	10 689	10 661	10 826	11 385	..	..	..	..
MADCTs	410	2 265	-	-	-	..	44.43	(743 337)	-

a) ODA receipts are total net ODA flows from DAC countries, multilateral organisations and Arab countries.

b) These countries transferred to Part II of the DAC List of Aid Recipients on 1 January 1996; as of 1996 aid to these countries is counted as OA (see Table 42).

c) These countries transferred to Part II of the DAC List of Aid Recipients on 1 January 1997; as of 1997 aid to these countries is counted as OA (see Table 42).

d) Moldova transferred to Part I of the DAC List of Aid Recipients on 1 January 1997; through 1996 aid to Moldova is counted as Official Aid (OA) to CEECs/NIS (see Table 42).

e) World Bank Atlas basis (except data in parentheses, Secretariat estimate).

Definition of country categories:

f) *Least developed countries* (LLDCs) are the 48 countries in the current United Nations list. For details on other income groups see DAC List of Aid Recipients at the end of this volume. *More advanced developing countries and territories* (MADCTs) comprise countries which transferred to Part II of DAC List of Aid Recipients in 1996 or 1997, as per notes b) and c) above.

Source: World Bank, Secretariat estimates. Group totals and averages are calculated on available data only.

Table 26

Distribution of ODA by Income Group^a

Net disbursements as per cent of total ODA

	ODA to LLDCs		ODA to Other LICs		ODA to LMICs		ODA to UMICs		ODA to HICs	
	1988-89	1998-99	1988-89	1998-99	1988-89	1998-99	1988-89	1998-99	1988-89	1998-99
Australia	24.2	21.1	15.0	20.7	55.5	56.0	5.1	2.1	0.2	0.1
Austria	28.9	23.1	29.9	27.3	38.5	43.6	1.5	5.5	1.2	0.6
Belgium	64.4	44.7	19.9	27.7	13.0	22.3	2.6	5.1	0.1	0.2
Canada	41.1	36.0	30.7	39.9	24.6	19.8	3.4	4.2	0.0	0.1
Denmark	58.3	50.6	30.4	27.8	9.4	15.8	1.7	5.8	0.1	0.0
Finland	56.2	42.4	26.8	31.2	15.2	23.2	1.8	3.1	0.1	0.0
France	36.0	23.8	27.9	24.4	15.5	27.6	6.1	6.8	14.5	17.4
Germany	37.6	30.7	24.3	34.5	33.0	26.9	4.2	7.1	0.9	0.8
Greece	..	6.0	..	49.3	..	36.6	..	8.1	..	0.0
Ireland	76.1	68.5	16.1	13.0	5.9	11.9	1.8	6.7	0.2	0.0
Italy	51.9	46.8	25.0	36.7	17.4	11.9	5.6	4.4	0.1	0.2
Japan	24.7	18.9	31.6	43.3	39.3	33.6	4.0	4.6	0.4	- 0.4
Luxembourg	..	33.0	..	28.7	..	30.0	..	8.3	..	0.1
Netherlands	39.1	39.1	27.5	28.7	25.8	21.3	2.7	3.9	4.9	7.0
New Zealand	27.3	34.9	5.5	15.4	46.3	41.1	20.7	8.0	0.3	0.6
Norway	57.2	48.1	29.3	22.6	11.1	24.3	2.3	4.9	0.1	0.0
Portugal	99.5	73.3	0.2	3.5	0.2	21.7	0.1	1.5	-	0.0
Spain	29.1	16.1	27.6	32.4	38.4	48.6	4.8	2.9	0.1	0.0
Sweden	51.8	43.3	38.1	31.3	8.5	18.9	1.5	6.4	0.1	0.1
Switzerland	51.7	41.9	24.5	30.4	21.1	24.1	2.5	3.7	0.1	0.0
United Kingdom	46.1	39.1	37.1	34.1	10.0	17.2	6.1	9.5	0.8	0.1
United States	25.8	28.2	20.0	28.4	50.1	41.6	1.2	2.7	2.8	- 0.9
TOTAL DAC	36.5	29.3	27.5	33.6	29.3	29.9	3.9	5.1	2.8	2.1
<i>of which:</i>										
EU Members	43.4	34.5	28.1	30.2	19.7	24.1	4.5	6.3	4.3	4.9

a) Including imputed multilateral ODA. Excluding amounts unspecified by region.

	Sub-Saharan Africa			South and Central Asia		
	1988-89	1993-94	1998-99	1988-89	1993-94	1998-99
Australia	8.6	8.2	5.2	7.2	6.7	5.9
Austria	19.3	13.1	23.0	4.0	2.3	4.8
Belgium	76.5	57.0	60.6	2.0	6.2	2.0
Canada	39.8	30.7	37.9	21.6	15.8	15.5
Denmark	64.1	58.3	56.0	22.1	17.2	16.1
Finland	61.5	43.7	40.6	15.1	11.2	10.6
France	57.3	55.6	45.4	4.5	3.1	1.8
Germany	29.0	26.9	26.8	15.8	12.1	13.0
Greece	..	..	3.1	..	..	8.8
Ireland	95.8	85.2	82.4	3.1	2.6	2.4
Italy	58.9	33.3	51.4	6.1	2.6	1.0
Japan	14.7	10.3	9.5	20.3	17.5	19.2
Luxembourg	..	51.1	42.9	..	8.4	5.9
Netherlands	36.6	36.6	36.8	19.2	16.0	13.3
New Zealand	1.4	4.1	4.9	1.2	1.6	3.2
Norway	66.2	56.3	46.3	20.6	15.6	12.1
Portugal	100.0	99.0	83.2	-	0.0	0.1
Spain	22.5	10.3	21.5	4.9	0.3	1.5
Sweden	56.0	47.1	47.9	20.8	13.9	10.2
Switzerland	46.4	37.5	34.8	19.3	19.5	19.2
United Kingdom	52.6	43.2	45.9	25.6	20.8	20.2
United States	13.7	19.8	17.5	13.9	9.8	12.9
TOTAL DAC	32.7	28.2	26.5	14.9	11.4	13.0
<i>of which:</i>						
EU Members	48.3	41.0	40.3	12.3	8.3	8.9
EC	63.7	48.6	38.6	10.6	9.2	7.6
IFIs ^b	40.5	42.4	35.2	37.4	32.5	31.5
UN Agencies ^c	42.5	43.0	36.8	19.7	13.5	15.6
OVERALL TOTAL	36.3	32.9	29.6	18.4	14.5	15.9

Table 27

Regional Distribution of ODA by Individual DAC Donors and Multilateral Agencies^a

Per cent of total gross disbursements

Other Asia and Oceania			Middle East, North Africa and Europe			Latin America and Caribbean		
1988-89	1993-94	1998-99	1988-89	1993-94	1998-99	1988-89	1993-94	1998-99
82.9	83.7	83.3	1.2	1.2	5.4	0.2	0.1	0.1
25.8	31.0	25.7	46.4	47.9	35.6	4.5	5.7	10.9
8.3	16.2	9.8	5.6	6.7	10.9	7.6	13.9	16.7
12.6	18.7	16.0	8.5	10.8	10.1	17.5	24.0	20.5
6.0	12.0	11.3	5.0	5.3	6.8	2.9	7.2	9.7
6.6	20.1	18.2	9.2	10.6	19.0	7.6	14.5	11.8
21.9	19.1	23.4	12.5	17.6	22.8	3.8	4.7	6.6
13.8	20.5	23.6	28.8	28.2	22.0	12.6	12.3	14.7
..	..	0.4	..	..	87.0	..	..	0.8
0.3	4.2	2.8	0.3	6.2	8.5	0.5	1.9	3.9
6.8	13.9	4.9	11.7	34.7	25.3	16.6	15.5	17.3
50.7	47.9	55.9	7.1	15.3	6.9	7.2	9.0	8.5
..	4.1	10.4	..	11.7	17.8	..	24.7	23.1
18.5	4.9	8.3	5.3	16.3	16.7	20.4	26.3	24.8
96.7	93.1	89.3	0.0	0.2	0.7	0.6	1.0	1.9
4.0	6.4	6.9	0.4	13.6	24.6	8.8	8.1	10.1
-	0.2	15.0	-	0.5	1.1	-	0.2	0.6
6.2	24.9	7.7	9.2	12.2	21.8	57.2	52.2	47.5
11.2	11.4	11.5	2.6	15.2	14.0	9.4	12.5	16.4
13.2	13.6	6.5	4.8	14.0	23.4	16.3	15.3	16.0
10.0	13.7	7.9	4.9	13.4	7.1	6.8	8.9	18.9
8.2	8.5	11.6	43.2	37.8	40.0	21.1	24.0	18.0
23.3	24.9	29.8	17.2	21.9	17.7	11.9	13.6	13.0
14.5	17.2	16.8	14.2	21.1	18.9	10.7	12.4	15.0
6.9	4.1	5.8	8.5	28.4	34.9	10.3	9.6	13.0
12.1	15.1	14.0	1.4	2.1	6.0	8.6	7.9	13.2
14.8	9.4	10.6	11.4	27.3	23.3	11.6	6.8	13.8
20.1	20.8	24.0	13.9	19.8	17.5	11.3	12.0	13.1

a) Excluding amounts unspecified by region.

b) International financial institutions. Includes IDA, regional banks' soft windows, IFAD and IMF (PRGF).

c) Includes UNDP, UNICEF, UNRWA, WFP, UNHCR, UNFPA and UNTA.

	Per cent of Total ODA			Per cent of DAC bilateral ODA 1999	Share in total population (%) 1999	ODA receipts Annual real		ODA as percentage of LDCs' GNP	
	1988-89	1993-94	1998-99			\$ billion 1999	% change 1989-99	1993-94	1998-99
SUB-SAHARAN AFRICA	38.4	35.6	31.2	27.6	13.4	11.7	-4.3	6.8	4.0
<i>of which:</i>									
Tanzania	2.6	1.9	2.5	2.2	0.7	1.0	-1.2	24.8	11.9
Ghana	1.7	1.2	1.6	1.3	0.4	0.6	-3.8	10.5	8.8
Ethiopia	2.3	2.2	1.6	1.2	1.3	0.6	-3.6	18.4	9.9
Côte d'Ivoire	1.1	2.4	1.6	1.3	0.3	0.4	-1.3	16.0	6.0
Mozambique	2.3	2.4	1.5	2.1	0.4	0.1	-18.4	96.5	15.2
Uganda	1.1	1.4	1.3	1.3	0.4	0.6	0.4	19.1	8.1
South Africa	-	0.6	1.3	1.4	0.9	0.5	..	0.2	0.4
Senegal	1.8	1.2	1.3	1.5	0.2	0.5	-4.7	12.5	11.0
Zambia	1.2	1.6	1.2	1.2	0.2	0.6	3.3	25.0	16.2
Malawi	1.1	1.0	1.1	0.8	0.2	0.4	-2.0	30.1	24.7
Cameroon	1.0	1.3	1.1	0.9	0.3	0.4	-2.8	7.2	5.1
Madagascar	0.9	0.7	1.1	0.7	0.3	0.4	-2.1	10.8	11.6
Burkina Faso	0.8	0.9	1.0	0.8	0.2	0.4	1.6	19.4	15.3
Kenya	2.6	1.6	1.0	0.9	0.6	0.3	-13.6	13.1	3.6
Rwanda	0.6	1.1	0.9	0.6	0.2	0.4	2.6	40.0	18.2
Angola	0.4	0.8	0.9	0.9	0.3	0.4	6.3	11.2	11.0
Mali	1.2	0.8	0.9	0.8	0.2	0.4	-4.5	18.0	13.3
Guinea	0.8	0.8	0.7	0.4	0.2	0.2	-6.4	12.1	8.3
Zimbabwe	0.7	1.1	0.7	0.8	0.2	0.2	-3.0	9.8	4.7
Niger	0.9	0.7	0.6	0.4	0.2	0.2	-6.8	19.4	11.8
ASIA	33.2	30.9	35.0	38.0	67.8	14.5	-1.0	0.7	0.5
<i>of which:</i>									
China	5.4	6.6	5.9	6.5	25.9	2.3	-1.2	0.7	0.2
Indonesia	4.7	3.7	4.4	7.7	4.3	2.2	-0.6	1.1	1.6
India	5.0	3.8	3.9	3.0	20.7	1.5	-4.3	0.7	0.4
Viet Nam	0.4	1.2	3.2	3.6	1.6	1.4	25.3	4.0	4.6
Bangladesh	4.6	3.2	3.1	2.2	2.7	1.2	-5.9	4.3	2.6
Pakistan	3.8	2.7	2.2	1.6	2.8	0.7	-8.7	2.5	1.4
Thailand	1.7	1.2	2.1	3.5	1.3	1.0	0.9	0.5	0.7
Philippines	2.2	2.6	1.6	2.2	1.6	0.7	-4.0	2.1	0.9
Nepal	1.2	0.8	0.9	0.7	0.5	0.3	-5.8	10.3	7.5
Sri Lanka	1.7	1.3	0.9	0.7	0.4	0.3	-10.8	5.8	2.4

Table 28

Total Net Receipts of ODA by Region and Selected Developing Countries

	Per cent of Total ODA			Per cent of DAC bilateral ODA 1999	Share in total population (%) 1999	ODA receipts Annual real		ODA as percentage of LDCs' GNP	
	1988-89	1993-94	1998-99			\$ billion 1999	% change 1989-99	1993-94	1998-99
OCEANIA	3.6	3.3	3.6	4.6	0.2	1.3	-1.3	20.5	23.0
NORTH AFRICA AND MIDDLE EAST	12.9	14.5	12.4	11.1	6.3	4.7	-2.1	1.5	0.9
<i>of which:</i>									
Egypt	4.1	5.2	4.4	4.6	1.3	1.6	-2.0	5.6	2.0
Morocco	1.2	1.4	1.5	1.2	0.6	0.7	2.1	2.5	1.8
Palestinian admin. areas	-	0.6	1.4	1.2	0.1	0.5	..	..	12.8
Jordan	0.9	0.7	1.1	1.2	0.1	0.4	2.2	6.2	5.8
Yemen	0.9	0.5	1.0	0.6	0.4	0.5	-0.0	7.0	6.5
Algeria	0.4	0.8	0.6	0.1	0.6	0.1	-7.7	0.9	0.5
Lebanon	0.4	0.4	0.5	0.3	0.1	0.2	2.5	2.2	1.3
Tunisia	0.8	0.3	0.5	0.4	0.2	0.2	-3.3	1.1	1.0
Syria	0.4	1.0	0.5	0.6	0.3	0.2	3.0	3.6	1.3
Iran	0.2	0.3	0.4	0.5	1.3	0.2	2.5	0.2	0.2
LATIN AMERICA AND CARIBBEAN	11.1	10.2	11.9	11.8	10.5	4.9	-1.0	0.3	0.2
<i>of which:</i>									
Nicaragua	0.6	0.9	1.6	1.2	0.1	0.7	8.7	33.9	30.1
Bolivia	1.2	1.2	1.5	1.4	0.2	0.6	-0.8	10.8	7.2
Honduras	0.8	0.6	1.4	1.3	0.1	0.8	10.0	9.5	11.1
Peru	0.8	0.9	1.2	1.5	0.5	0.5	1.3	1.0	0.8
Haiti	0.5	0.7	0.8	0.6	0.2	0.3	0.6	22.5	8.2
Guatemala	0.7	0.4	0.7	0.8	0.2	0.3	-1.2	1.8	1.4
Brazil	0.6	0.5	0.6	0.4	3.5	0.2	-3.5	0.0	0.0
Colombia	0.2	0.2	0.6	1.0	0.9	0.3	13.7	0.1	0.3
El Salvador	1.2	0.7	0.5	0.6	0.1	0.2	-10.6	4.7	1.5
EUROPE	0.8	5.5	5.9	7.0	1.9	3.1	26.4	1.4	0.9
<i>of which:</i>									
Bosnia & Herzegovina	-	0.4	2.5	2.6	0.1	1.1	..	..	23.2
Yugoslavia, Fed. Rep.	-	0.1	0.9	2.3	0.2	0.6	..	..	..
Albania	0.0	0.4	0.9	0.9	0.1	0.5	43.7	12.4	11.2
Macedonia (FYROM)	-	0.1	0.5	0.5	0.0	0.3	..	2.9	5.5
OVERALL TOTAL	100.0	100.0	100.0	100.0	100.0	40.2	-1.6	1.1	0.7

Note: Net ODA from DAC Members, multilateral organisations and Arab countries. Excluding amounts not allocated by country.

	\$ million at 1998 prices and			
	1983-84 average	1988-89 average	1995	1996
DAC BILATERAL				
Australia	55	52	53	49
Austria	25	51	64	82
Belgium	371	330	166	176
Canada	356	395	260	251
Denmark	268	360	326	407
Finland	108	217	68	72
France	2 075	2 825	2 364	2 149
Germany	1 315	1 306	1 064	1 065
Greece	..	..	..	5
Ireland	19	18	62	74
Italy	643	1 447	373	301
Japan	549	1 104	964	906
Luxembourg	..	..	22	27
Netherlands	524	637	592	604
New Zealand	0	1	3	3
Norway	250	323	340	345
Portugal	..	116	143	137
Spain	..	49	71	189
Sweden	440	537	362	402
Switzerland	181	203	179	165
United Kingdom	570	899	691	709
United States	1 193	949	1 105	656
TOTAL DAC	8 943	11 820	9 273	8 775
MULTILATERAL ^a				
AfDF	234	503	484	520
EC	1 434	2 044	1 582	1 837
IBRD	16	-	-	-
IDA	1 285	1 789	2 008	2 225
IFAD	79	58	57	70
Nordic Dev. Fund	-	-	10	25
UNTA	72	60	110	53
UNICEF	139	192	274	259
UNDP	375	391	154	208
UNHCR	282	278	377	142
WFP	474	378	544	195
Total above	4 389	5 694	5 601	5 534
Other UN	165	220	135	125
Arab Agencies	215	5	- 2	- 11
Other Multilateral	- 30	491	1 362	142
TOTAL MULTILATERAL	4 739	6 410	7 096	5 790
Arab Countries	1 116	185	10	34
Other	528	324	30	33
OVERALL TOTAL	15 326	18 738	16 408	14 632

a) The data for UN agencies have been revised to include only regular budget expenditures. This has led to revisions of UNDP data since 1990. For WFP and UNHCR revisions have only been possible from 1996 onwards, while for UNICEF the data are revised from 1997.

Table 29

Net Disbursements of ODA to Sub-Saharan Africa by Donor

exchange rates			As percentage of donor's ODA						
1997	1998	1999	1983-84 average	1988-89 average	1995	1996	1997	1998	1999
42	36	32	8.0	8.1	6.5	7.1	6.4	4.8	4.6
66	78	58	8.7	21.4	13.6	22.8	21.6	26.6	16.3
212	264	168	59.8	64.8	38.2	37.9	48.3	49.3	37.3
215	287	222	31.4	26.1	19.9	20.0	18.3	23.5	19.2
388	422	439	51.4	54.8	41.0	42.8	38.2	41.6	42.2
66	68	71	59.0	52.8	36.0	37.0	33.0	32.5	28.5
2 163	1 520	1 467	43.2	51.8	42.0	42.2	45.4	36.3	34.2
920	1 008	939	30.6	31.3	26.3	26.9	25.4	28.9	27.7
1	3	1	..	..	..	21.8	2.4	4.7	1.7
89	90	91	64.0	67.2	70.1	66.4	74.0	73.2	60.7
281	444	254	55.7	52.1	44.6	39.7	61.4	63.6	54.7
736	948	871	10.9	15.3	13.0	13.2	12.1	11.1	9.5
30	34	33	..	..	57.8	53.3	45.9	44.7	36.7
571	633	450	32.3	33.4	31.0	30.1	26.7	29.7	20.3
5	4	5	0.4	1.0	3.7	3.7	5.0	4.1	5.0
362	363	312	51.0	53.0	41.9	41.8	42.5	38.2	32.0
162	163	133	..	96.0	93.8	95.2	98.1	92.3	63.0
189	162	157	..	19.1	9.7	24.0	24.8	19.4	18.6
382	349	348	43.8	42.3	32.6	33.3	32.5	33.5	29.3
175	164	169	38.5	36.0	28.1	26.7	30.4	25.9	22.7
657	814	784	31.9	44.1	35.0	35.2	31.9	38.2	34.9
807	713	933	13.5	11.1	18.7	9.2	16.1	11.9	13.8
8 517	8 568	7 937	26.9	30.1	26.2	24.7	26.8	24.3	21.5
548	547	417	92.6	98.5	96.3	96.6	94.8	95.0	92.6
1 796	1 670	1 593	50.9	61.0	36.8	38.2	34.6	32.6	31.3
-	-	-	19.8	-	-	-	-	-	-
2 205	1 742	1 029	28.2	43.3	46.2	42.7	42.8	37.5	27.8
40	55	41	26.6	43.7	75.4	50.7	37.5	40.6	31.6
19	22	18	-	-	23.6	38.9	40.7	48.7	48.0
83	62	94	16.2	19.5	22.3	23.9	19.4	21.9	22.4
161	151	151	30.0	35.2	39.0	42.0	31.9	31.2	27.2
289	248	207	32.8	34.2	34.6	41.1	43.9	41.1	41.4
148	132	145	39.8	47.6	48.6	55.4	57.8	56.1	58.5
86	118	174	38.4	38.2	56.4	57.9	31.4	43.6	50.1
5 373	4 747	3 869	36.6	48.7	44.3	43.6	40.8	38.3	33.7
76	74	63	13.8	18.1	11.7	14.3	14.0	11.5	10.1
- 7	- 1	25	49.8	3.9	10.3	32.6	19.3	14.1	70.0
15	133	13	- 2.6	31.5	51.9	8.5	1.1	8.8	0.9
5 457	4 952	3 969	32.1	43.9	43.2	38.1	36.1	34.0	29.5
90	48	103	15.4	9.4	2.2	6.6	16.7	11.1	44.0
11	11	3	8.2	6.5	14.4	17.0	6.5	6.3	1.8
14 075	13 579	12 012	24.8	30.8	31.3	28.4	29.6	27.0	23.7

Note: The data in this table for the "overall total" do not coincide with those of Table 30 with the exception of the base year 1998. The figures in this table have been deflated by individual DAC country deflators whilst all figures in Table 30 are deflated with the total DAC deflator. Negative figures indicate that loan repayments exceed new lending.

Table 30

Net Disbursements of ODA to Sub-Saharan Africa by Recipient

\$ million at 1998 prices and exchange rates

	1983-84 average	1988-89 average	1996	1997	1998	1999
Angola	167	211	431	348	335	380
Benin	158	268	262	216	210	207
Botswana	195	188	68	119	106	60
Burkina Faso	350	341	382	361	400	391
Burundi	281	251	101	55	77	73
Cameroon	294	442	375	489	424	426
Cape Verde	126	109	106	109	130	134
Central African Rep.	215	239	155	89	120	115
Chad	197	314	269	223	167	184
Comoros	79	59	36	27	35	21
Congo, Dem. Rep.	572	777	151	154	126	130
Congo, Rep.	181	112	391	263	65	138
Côte d'Ivoire	263	496	878	437	799	439
Djibouti	167	102	88	84	81	74
Equatorial Guinea	25	65	28	24	25	20
Eritrea	-	-	145	121	167	146
Ethiopia	892	1 151	744	561	648	623
Gabon	132	145	115	38	45	47
Gambia	90	113	34	38	38	33
Ghana	305	778	592	484	701	596
Guinea	141	371	272	374	359	233
Guinea-Bissau	118	133	165	122	96	51
Kenya	787	1 150	543	438	475	302
Lesotho	197	150	95	90	66	31
Liberia	235	78	157	74	73	92
Madagascar	334	411	325	817	495	352
Malawi	282	491	448	336	434	438
Mali	525	558	447	420	347	348
Mauritania	335	287	248	233	172	215
Mauritius	72	72	18	41	40	41
Mayotte	27	52	118	102	104	110
Mozambique	498	1 126	808	928	1 039	116
Namibia	0	49	171	161	180	174
Niger	317	420	232	326	292	184
Nigeria	76	283	173	196	203	149
Rwanda	300	290	425	225	350	366
Sao Tome & Principe	22	42	43	33	28	27
Senegal	675	796	528	414	501	525
Seychelles	35	29	17	16	24	13
Sierra Leone	120	126	168	116	106	72
Somalia	641	523	80	79	80	113
South Africa	-	-	331	486	513	529
St. Helena	19	45	14	15	16	14
Sudan	1 558	1 034	200	136	209	239
Swaziland	60	41	30	27	35	28
Tanzania	1 095	1 170	798	926	1 000	972
Togo	211	246	143	123	128	70
Uganda	285	514	615	797	471	579
Zambia	440	531	555	598	349	612
Zimbabwe	489	333	338	329	280	240
South of Sahara Unall.	351	820	813	726	415	321
OVERALL TOTAL	14 933	18 329	14 669	13 945	13 579	11 789

Note: The data in this table for the "overall total" do not coincide with those of Table 29 with the exception of the base year 1998. The figures in Table 29 have been deflated by individual DAC country deflators whilst all figures in this table are deflated with the total DAC deflator.

Table 31

Aid from DAC Countries to Least Developed Countries^a

Net disbursements

	1988-89			1998			1999		
	\$ million	Per cent of donor's total	Per cent of donor's GNP	\$ million	Per cent of donor's total	Per cent of donor's GNP	\$ million	Per cent of donor's total	Per cent of donor's GNP
Australia	189	18	0.07	158	16	0.04	171	17	0.04
Austria	57	20	0.05	86	19	0.04	71	14	0.03
Belgium	282	43	0.18	243	28	0.10	166	22	0.07
Canada	574	25	0.11	338	20	0.06	308	18	0.05
Denmark	358	38	0.35	554	33	0.32	548	32	0.32
Finland	254	39	0.24	105	26	0.08	104	25	0.08
France	1 443	26	0.15	1 003	17	0.07	900	16	0.06
Germany	1 254	26	0.10	1 164	21	0.05	1 098	20	0.05
Greece	..	..	..	7	4	0.01	4	2	0.00
Ireland	18	34	0.06	91	46	0.14	92	37	0.12
Italy	1 347	40	0.16	815	36	0.07	393	22	0.03
Japan	1 700	19	0.06	1 550	15	0.04	2 556	17	0.06
Luxembourg	..	..	..	29	26	0.17	29	25	0.16
Netherlands	624	29	0.28	802	26	0.21	622	20	0.16
New Zealand	13	14	0.03	27	21	0.06	32	24	0.06
Norway	364	38	0.42	493	37	0.34	452	33	0.30
Portugal	73	75	0.17	141	55	0.13	124	45	0.11
Spain	74	19	0.02	126	9	0.02	148	11	0.02
Sweden	567	34	0.31	446	28	0.20	407	25	0.17
Switzerland	209	36	0.11	263	29	0.09	263	27	0.10
United Kingdom	744	28	0.09	996	26	0.07	715	21	0.05
United States	1 109	12	0.02	1 333	15	0.02	1 448	16	0.02
TOTAL DAC	11 252	24	0.08	10 770	21	0.05	10 650	19	0.05
<i>of which:</i>									
EU Members	7 093	30	0.14	6 607	24	0.08	5 420	20	0.06

a) Including imputed multilateral flows, i.e. making allowance for contributions through multilateral organisations, calculated using the geographical distribution of multilateral disbursements for the year of reference.

Table 32

Regional Distribution of ODA by DAC Donors^a

Net disbursements

\$ million, two-year averages

	Sub-Saharan Africa		South and Central Asia		Other Asia and Oceania		Middle East and North Africa		Latin America and Caribbean	
	1988-89	1998-99	1988-89	1998-99	1988-89	1998-99	1988-89	1998-99	1988-89	1998-99
Australia	102	84	136	92	547	580	16	20	10	16
Austria	61	86	17	31	47	88	33	10	10	35
Belgium	336	273	37	24	41	42	16	42	36	75
Canada	589	369	344	168	177	145	117	53	216	177
Denmark	368	571	142	193	49	116	36	82	34	129
Finland	270	106	81	37	38	42	39	22	38	27
France	2 577	1 724	316	137	928	1 002	446	852	195	237
Germany	1 361	1 280	556	498	404	760	514	424	477	556
Greece	..	8	..	8	..	1	..	11	..	9
Ireland	20	100	2	7	1	5	1	5	1	9
Italy	1 534	643	283	180	213	100	224	93	390	152
Japan	1 416	1 305	1 487	2 852	3 062	5 202	365	568	524	870
Luxembourg	..	37	..	7	..	9	..	8	..	20
Netherlands	659	732	295	260	278	149	88	141	312	406
New Zealand	3	9	2	8	58	85	0	1	1	4
Norway	389	466	136	145	44	80	16	98	59	108
Portugal	73	155	0	2	0	35	0	3	0	4
Spain	84	233	26	42	20	76	19	129	110	348
Sweden	618	475	254	146	134	119	42	75	107	157
Switzerland	197	251	79	134	52	52	20	43	63	96
United Kingdom	898	1 017	403	485	175	209	73	105	135	342
United States	969	1 418	764	813	406	640	2 302	1 212	1 145	816
TOTAL DAC	12 525	11 343	5 361	6 269	6 675	9 538	4 368	3 997	3 863	4 593
<i>of which:</i>										
EU Members	8 859	7 440	2 412	2 058	2 329	2 754	1 531	2 002	1 845	2 505

a) Including imputed multilateral flows, i.e. making allowance for contributions through multilateral organisations, calculated using the geographical distribution of multilateral disbursements for the year of reference. Excluding Europe and unspecified.

Table 33

Regional Distribution of ODA by DAC Donors^a

Net disbursements

Per cent of each donor's programme, two-year averages

	Sub-Saharan Africa		South and Central Asia		Other Asia and Oceania		Middle East and North Africa		Latin America and Caribbean	
	1988-89	1998-99	1988-89	1998-99	1988-89	1998-99	1988-89	1998-99	1988-89	1998-99
Australia	12.6	10.6	16.8	11.6	67.5	73.2	1.9	2.5	1.2	2.1
Austria	35.9	34.2	10.1	12.6	28.2	35.3	19.6	4.2	6.2	13.8
Belgium	72.1	59.8	8.0	5.2	8.8	9.3	3.5	9.1	7.7	16.5
Canada	40.8	40.5	23.8	18.4	12.3	15.9	8.1	5.8	15.0	19.4
Denmark	58.6	52.3	22.6	17.7	7.9	10.6	5.7	7.6	5.3	11.8
Finland	57.9	45.3	17.4	15.9	8.2	18.0	8.3	9.2	8.1	11.6
France	57.8	43.6	7.1	3.5	20.8	25.3	10.0	21.6	4.4	6.0
Germany	41.1	36.4	16.8	14.1	12.2	21.6	15.5	12.0	14.4	15.8
Greece	..	20.5	..	22.2	..	4.0	..	28.7	..	24.6
Ireland	78.2	78.8	9.1	5.7	4.5	4.3	2.9	4.2	5.2	7.1
Italy	58.0	55.0	10.7	15.4	8.1	8.5	8.5	8.0	14.7	13.0
Japan	20.7	12.1	21.7	26.4	44.7	48.2	5.3	5.3	7.7	8.1
Luxembourg	..	45.7	..	8.3	..	11.3	..	10.0	..	24.7
Netherlands	40.4	43.4	18.0	15.4	17.1	8.8	5.4	8.4	19.1	24.1
New Zealand	4.6	8.7	3.2	7.3	90.7	79.5	0.5	0.9	1.0	3.7
Norway	60.3	52.0	21.2	16.2	6.8	8.9	2.6	10.9	9.1	12.0
Portugal	99.5	77.7	0.2	1.2	0.2	17.5	0.1	1.7	0.0	2.0
Spain	32.5	28.1	10.0	5.1	7.7	9.2	7.5	15.6	42.3	42.0
Sweden	53.5	48.9	22.0	15.0	11.6	12.2	3.7	7.7	9.2	16.2
Switzerland	47.9	43.6	19.3	23.2	12.6	9.1	4.9	7.4	15.3	16.7
United Kingdom	53.3	47.1	23.9	22.5	10.4	9.7	4.3	4.9	8.0	15.9
United States	17.3	28.9	13.7	16.6	7.3	13.1	41.2	24.7	20.5	16.7
TOTAL DAC	38.1	31.7	16.4	17.5	20.4	26.7	13.3	11.2	11.8	12.9
<i>of which:</i>										
EU Members	52.1	44.4	14.2	12.3	13.8	16.4	9.0	11.9	10.9	14.9

a) Including imputed multilateral flows, i.e. making allowance for contributions through multilateral organisations, calculated using the geographical distribution of multilateral disbursements for the year of reference. Excluding Europe and unspecified.

Gross disbursements

		Australia					Austria		
1978-79		1988-89			1978-79		1988-89		
Papua New Guinea	43.6	Papua New Guinea	23.3	Papua New Guinea	20.9	Tunisia	25.4	China	
Indonesia	6.6	Indonesia	7.3	Indonesia	7.5	Turkey	4.4	Algeria	
Bangladesh	4.2	Malaysia	2.8	Viet Nam	4.2	Viet Nam	3.6	Turkey	
Thailand	2.0	Philippines	2.5	Philippines	3.8	Thailand	3.0	Indonesia	
Fiji	1.6	Thailand	2.4	Timor (East)	3.7	Iran	2.8	Iran	
Philippines	1.2	China	2.1	China	2.7	Kenya	2.1	Ethiopia	
Myanmar	1.1	Bangladesh	1.9	Yugoslavia, Fed.Rep.	2.3	Egypt	1.9	Egypt	
Malaysia	1.0	Fiji	1.8	Cambodia	2.0	Ex-Yugoslavia. Unsp.	1.2	Uganda	
Sri Lanka	0.9	Mozambique	1.1	Thailand	1.3	Zambia	0.7	India	
Pakistan	0.8	Vanuatu	1.1	Fiji	1.1	Bolivia	0.7	Ex-Yugoslavia. Unsp.	
Samoa	0.7	Solomon Islands	1.0	Bangladesh	1.1	Brazil	0.7	Ghana	
Tonga	0.6	Ethiopia	0.8	India	1.1	Guatemala	0.7	Burundi	
India	0.6	Tonga	0.8	Vanuatu	1.0	Burkina Faso	0.6	Mozambique	
Solomon Islands	0.5	Samoa	0.7	Laos	1.0	Nigeria	0.4	Burkina Faso	
Kenya	0.5	Myanmar	0.6	Egypt	0.9	Togo	0.4	Rwanda	
Total above	65.8	Total above	50.1	Total above	54.6	Total above	48.7	Total above	
Multilateral ODA	27.0	Multilateral ODA	37.4	Multilateral ODA	23.7	Multilateral ODA	38.5	Multilateral ODA	
Unallocated	2.4	Unallocated	4.8	Unallocated	12.0	Unallocated	6.2	Unallocated	
Total ODA \$ million	611	Total ODA \$ million	1 060	Total ODA \$ million	971	Total ODA \$ million	144	Total ODA \$ million	
LLDCs	13.3	LLDCs	17.6	LLDCs	16.2	LLDCs	5.5	LLDCs	
Other LICs	5.0	Other LICs	7.3	Other LICs	14.5	Other LICs	13.1	Other LICs	
LMICs	79.5	LMICs	67.8	LMICs	67.3	LMICs	77.4	LMICs	
UMICs	1.8	UMICs	5.9	UMICs	1.9	UMICs	2.7	UMICs	
HICs	0.1	HICs	0.2	HICs	0.2	HICs	0.4	HICs	
MADCT	0.2	MADCT	1.3	MADCT	-	MADCT	0.9	MADCT	
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	
Europe	0.0	Europe	0.0	Europe	3.8	Europe	14.6	Europe	
North of Sahara	0.7	North of Sahara	0.9	North of Sahara	1.3	North of Sahara	47.2	North of Sahara	
South of Sahara	3.1	South of Sahara	8.6	South of Sahara	5.2	South of Sahara	10.1	South of Sahara	
N. and C. America	0.1	N. and C. America	0.1	N. and C. America	0.1	N. and C. America	2.0	N. and C. America	
South America	0.0	South America	0.1	South America	0.1	South America	3.9	South America	
Middle East	0.1	Middle East	0.2	Middle East	0.3	Middle East	7.0	Middle East	
S. and C. Asia	11.1	S. and C. Asia	7.2	S. and C. Asia	5.9	S. and C. Asia	0.9	S. and C. Asia	
Far East Asia	17.4	Far East Asia	32.1	Far East Asia	41.2	Far East Asia	13.7	Far East Asia	
Oceania	67.6	Oceania	50.8	Oceania	42.1	Oceania	0.6	Oceania	
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	

Table 34

Major Recipients of Individual DAC Members' Aid

Per cent of total ODA

1998-99			Belgium			1998-99		
1978-79			1988-89			1998-99		
10.0	Indonesia	11.7	Congo, Dem. Rep.	23.9	Congo, Dem. Rep.	17.4	Tanzania	4.8
9.8	Bosnia-Herzegovina	5.6	Rwanda	6.1	Rwanda	4.2	Congo, Dem. Rep.	2.8
9.6	Yugoslavia, Fed.Rep.	4.5	Burundi	3.9	Burundi	2.6	Rwanda	2.6
3.9	Nicaragua	4.4	India	3.2	Indonesia	1.8	Côte d'Ivoire	2.3
3.0	Egypt	4.0	Morocco	2.5	Cameroon	1.5	Bolivia	2.2
2.2	Uganda	2.8	Tunisia	2.4	China	1.2	Cameroon	1.7
2.1	China	2.4	Indonesia	1.8	Senegal	1.1	Viet Nam	1.4
1.8	Turkey	2.2	Viet Nam	1.5	Turkey	1.1	Senegal	1.2
1.5	Philippines	2.0	Côte d'Ivoire	1.4	Niger	0.8	Tunisia	1.0
1.2	Albania	1.9	Turkey	1.3	Tanzania	0.8	Burkina Faso	0.9
1.2	Iran	1.8	Bangladesh	1.3	Ethiopia	0.8	Philippines	0.9
1.0	Mozambique	1.6	Senegal	1.1	Zambia	0.7	Ecuador	0.9
1.0	Bhutan	1.6	Pakistan	0.9	Côte d'Ivoire	0.6	Kenya	0.8
0.8	Tanzania	1.2	Niger	0.9	Morocco	0.6	Niger	0.8
0.7	Cameroon	1.1	Tanzania	0.9	Bolivia	0.6	Morocco	0.8
49.9	Total above	48.9	Total above	52.8	Total above	35.8	Total above	25.2
33.2	Multilateral ODA	28.8	Multilateral ODA	35.9	Multilateral ODA	39.9	Multilateral ODA	39.7
6.7	Unallocated	5.4	Unallocated	2.5	Unallocated	14.8	Unallocated	19.3
339	Total ODA \$ million	602	Total ODA \$ million	593	Total ODA \$ million	668	Total ODA \$ million	852
17.2	LLDCs	19.9	LLDCs	64.5	LLDCs	67.0	LLDCs	45.0
24.5	Other LICs	28.8	Other LICs	15.0	Other LICs	13.1	Other LICs	25.9
54.5	LMICs	47.3	LMICs	18.6	LMICs	16.9	LMICs	24.6
1.0	UMICs	3.5	UMICs	1.4	UMICs	2.8	UMICs	4.4
1.1	HICs	0.5	HICs	0.5	HICs	0.1	HICs	0.0
1.7	MADCT	-	MADCT	0.0	MADCT	0.1	MADCT	-
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
19.5	Europe	24.3	Europe	2.1	Europe	2.2	Europe	3.0
19.8	North of Sahara	6.9	North of Sahara	8.8	North of Sahara	3.1	North of Sahara	5.8
19.3	South of Sahara	23.0	South of Sahara	67.4	South of Sahara	76.5	South of Sahara	60.6
2.9	N. and C. America	9.0	N. and C. America	1.5	N. and C. America	2.0	N. and C. America	3.8
1.6	South America	2.0	South America	4.0	South America	5.7	South America	12.9
7.2	Middle East	4.4	Middle East	0.5	Middle East	0.3	Middle East	2.1
4.0	S. and C. Asia	4.8	S. and C. Asia	8.8	S. and C. Asia	2.0	S. and C. Asia	2.0
25.5	Far East Asia	25.6	Far East Asia	6.9	Far East Asia	8.2	Far East Asia	9.8
0.3	Oceania	0.2	Oceania	0.0	Oceania	0.1	Oceania	0.0
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Gross disbursements

		Canada							Denmark	
1978-79		1988-89		1998-99		1978-79		1988-89		
Bangladesh	6.5	Bangladesh	4.0	China	2.4	Tanzania	11.5	Tanzania	8.2	
Pakistan	5.6	Pakistan	2.5	Bangladesh	2.4	Bangladesh	5.9	India	4.4	
Tanzania	5.2	India	1.9	Côte d'Ivoire	1.9	Viet Nam	5.1	Bangladesh	3.8	
India	3.0	Jamaica	1.7	Cameroon	1.7	India	4.4	Kenya	3.7	
Malawi	2.6	Indonesia	1.7	Haiti	1.4	Kenya	3.4	Sudan	2.5	
Sri Lanka	1.8	Tanzania	1.7	Indonesia	1.4	Pakistan	3.1	Zimbabwe	1.7	
Niger	1.8	China	1.5	India	1.3	Malawi	2.1	Mozambique	1.6	
Botswana	1.6	Morocco	1.3	Pakistan	1.0	Mozambique	2.1	China	1.6	
Ghana	1.3	Kenya	1.3	Yugoslavia, Fed.Rep.	0.9	Egypt	1.9	Yemen	1.5	
Tunisia	1.2	Ghana	1.3	Honduras	0.9	Myanmar	1.6	Uganda	1.4	
Côte d'Ivoire	1.2	Mozambique	1.2	Egypt	0.9	Thailand	1.4	Somalia	1.1	
Cameroon	1.2	Thailand	1.1	Ghana	0.9	Benin	1.4	Niger	1.0	
Indonesia	1.0	Egypt	1.1	Senegal	0.9	Sudan	1.2	Nicaragua	0.9	
Benin	0.9	Senegal	1.1	Mali	0.8	Togo	1.1	Zambia	0.9	
Senegal	0.8	Cameroon	1.0	Bosnia-Herzegovina	0.8	Uganda	1.0	Sri Lanka	0.9	
Total above	35.7	Total above	24.5	Total above	19.4	Total above	47.2	Total above	35.3	
Multilateral ODA	37.5	Multilateral ODA	31.3	Multilateral ODA	29.2	Multilateral ODA	39.1	Multilateral ODA	44.8	
Unallocated	12.6	Unallocated	24.2	Unallocated	34.7	Unallocated	6.5	Unallocated	8.1	
Total ODA \$ million	1 166	Total ODA \$ million	2 399	Total ODA \$ million	1 732	Total ODA \$ million	475	Total ODA \$ million	959	
LLDCs	48.0	LLDCs	36.0	LLDCs	31.9	LLDCs	58.2	LLDCs	62.0	
Other LICs	34.0	Other LICs	31.5	Other LICs	39.7	Other LICs	30.8	Other LICs	30.4	
LMICs	15.9	LMICs	28.8	LMICs	24.0	LMICs	10.5	LMICs	7.4	
UMICs	2.1	UMICs	3.6	UMICs	4.2	UMICs	0.3	UMICs	0.1	
HICs	0.0	HICs	0.0	HICs	0.1	HICs	0.1	HICs	0.0	
MADCT	0.0	MADCT	0.1	MADCT	-	MADCT	-	MADCT	-	
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	
Europe	0.6	Europe	0.1	Europe	4.8	Europe	0.2	Europe	-	
North of Sahara	4.1	North of Sahara	6.7	North of Sahara	3.9	North of Sahara	3.8	North of Sahara	1.8	
South of Sahara	46.2	South of Sahara	39.8	South of Sahara	37.9	South of Sahara	52.6	South of Sahara	64.1	
N. and C. America	7.3	N. and C. America	11.4	N. and C. America	13.0	N. and C. America	0.5	N. and C. America	2.3	
South America	3.2	South America	6.1	South America	7.5	South America	1.1	South America	0.6	
Middle East	-	Middle East	1.6	Middle East	1.4	Middle East	0.2	Middle East	3.2	
S. and C. Asia	34.8	S. and C. Asia	21.6	S. and C. Asia	15.5	S. and C. Asia	28.2	S. and C. Asia	22.1	
Far East Asia	3.8	Far East Asia	12.4	Far East Asia	15.5	Far East Asia	13.3	Far East Asia	5.9	
Oceania	0.0	Oceania	0.3	Oceania	0.5	Oceania	0.0	Oceania	0.0	
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

1998-99			Finland 1988-89			1998-99		
1978-79								
8.2	Tanzania	4.3	Tanzania	23.2	Tanzania	9.3	Mozambique	3.9
4.4	Uganda	3.7	Viet Nam	9.9	Kenya	4.0	Nicaragua	3.8
3.8	Mozambique	2.8	Zambia	6.8	Egypt	4.0	China	3.4
3.7	Bangladesh	2.5	Kenya	3.9	Zambia	3.7	Yugoslavia, Fed.Rep.	2.8
2.5	Viet Nam	2.3	Mozambique	2.6	Mozambique	3.7	Tanzania	2.6
1.7	India	2.1	Bangladesh	1.6	Sudan	2.8	Zambia	2.2
1.6	Ghana	2.1	Ethiopia	1.2	Sri Lanka	2.6	Nepal	2.2
1.6	Egypt	2.1	Egypt	0.8	Nicaragua	2.6	Bosnia-Herzegovina	2.0
1.5	Burkina Faso	1.9	Cuba	0.4	Bangladesh	2.5	Viet Nam	1.9
1.4	Nicaragua	1.5	Sudan	0.3	Ethiopia	2.0	Ethiopia	1.5
1.1	Zimbabwe	1.5	Honduras	0.2	Nepal	1.9	Namibia	1.5
1.0	Malawi	1.5	Cambodia	0.2	Viet Nam	1.8	Thailand	1.3
0.9	South Africa	1.4	Guinea	0.1	Somalia	1.7	Kenya	1.1
0.9	Thailand	1.4	Sri Lanka	0.1	Zimbabwe	1.0	Iraq	1.0
0.9	Nepal	1.3	Indonesia	0.1	Namibia	0.9	Uganda	0.9
35.3	Total above	32.3	Total above	51.4	Total above	44.5	Total above	31.8
44.8	Multilateral ODA	39.8	Multilateral ODA	42.2	Multilateral ODA	37.9	Multilateral ODA	41.7
8.1	Unallocated	15.9	Unallocated	5.4	Unallocated	11.4	Unallocated	14.4
959	Total ODA \$ million	1 755	Total ODA \$ million	94	Total ODA \$ million	658	Total ODA \$ million	436
62.0	LLDCs	52.1	LLDCs	69.2	LLDCs	58.3	LLDCs	39.9
30.4	Other LICs	27.8	Other LICs	27.3	Other LICs	25.5	Other LICs	33.9
7.4	LMICs	15.6	LMICs	3.2	LMICs	15.6	LMICs	23.3
0.1	UMICs	4.5	UMICs	0.2	UMICs	0.6	UMICs	2.9
0.0	HICs	0.0	HICs	0.0	HICs	0.0	HICs	-
-	MADCT	-	MADCT	0.0	MADCT	0.1	MADCT	-
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
-	Europe	0.6	Europe	0.2	Europe	1.2	Europe	12.7
1.8	North of Sahara	4.6	North of Sahara	1.4	North of Sahara	7.6	North of Sahara	1.3
64.1	South of Sahara	56.1	South of Sahara	72.4	South of Sahara	61.5	South of Sahara	40.6
2.3	N. and C. America	6.3	N. and C. America	1.4	N. and C. America	5.8	N. and C. America	10.8
0.6	South America	3.5	South America	0.3	South America	1.8	South America	1.0
3.2	Middle East	1.5	Middle East	0.4	Middle East	0.5	Middle East	4.9
22.1	S. and C. Asia	16.2	S. and C. Asia	3.6	S. and C. Asia	15.1	S. and C. Asia	10.6
5.9	Far East Asia	11.3	Far East Asia	20.3	Far East Asia	6.5	Far East Asia	18.1
0.0	Oceania	0.0	Oceania	0.0	Oceania	0.1	Oceania	0.0
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Gross disbursements

1978-79		France 1988-89		1998-99		1978-79		Germany 1988-89	
New Caledonia	6.1	French Polynesia	5.4	French Polynesia	5.7	Turkey	8.2	Turkey	4.0
French Polynesia	5.4	New Caledonia	4.8	New Caledonia	5.3	India	5.7	India	4.0
Morocco	4.5	Senegal	3.9	Côte d'Ivoire	4.7	Egypt	3.1	Egypt	2.0
Algeria	3.6	Côte d'Ivoire	3.4	Egypt	4.3	Bangladesh	2.3	Indonesia	2.0
Senegal	3.6	Morocco	2.9	Morocco	3.8	Tanzania	2.0	China	2.0
Côte d'Ivoire	3.5	China	2.7	Cameroon	3.7	Israel	2.0	Pakistan	2.0
Tunisia	3.0	Cameroon	2.0	Senegal	3.3	Pakistan	1.8	Israel	2.0
Cameroon	2.9	Madagascar	2.0	Tunisia	1.7	Cameroon	1.7	Morocco	2.0
Congo, Rep.	2.1	Gabon	1.7	Mayotte	1.6	Mali	1.7	Kenya	2.0
Chad	1.8	Mali	1.6	Madagascar	1.5	Kenya	1.6	Tanzania	2.0
Egypt	1.7	Guinea	1.6	Algeria	1.5	Tunisia	1.6	Bangladesh	2.0
Niger	1.7	Congo, Dem. Rep.	1.6	Viet Nam	1.2	Peru	1.5	Brazil	2.0
Burkina Faso	1.6	Indonesia	1.6	Burkina Faso	1.1	Brazil	1.4	Syria	2.0
Viet Nam	1.5	India	1.5	Mali	1.1	Indonesia	1.4	Nepal	2.0
Central African Rep.	1.5	Chad	1.3	Niger	1.0	Morocco	1.3	Tunisia	2.0
Total above	44.5	Total above	38.0	Total above	41.5	Total above	37.3	Total above	30.0
Multilateral ODA	20.4	Multilateral ODA	22.0	Multilateral ODA	24.2	Multilateral ODA	29.4	Multilateral ODA	30.0
Unallocated	15.8	Unallocated	15.2	Unallocated	11.9	Unallocated	6.3	Unallocated	0.0
Total ODA \$ million	2 272	Total ODA \$ million	5 855	Total ODA \$ million	6 769	Total ODA \$ million	3 375	Total ODA \$ million	5 520
LLDCs	25.6	LLDCs	32.5	LLDCs	21.4	LLDCs	31.4	LLDCs	2.0
Other LICs	25.1	Other LICs	26.8	Other LICs	27.1	Other LICs	21.9	Other LICs	2.0
LMICs	24.6	LMICs	17.0	LMICs	26.4	LMICs	37.1	LMICs	3.0
UMICs	6.6	UMICs	7.0	UMICs	7.5	UMICs	4.8	UMICs	0.0
HICs	18.0	HICs	16.3	HICs	17.5	HICs	1.0	HICs	0.0
MADCT	0.0	MADCT	0.4	MADCT	-	MADCT	3.8	MADCT	0.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	0.7	Europe	1.2	Europe	2.8	Europe	15.8	Europe	1.0
North of Sahara	19.4	North of Sahara	9.3	North of Sahara	17.4	North of Sahara	9.8	North of Sahara	1.0
South of Sahara	45.7	South of Sahara	57.3	South of Sahara	45.4	South of Sahara	31.6	South of Sahara	2.0
N. and C. America	1.7	N. and C. America	2.2	N. and C. America	3.8	N. and C. America	2.3	N. and C. America	4.0
South America	2.5	South America	1.6	South America	2.8	South America	8.2	South America	7.0
Middle East	1.8	Middle East	2.0	Middle East	2.6	Middle East	6.1	Middle East	0.0
S. and C. Asia	4.2	S. and C. Asia	4.5	S. and C. Asia	1.8	S. and C. Asia	19.1	S. and C. Asia	15.0
Far East Asia	5.4	Far East Asia	7.0	Far East Asia	5.2	Far East Asia	6.5	Far East Asia	13.0
Oceania	18.5	Oceania	14.9	Oceania	18.2	Oceania	0.5	Oceania	0.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

1998-99			Greece		1998-99	
			1978-79	1988-89		
4.6	China	6.0			Albania	12.1
4.3	Indonesia	3.4			Yugoslavia, Fed.Rep.	9.2
3.9	India	3.3			Bosnia-Herzegovina	6.5
3.0	Turkey	2.3			Palestinian Adm. Areas	2.0
2.3	Egypt	2.0			Armenia	1.7
2.1	Tanzania	1.3			Georgia	1.3
1.8	Brazil	1.3			Egypt	0.6
1.5	Peru	1.2			Macedonia, FYROM	0.6
1.1	Yugoslavia, Fed.Rep.	1.2			Turkey	0.3
1.1	Pakistan	1.1			Lebanon	0.3
1.1	Morocco	1.1			Syria	0.2
1.0	Mozambique	1.0			Iran	0.2
1.0	Iran	1.0			Mauritius	0.2
1.0	Thailand	1.0			Madagascar	0.1
1.0	Bolivia	1.0			Kenya	0.1
30.8	Total above	28.3			Total above	35.4
30.3	Multilateral ODA	33.0	Multilateral ODA	- Multilateral ODA	Multilateral ODA	62.1
8.2	Unallocated	9.6	Unallocated	- Unallocated	Unallocated	0.4
5 526	Total ODA \$ million	6 581	Total ODA \$ million	- Total ODA \$ million	Total ODA \$ million	186
27.5	LLDCs	22.0	LLDCs	- LLDCs	LLDCs	1.5
23.6	Other LICs	33.1	Other LICs	- Other LICs	Other LICs	59.4
39.1	LMICs	37.1	LMICs	- LMICs	LMICs	38.1
4.2	UMICs	6.9	UMICs	- UMICs	UMICs	1.0
1.1	HICs	1.0	HICs	- HICs	HICs	0.0
4.5	MADCT	-	MADCT	- MADCT	MADCT	-
100.0	Total Bilateral	100.0	Total Bilateral	- Total Bilateral	Total Bilateral	100.0
10.4	Europe	8.7	Europe	- Europe	Europe	76.9
10.5	North of Sahara	6.9	North of Sahara	- North of Sahara	North of Sahara	2.5
29.0	South of Sahara	26.8	South of Sahara	- South of Sahara	South of Sahara	3.1
4.9	N. and C. America	4.5	N. and C. America	- N. and C. America	N. and C. America	0.4
7.7	South America	10.2	South America	- South America	South America	0.4
7.8	Middle East	6.3	Middle East	- Middle East	Middle East	7.5
15.8	S. and C. Asia	13.0	S. and C. Asia	- S. and C. Asia	S. and C. Asia	8.9
13.5	Far East Asia	23.5	Far East Asia	- Far East Asia	Far East Asia	0.3
0.4	Oceania	0.2	Oceania	- Oceania	Oceania	0.1
100.0	Total Bilateral	100.0	Total Bilateral	- Total Bilateral	Total Bilateral	100.0

Gross disbursements

		Ireland								Italy	
1978-79		1988-89		1998-99				1978-79		1988-89	
Lesotho	5.9	Tanzania	6.8	Ethiopia	7.5	Somalia	2.2	Ethiopia	5.5		
Tanzania	2.0	Lesotho	6.3	Tanzania	6.5	Pakistan	2.0	Mozambique	5.4		
Zambia	1.8	Zambia	5.5	Uganda	4.7	Ethiopia	1.1	Somalia	5.4		
Sudan	0.7	Sudan	3.2	Zambia	4.1	Egypt	0.9	China	3.4		
Swaziland	0.4	Zimbabwe	1.0	Mozambique	3.8	Libya	0.7	Egypt	2.6		
Kenya	0.3	Bangladesh	0.5	Lesotho	3.4	Mozambique	0.6	Argentina	2.3		
Colombia	0.3	Kenya	0.5	South Africa	2.0	Morocco	0.5	Tanzania	2.0		
Bangladesh	0.2	Rwanda	0.3	Ex-Yugoslavia. Unsp.	2.0	Brazil	0.4	India	1.9		
Gambia	0.1	Burundi	0.3	Rwanda	1.3	Algeria	0.4	Senegal	1.8		
Sierra Leone	0.1	Uganda	0.3	Zimbabwe	0.9	Tanzania	0.3	Sudan	1.8		
Botswana	0.1	Ethiopia	0.3	Sudan	0.9	Yemen	0.2	Tunisia	1.7		
Nigeria	0.1	Swaziland	0.2	Kenya	0.8	Mexico	0.2	Peru	1.6		
Yemen	0.1	Afghanistan	0.1	Palestinian Adm. Area s	0.7	Peru	0.2	Pakistan	1.5		
Liberia	0.1	Bhutan	0.1	Nigeria	0.7	Indonesia	0.2	Congo, Dem. Rep.	1.4		
India	0.1	Mozambique	0.1	Somalia	0.6	Sudan	0.2	Kenya	1.3		
Total above	12.3	Total above	25.4	Total above	39.8	Total above	10.2	Total above	39.0		
Multilateral ODA	73.1	Multilateral ODA	61.0	Multilateral ODA	38.7	Multilateral ODA	82.7	Multilateral ODA	31.6		
Unallocated	14.2	Unallocated	12.9	Unallocated	13.0	Unallocated	2.5	Unallocated	9.3		
Total ODA \$ million	27	Total ODA \$ million	53	Total ODA \$ million	222	Total ODA \$ million	365	Total ODA \$ million	3 500		
LLDCs	87.6	LLDCs	92.1	LLDCs	76.5	LLDCs	39.5	LLDCs	50.6		
Other LICs	4.5	Other LICs	6.3	Other LICs	8.7	Other LICs	20.8	Other LICs	22.0		
LMICs	7.2	LMICs	1.6	LMICs	9.5	LMICs	26.5	LMICs	20.9		
UMICs	0.7	UMICs	0.1	UMICs	5.3	UMICs	13.0	UMICs	6.5		
HICs	-	HICs	-	HICs	-	HICs	0.0	HICs	-		
MADCT	-	MADCT	-	MADCT	-	MADCT	0.1	MADCT	0.1		
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0		
Europe	-	Europe	-	Europe	6.8	Europe	4.1	Europe	1.4		
North of Sahara	-	North of Sahara	-	North of Sahara	0.1	North of Sahara	17.6	North of Sahara	8.2		
South of Sahara	92.9	South of Sahara	95.8	South of Sahara	82.4	South of Sahara	39.9	South of Sahara	58.9		
N. and C. America	0.3	N. and C. America	0.1	N. and C. America	2.2	N. and C. America	5.5	N. and C. America	4.8		
South America	3.1	South America	0.4	South America	1.7	South America	9.3	South America	11.8		
Middle East	0.7	Middle East	0.3	Middle East	1.7	Middle East	4.2	Middle East	2.1		
S. and C. Asia	2.2	S. and C. Asia	3.1	S. and C. Asia	2.4	S. and C. Asia	15.0	S. and C. Asia	6.1		
Far East Asia	0.7	Far East Asia	0.3	Far East Asia	2.8	Far East Asia	4.3	Far East Asia	6.8		
Oceania	-	Oceania	0.1	Oceania	0.1	Oceania	0.0	Oceania	-		
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0		

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

1998-99			1978-79			Japan 1988-89			1998-99		
5.5	Madagascar	3.0	Indonesia	10.4	Indonesia	13.1	Indonesia	11.1			
5.4	Mozambique	2.7	Bangladesh	6.0	China	7.4	China	9.6			
5.4	Haiti	2.0	Thailand	5.6	Philippines	5.4	Thailand	6.1			
3.4	Albania	2.0	Myanmar	5.4	Thailand	4.9	India	5.2			
2.6	Congo, Rep.	1.9	Pakistan	4.8	Bangladesh	3.9	Philippines	4.4			
2.3	Ethiopia	1.5	Egypt	4.6	India	3.1	Viet Nam	3.4			
2.0	Bosnia-Herzegovina	1.3	India	3.8	Pakistan	2.8	Pakistan	2.3			
1.9	China	1.3	Korea	3.7	Korea	2.3	Bangladesh	2.0			
1.8	Eritrea	1.2	Philippines	3.2	Sri Lanka	2.0	Sri Lanka	1.5			
1.8	Malta	1.1	Malaysia	2.6	Myanmar	1.8	Malaysia	1.5			
1.7	Egypt	1.0	Iran	1.8	Malaysia	1.5	Brazil	1.1			
1.6	Tanzania	0.8	Sri Lanka	1.6	Kenya	1.5	Peru	0.9			
1.5	Angola	0.8	Viet Nam	1.4	Egypt	1.4	Ghana	0.9			
1.4	Argentina	0.8	Brazil	1.1	Turkey	1.2	Syria	0.8			
1.3	Ecuador	0.7	Peru	1.0	Nigeria	1.1	Egypt	0.8			
39.6	Total above	22.1	Total above	56.9	Total above	53.4	Total above	51.6			
31.6	Multilateral ODA	66.0	Multilateral ODA	26.1	Multilateral ODA	24.0	Multilateral ODA	22.0			
9.3	Unallocated	2.3	Unallocated	2.4	Unallocated	5.0	Unallocated	7.7			
3 500	Total ODA \$ million	2 223	Total ODA \$ million	2 710	Total ODA \$ million	10 213	Total ODA \$ million	15 736			
50.6	LLDCs	45.9	LLDCs	24.7	LLDCs	18.8	LLDCs	12.4			
22.0	Other LICs	29.1	Other LICs	18.7	Other LICs	28.6	Other LICs	37.6			
20.9	LMICs	16.3	LMICs	44.7	LMICs	43.7	LMICs	43.7			
6.5	UMICs	8.4	UMICs	6.2	UMICs	5.2	UMICs	5.4			
-	HICs	0.3	HICs	5.2	HICs	3.2	HICs	0.9			
0.1	MADCT	-	MADCT	0.4	MADCT	0.4	MADCT	-			
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0			
1.4	Europe	15.1	Europe	0.4	Europe	1.8	Europe	1.3			
8.2	North of Sahara	5.9	North of Sahara	7.8	North of Sahara	2.9	North of Sahara	2.1			
58.9	South of Sahara	51.5	South of Sahara	8.9	South of Sahara	14.7	South of Sahara	9.5			
4.8	N. and C. America	10.3	N. and C. America	2.0	N. and C. America	2.1	N. and C. America	3.1			
11.8	South America	7.0	South America	6.1	South America	5.1	South America	5.3			
2.1	Middle East	4.2	Middle East	4.7	Middle East	2.3	Middle East	3.5			
6.1	S. and C. Asia	1.0	S. and C. Asia	31.2	S. and C. Asia	20.3	S. and C. Asia	19.2			
6.8	Far East Asia	4.9	Far East Asia	38.2	Far East Asia	49.5	Far East Asia	54.5			
-	Oceania	-	Oceania	0.6	Oceania	1.3	Oceania	1.4			
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0			

Gross disbursements

Luxembourg				Netherlands			
1978-79	1988-89	1998-99		1978-79	1988-89		
		Cape Verde	6.7	Suriname	8.6	Indonesia	8.2
		Nicaragua	6.1	India	6.5	India	6.0
		Namibia	4.2	Tanzania	6.3	Tanzania	3.3
		El Salvador	3.6	Bangladesh	5.4	Bangladesh	3.0
		Viet Nam	3.3	Indonesia	4.6	Netherlands Antilles	2.9
		Tunisia	3.1	Netherlands Antilles	3.8	Sudan	2.7
		Yugoslavia, Fed.Rep.	3.1	Pakistan	2.3	Kenya	2.6
		India	2.8	Sri Lanka	1.9	Mozambique	2.5
		Senegal	2.5	Kenya	1.9	China	1.7
		Burkina Faso	2.5	Sudan	1.8	Pakistan	1.6
		Niger	2.2	Jamaica	1.8	Yemen	1.4
		Rwanda	2.1	Burkina Faso	1.8	Burkina Faso	1.3
		Chile	2.1	Peru	1.5	Bolivia	1.3
		Mali	1.6	Yemen	1.1	Suriname	1.2
		Laos	1.4	Zambia	0.8	Sri Lanka	1.2
		Total above	47.1	Total above	50.0	Total above	41.0
Multilateral ODA	- Multilateral ODA	- Multilateral ODA	28.3	Multilateral ODA	26.0	Multilateral ODA	27.5
Unallocated	- Unallocated	- Unallocated	5.0	Unallocated	9.3	Unallocated	9.4
Total ODA \$ million	- Total ODA \$ million	- Total ODA \$ million	115	Total ODA \$ million	1 397	Total ODA \$ million	2 290
LLDCs	- LLDCs	- LLDCs	33.4	LLDCs	36.9	LLDCs	34.4
Other LICs	- Other LICs	- Other LICs	28.2	Other LICs	22.6	Other LICs	28.2
LMICs	- LMICs	- LMICs	30.6	LMICs	32.9	LMICs	28.7
UMICs	- UMICs	- UMICs	7.7	UMICs	1.4	UMICs	2.1
HICs	- HICs	- HICs	0.1	HICs	6.1	HICs	6.2
MADCT	- MADCT	- MADCT	-	MADCT	0.1	MADCT	0.4
Total Bilateral	- Total Bilateral	- Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	- Europe	- Europe	10.0	Europe	1.2	Europe	0.5
North of Sahara	- North of Sahara	- North of Sahara	5.8	North of Sahara	2.3	North of Sahara	2.1
South of Sahara	- South of Sahara	- South of Sahara	42.9	South of Sahara	30.1	South of Sahara	36.6
N. and C. America	- N. and C. America	- N. and C. America	16.1	N. and C. America	10.8	N. and C. America	11.6
South America	- South America	- South America	7.0	South America	18.0	South America	8.8
Middle East	- Middle East	- Middle East	1.8	Middle East	2.1	Middle East	2.8
S. and C. Asia	- S. and C. Asia	- S. and C. Asia	5.9	S. and C. Asia	25.6	S. and C. Asia	19.2
Far East Asia	- Far East Asia	- Far East Asia	10.4	Far East Asia	9.8	Far East Asia	18.4
Oceania	- Oceania	- Oceania	-	Oceania	0.1	Oceania	0.2
Total Bilateral	- Total Bilateral	- Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

1998-99			New Zealand			1998-99		
			1978-79	1988-89	1988-89			
8.2	Netherlands Antilles	3.8	Cook Islands	11.1	Cook Islands	9.8	Papua New Guinea	5.7
6.0	Bosnia-Herzegovina	2.4	Fiji	9.3	Niue	5.2	Samoa	4.3
3.3	Tanzania	2.1	Samoa	7.9	Tokelau	4.0	Solomon Islands	3.5
3.0	India	2.0	Niue	6.9	Samoa	3.9	Fiji	3.5
2.9	Bolivia	1.4	Indonesia	4.4	Papua New Guinea	3.1	Tonga	3.3
2.7	Bangladesh	1.4	Papua New Guinea	4.1	Tonga	2.9	Vanuatu	3.2
2.6	Mozambique	1.4	Tonga	4.1	Indonesia	2.4	Tokelau	3.0
2.5	Indonesia	1.3	Philippines	3.7	Fiji	2.4	Cook Islands	2.8
1.7	Yemen	1.2	Thailand	2.8	Solomon Islands	1.8	Indonesia	2.7
1.6	Yugoslavia, Fed.Rep.	1.1	Tokelau	2.1	Vanuatu	1.8	Niue	2.5
1.4	South Africa	1.0	Malaysia	1.8	Kiribati	1.8	Philippines	1.6
1.3	Ethiopia	1.0	Tanzania	1.1	Tuvalu	1.2	Kiribati	1.6
1.3	Suriname	1.0	Solomon Islands	0.9	Thailand	1.2	Viet Nam	1.6
1.2	China	1.0	India	0.8	Philippines	1.1	China	1.1
1.2	Mali	1.0	Nepal	0.6	China	0.3	Cambodia	1.1
41.0	Total above	23.1	Total above	61.6	Total above	42.9	Total above	41.7
27.5	Multilateral ODA	28.7	Multilateral ODA	19.8	Multilateral ODA	11.1	Multilateral ODA	24.3
9.4	Unallocated	26.7	Unallocated	14.6	Unallocated	44.0	Unallocated	22.5
2 290	Total ODA \$ million	3 277	Total ODA \$ million	63	Total ODA \$ million	96	Total ODA \$ million	132
34.4	LLDCs	35.3	LLDCs	18.1	LLDCs	24.7	LLDCs	34.2
28.2	Other LICs	27.7	Other LICs	2.3	Other LICs	2.2	Other LICs	9.3
28.7	LMICs	24.2	LMICs	58.8	LMICs	50.2	LMICs	48.0
2.1	UMICs	3.5	UMICs	19.7	UMICs	22.4	UMICs	7.8
6.2	HICs	9.2	HICs	0.8	HICs	0.3	HICs	0.7
0.4	MADCT	-	MADCT	0.3	MADCT	0.2	MADCT	-
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
0.5	Europe	9.6	Europe	0.0	Europe	-	Europe	0.6
2.1	North of Sahara	2.0	North of Sahara	0.1	North of Sahara	-	North of Sahara	0.0
36.6	South of Sahara	37.0	South of Sahara	1.9	South of Sahara	1.4	South of Sahara	4.9
11.6	N. and C. America	15.2	N. and C. America	0.8	N. and C. America	0.2	N. and C. America	0.9
8.8	South America	9.7	South America	1.0	South America	0.4	South America	1.0
2.8	Middle East	4.8	Middle East	0.0	Middle East	0.0	Middle East	0.0
19.2	S. and C. Asia	13.4	S. and C. Asia	3.7	S. and C. Asia	1.2	S. and C. Asia	3.2
18.4	Far East Asia	8.2	Far East Asia	19.9	Far East Asia	10.9	Far East Asia	18.7
0.2	Oceania	0.1	Oceania	72.5	Oceania	85.8	Oceania	70.5
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Gross disbursements

		Norway					Portugal		
1978-79		1988-89		1998-99	1978-79		1988-89		
Tanzania	8.4	Tanzania	7.2	Yugoslavia, Fed.Rep.	4.0		Mozambique	17.1	
India	5.5	Mozambique	4.9	Tanzania	3.5		Sao Tome & Principe	6.3	
Bangladesh	5.0	Zambia	3.9	Mozambique	3.2		Guinea-Bissau	6.1	
Kenya	4.1	Bangladesh	3.7	Palestinian Adm. Areas	2.5		Cape Verde	5.8	
Pakistan	3.4	Kenya	3.1	Bangladesh	2.4		Angola	4.6	
Viet Nam	3.0	India	2.8	Zambia	2.2				
Botswana	2.3	Nicaragua	2.2	Bosnia-Herzegovina	2.2				
Mozambique	2.2	Zimbabwe	2.1	Uganda	2.1				
Zambia	2.0	Ethiopia	2.0	Ethiopia	1.9				
Sri Lanka	1.7	Botswana	1.9	Angola	1.6				
Turkey	1.4	Sri Lanka	1.6	South Africa	1.4				
Sudan	1.3	Mali	1.3	Nicaragua	1.2				
Madagascar	0.9	Pakistan	1.0	Iraq	1.2				
Chad	0.9	Sudan	0.9	Sudan	1.2				
Benin	0.8	China	0.9	China	1.0				
Total above	42.8	Total above	39.4	Total above	31.6		Total above	39.8	
Multilateral ODA	43.6	Multilateral ODA	40.6	Multilateral ODA	27.2	Multilateral ODA	-	Multilateral ODA	22.7
Unallocated	6.3	Unallocated	12.8	Unallocated	20.2	Unallocated	-	Unallocated	37.5
Total ODA \$ million	394	Total ODA \$ million	955	Total ODA \$ million	1 351	Total ODA \$ million	-	Total ODA \$ million	102
LLDCs	48.9	LLDCs	59.5	LLDCs	49.1	LLDCs	-	LLDCs	100.0
Other LICs	38.8	Other LICs	29.9	Other LICs	19.1	Other LICs	-	Other LICs	-
LMICs	12.3	LMICs	9.9	LMICs	27.4	LMICs	-	LMICs	-
UMICs	0.1	UMICs	0.7	UMICs	4.5	UMICs	-	UMICs	-
HICs	-	HICs	-	HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	0.0	MADCT	-	MADCT	-	MADCT	-
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	-	Total Bilateral	100.0
Europe	6.0	Europe	0.1	Europe	15.4	Europe	-	Europe	-
North of Sahara	0.2	North of Sahara	0.2	North of Sahara	0.4	North of Sahara	-	North of Sahara	-
South of Sahara	52.2	South of Sahara	66.2	South of Sahara	46.3	South of Sahara	-	South of Sahara	100.0
N. and C. America	2.1	N. and C. America	7.5	N. and C. America	7.6	N. and C. America	-	N. and C. America	-
South America	0.1	South America	1.3	South America	2.5	South America	-	South America	-
Middle East	0.2	Middle East	0.2	Middle East	8.8	Middle East	-	Middle East	-
S. and C. Asia	30.6	S. and C. Asia	20.6	S. and C. Asia	12.1	S. and C. Asia	-	S. and C. Asia	-
Far East Asia	8.4	Far East Asia	3.9	Far East Asia	6.9	Far East Asia	-	Far East Asia	-
Oceania	0.2	Oceania	0.0	Oceania	0.0	Oceania	-	Oceania	-
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	-	Total Bilateral	100.0

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

1998-99			Spain		
			1978-79	1988-89	1998-99
17.1	Mozambique	31.3		Venezuela 5.4	Honduras 3.2
6.3	Timor (East)	10.9		Ecuador 4.5	Morocco 3.1
6.1	Cape Verde	7.2		Cuba 4.1	Côte d'Ivoire 2.8
5.8	Angola	7.1		Nicaragua 3.3	Peru 2.3
4.6	Guinea-Bissau	4.0		China 2.6	Angola 2.3
	Sao Tome & Principe	3.9		India 2.2	Dominican Republic 2.2
	Bosnia-Herzegovina	0.3		Equatorial Guinea 2.1	Nicaragua 2.1
	Brazil	0.3		Morocco 1.9	Bolivia 2.0
	Macedonia, FYROM	0.2		Honduras 1.8	Palestinian Adm. Areas 2.0
	Lebanon	0.2		Mexico 1.7	China 1.9
	Palestinian Adm. Areas	0.1		Angola 1.6	Bosnia-Herzegovina 1.8
	Honduras	0.1		Bolivia 1.3	Panama 1.4
	Haiti	0.0		Peru 1.1	Ecuador 1.4
	Tajikistan	0.0		Algeria 0.8	Senegal 1.3
	Algeria	0.0		Mozambique 0.7	Yugoslavia, Fed. Rep. 1.3
39.8	Total above	65.8		Total above 35.0	Total above 31.0
22.7	Multilateral ODA	24.6	Multilateral ODA	- Multilateral ODA 44.2	Multilateral ODA 36.8
37.5	Unallocated	9.5	Unallocated	- Unallocated 11.7	Unallocated 13.1
102	Total ODA \$ million	306	Total ODA \$ million	- Total ODA \$ million 410	Total ODA \$ million 1 456
100.0	LLDCs	81.4	LLDCs	- LLDCs 20.0	LLDCs 10.3
-	Other LICs	0.7	Other LICs	- Other LICs 24.0	Other LICs 33.0
-	LMICs	17.3	LMICs	- LMICs 50.0	LMICs 53.1
-	UMICs	0.5	UMICs	- UMICs 6.0	UMICs 3.6
-	HICs	0.0	HICs	- HICs 0.0	HICs 0.0
-	MADCT	-	MADCT	- MADCT 0.0	MADCT -
100.0	Total Bilateral	100.0	Total Bilateral	- Total Bilateral 100.0	Total Bilateral 100.0
-	Europe	0.7	Europe	- Europe 0.9	Europe 7.0
-	North of Sahara	0.1	North of Sahara	- North of Sahara 8.0	North of Sahara 9.9
100.0	South of Sahara	83.2	South of Sahara	- South of Sahara 22.5	South of Sahara 21.5
-	N. and C. America	0.2	N. and C. America	- N. and C. America 27.0	N. and C. America 29.6
-	South America	0.4	South America	- South America 30.2	South America 17.9
-	Middle East	0.4	Middle East	- Middle East 0.3	Middle East 4.8
-	S. and C. Asia	0.1	S. and C. Asia	- S. and C. Asia 4.9	S. and C. Asia 1.5
-	Far East Asia	15.0	Far East Asia	- Far East Asia 6.2	Far East Asia 7.7
-	Oceania	-	Oceania	- Oceania -	Oceania -
100.0	Total Bilateral	100.0	Total Bilateral	- Total Bilateral 100.0	Total Bilateral 100.0

Gross disbursements

			Sweden						Switzerland					
1978-79			1988-89			1998-99			1978-79			1988-89		
India	12.1		India	7.8		Tanzania	3.3		India	7.4		Indonesia	4.2	
Tanzania	10.3		Tanzania	5.8		Mozambique	2.7		Bangladesh	4.6		India	3.5	
Viet Nam	7.0		Mozambique	5.6		South Africa	2.2		Madagascar	3.4		Madagascar	3.3	
Bangladesh	3.7		Nicaragua	3.2		Viet Nam	2.1		Rwanda	2.7		Tanzania	3.2	
Kenya	3.4		Viet Nam	2.6		Bosnia-Herzegovina	1.7		Nepal	2.5		Bolivia	2.9	
Mozambique	3.3		Ethiopia	2.6		Nicaragua	1.7		Peru	1.4		Nepal	2.7	
Sri Lanka	2.4		Zambia	2.2		Ethiopia	1.6		Tanzania	1.3		Rwanda	1.9	
Ethiopia	2.2		Angola	2.1		Bangladesh	1.4		Bolivia	1.3		China	1.6	
Zambia	2.1		China	1.9		Palestinian Adm. Areas	1.3		Burkina Faso	1.2		Bangladesh	1.4	
Botswana	1.7		Kenya	1.7		Angola	1.3		Kenya	1.1		Ghana	1.4	
Angola	1.6		Zimbabwe	1.3		Zimbabwe	1.2		Pakistan	1.0		Chad	1.3	
Guinea-Bissau	1.3		Bangladesh	1.2		Honduras	1.0		Cameroon	0.9		Senegal	1.3	
Pakistan	1.2		Botswana	1.2		Uganda	0.9		Senegal	0.8		Nicaragua	1.2	
Laos	1.1		Afghanistan	0.9		India	0.9		Indonesia	0.8		Ethiopia	1.2	
Cuba	0.8		Laos	0.9		Guatemala	0.9		Mali	0.8		Mali	1.2	
Total above	54.2		Total above	41.1		Total above	24.2		Total above	31.4		Total above	32.3	
Multilateral ODA	32.1		Multilateral ODA	30.7		Multilateral ODA	31.7		Multilateral ODA	43.9		Multilateral ODA	26.0	
Unallocated	9.4		Unallocated	20.7		Unallocated	26.8		Unallocated	10.0		Unallocated	17.8	
Total ODA \$ million	1 008		Total ODA \$ million	1 672		Total ODA \$ million	1 604		Total ODA \$ million	194		Total ODA \$ million	590	
LLDCs	48.1		LLDCs	52.0		LLDCs	44.8		LLDCs	50.8		LLDCs	50.1	
Other LICs	45.3		Other LICs	40.6		Other LICs	28.6		Other LICs	28.3		Other LICs	24.8	
LMICs	6.5		LMICs	7.0		LMICs	20.3		LMICs	18.1		LMICs	22.8	
UMICs	0.1		UMICs	0.4		UMICs	6.4		UMICs	2.2		UMICs	1.6	
HICs	-		HICs	-		HICs	0.1		HICs	0.1		HICs	0.0	
MADCT	-		MADCT	0.0		MADCT	-		MADCT	0.5		MADCT	0.6	
Total Bilateral	100.0		Total Bilateral	100.0		Total Bilateral	100.0		Total Bilateral	100.0		Total Bilateral	100.0	
Europe	1.1		Europe	0.0		Europe	8.4		Europe	2.7		Europe	0.7	
North of Sahara	1.5		North of Sahara	1.7		North of Sahara	0.7		North of Sahara	1.1		North of Sahara	0.9	
South of Sahara	48.4		South of Sahara	56.0		South of Sahara	48.0		South of Sahara	39.9		South of Sahara	46.4	
N. and C. America	2.2		N. and C. America	7.7		N. and C. America	12.1		N. and C. America	3.4		N. and C. America	6.8	
South America	0.1		South America	1.7		South America	4.4		South America	10.0		South America	9.6	
Middle East	0.1		Middle East	0.9		Middle East	4.6		Middle East	2.9		Middle East	3.3	
S. and C. Asia	32.6		S. and C. Asia	20.8		S. and C. Asia	10.2		S. and C. Asia	35.0		S. and C. Asia	19.3	
Far East Asia	13.9		Far East Asia	11.2		Far East Asia	11.5		Far East Asia	5.0		Far East Asia	13.1	
Oceania	-		Oceania	-		Oceania	0.0		Oceania	0.0		Oceania	0.1	
Total Bilateral	100.0		Total Bilateral	100.0		Total Bilateral	100.0		Total Bilateral	100.0		Total Bilateral	100.0	

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

1998-99			United Kingdom			
			1978-79	1988-89	1998-99	
4.2	Yugoslavia, Fed.Rep.	4.4	India	14.3	India	4.5
3.5	Bangladesh	2.2	Bangladesh	4.0	Kenya	3.0
3.3	Mozambique	2.1	Kenya	2.8	Bangladesh	2.9
3.2	India	2.1	Pakistan	2.4	Ghana	2.4
2.9	Tanzania	1.9	Zambia	2.2	Tanzania	2.2
2.7	Bosnia-Herzegovina	1.7	Tanzania	1.7	Nigeria	2.1
1.9	Nepal	1.4	Malawi	1.6	Malawi	2.1
1.6	Bolivia	1.4	Jamaica	1.3	Sudan	1.8
1.4	Egypt	1.2	Sri Lanka	1.2	Mozambique	1.6
1.4	Burkina Faso	1.2	Egypt	1.2	Uganda	1.6
1.3	Albania	1.2	Sudan	1.1	Pakistan	1.6
1.3	Viet Nam	1.1	Solomon Islands	0.9	St. Helena	1.3
1.2	Pakistan	1.0	Jordan	0.9	China	1.3
1.2	Peru	1.0	Indonesia	0.9	Sri Lanka	1.2
1.2	South Africa	0.9	Ghana	0.8	Zambia	1.1
32.3	Total above	24.7	Total above	37.3	Total above	31. 6
26.0	Multilateral ODA	27.6	Multilateral ODA	40.2	Multilateral ODA	42.3
17.8	Unallocated	25.6	Unallocated	7.3	Unallocated	11.0
590	Total ODA \$ million	932	Total ODA \$ million	1 935	Total ODA \$ million	2 764
50.1	LLDCs	40.7	LLDCs	32.8	LLDCs	39.7
24.8	Other LICs	26.2	Other LICs	45.2	Other LICs	39.8
22.8	LMICs	29.8	LMICs	15.8	LMICs	11.9
1.6	UMICs	3.4	UMICs	4.8	UMICs	7.1
0.0	HICs	0.0	HICs	0.7	HICs	0.9
0.6	MADCT	-	MADCT	0.7	MADCT	0.7
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
0.7	Europe	16.9	Europe	1.1	Europe	1.0
0.9	North of Sahara	3.2	North of Sahara	2.2	North of Sahara	2.2
46.4	South of Sahara	34.9	South of Sahara	32.4	South of Sahara	52.6
6.8	N. and C. America	7.8	N. and C. America	6.6	N. and C. America	4.7
9.6	South America	8.1	South America	2.6	South A merica	2.2
3.3	Middle East	3.3	Middle East	2.6	Middle East	1.7
19.3	S. and C. Asia	19.3	S. and C. Asi a	43.7	S. and C. Asia	25.6
13.1	Far East Asia	6.5	Far East Asia	3.8	Far East Asia	6.8
0.1	Oceania	0.0	Oceania	5.0	Oceania	3.2
100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Gross disbursements

United States			TOTAL DAC COUNTRIES		
1978-79	1988-89	1998-99	1978-79	1988-89	
Israel	18.0	Israel	12.5	Egypt	8.6
Egypt	11.7	Egypt	9.4	Bosnia-Herzegovina	2.2
Indonesia	3.2	Pakistan	3.9	Jordan	1.6
India	3.1	El Salvador	3.3	Peru	1.5
Bangladesh	2.6	India	1.9	India	1.4
Northern Marianas	1.8	Philippines	1.8	Indonesia	1.4
Pakistan	1.4	Northern Marianas	1.6	Colombia	1.3
Philippines	1.2	Guatemala	1.5	Bolivia	1.1
Jordan	1.1	Bangladesh	1.4	Haiti	0.9
Korea	1.1	Honduras	1.4	South Africa	0.9
Syria	0.9	Costa Rica	1.3	Palestinian Adm. Areas	0.8
Turkey	0.9	Sudan	1.1	Micronesia, Fed. States	0.8
Peru	0.8	Morocco	1.0	Philippines	0.8
Bolivia	0.8	Jamaica	0.9	Bangladesh	0.8
Sri Lanka	0.8	Indonesia	0.9	Korea, Dem. Rep.	0.7
Total above	49.5	Total above	43.9	Total above	24.8
Multilateral ODA	24.6	Multilateral ODA	21.9	Multilateral ODA	26.1
Unallocated	13.4	Unallocated	19.3	Unallocated	31.2
Total ODA \$ million	5 704	Total ODA \$ million	9 690	Total ODA \$ million	9 800
LLDCs	13.6	LLDCs	15.4	LLDCs	20.1
Other LICs	11.9	Other LICs	16.1	Other LICs	21.5
LMICs	39.0	LMICs	43.1	LMICs	55.4
UMICs	1.3	UMICs	1.2	UMICs	3.0
HICs	4.8	HICs	2.7	HICs	0.0
MADCT	29.3	MADCT	21.4	MADCT	-
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	4.3	Europe	1.8	Europe	13.5
North of Sahara	19.7	North of Sahara	18.3	North of Sahara	18.3
South of Sahara	9.7	South of Sahara	13.7	South of Sahara	17.6
N. and C. America	5.2	N. and C. America	17.8	N. and C. America	9.2
South America	4.2	South America	3.3	South America	8.9
Middle East	31.9	Middle East	23.1	Middle East	7.9
S. and C. Asia	12.9	S. and C. Asia	13.9	S. and C. Asia	12.9
Far East Asia	9.1	Far East Asia	5.2	Far East Asia	7.8
Oceania	2.9	Oceania	3.0	Oceania	3.8
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	4.3	Europe	1.8	Europe	13.5
North of Sahara	19.7	North of Sahara	18.3	North of Sahara	18.3
South of Sahara	9.7	South of Sahara	13.7	South of Sahara	17.6
N. and C. America	5.2	N. and C. America	17.8	N. and C. America	9.2
South America	4.2	South America	3.3	South America	8.9
Middle East	31.9	Middle East	23.1	Middle East	7.9
S. and C. Asia	12.9	S. and C. Asia	13.9	S. and C. Asia	12.9
Far East Asia	9.1	Far East Asia	5.2	Far East Asia	7.8
Oceania	2.9	Oceania	3.0	Oceania	3.8
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
India	4.9	Indonesia	4.9	Indonesia	4.9
Israel	4.9	Egypt	4.4	Egypt	4.4
Egypt	4.4	China	3.4	China	3.4
Bangladesh	3.4	Israel	3.1	Israel	3.1
Indonesia	3.1	Pakistan	2.3	Pakistan	2.3
Tanzania	2.3	Bangladesh	2.2	Bangladesh	2.2
Pakistan	2.2	Philippines	1.6	Philippines	1.6
Turkey	1.6	Tanzania	1.2	Tanzania	1.2
Papua New Guinea	1.2	Mozambique	1.2	Mozambique	1.2
Kenya	1.2	Thailand	1.1	Thailand	1.1
Congo, Dem. Rep.	1.1	Kenya	1.1	Kenya	1.1
Sri Lanka	1.1	Turkey	1.0	Turkey	1.0
Tunisia	1.0	Ethiopia	1.0	Ethiopia	1.0
Thailand	1.0	Sudan	1.0	Sudan	1.0
Viet Nam	1.0				
Total above	34.4	Total above	30.4	Total above	30.4
Multilateral ODA	29.8	Multilateral ODA	28.0	Multilateral ODA	28.0
Unallocated	9.1	Unallocated	12.4	Unallocated	12.4
Total ODA \$ million	22 527	Total ODA \$ million	49 797	Total ODA \$ million	49 797
LLDCs	28.3	LLDCs	28.0	LLDCs	28.0
Other LICs	22.1	Other LICs	25.0	Other LICs	25.0
LMICs	33.3	LMICs	33.0	LMICs	33.0
UMICs	3.5	UMICs	4.0	UMICs	4.0
HICs	4.5	HICs	3.0	HICs	3.0
MADCT	8.1	MADCT	4.0	MADCT	4.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	4.3	Europe	2.0	Europe	2.0
North of Sahara	11.1	North of Sahara	8.0	North of Sahara	8.0
South of Sahara	26.4	South of Sahara	32.0	South of Sahara	32.0
N. and C. America	3.9	N. and C. America	6.0	N. and C. America	6.0
South America	5.3	South America	4.0	South America	4.0
Middle East	10.5	Middle East	6.0	Middle East	6.0
S. and C. Asia	20.7	S. and C. Asia	14.0	S. and C. Asia	14.0
Far East Asia	12.2	Far East Asia	19.0	Far East Asia	19.0
Oceania	5.7	Oceania	4.0	Oceania	4.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

TRIES			EC					
1998-99			1978-79		1988-89		1998-99	
4.2	Indonesia	4.0	Senegal	8.0	Côte d'Ivoire	6.6	Morocco	5.1
3.1	China	3.7	Turkey	6.4	India	5.1	Egypt	3.7
3.0	India	2.6	Mauritania	4.4	Ethiopia	4.0	Bosnia-Herzegovina	3.5
2.8	Egypt	2.6	India	3.2	Cameroon	3.5	Ex-Yugoslavia. Unsp.	3.0
2.7	Thailand	1.8	Niger	3.1	Bangladesh	3.1	Algeria	2.6
2.1	Philippines	1.6	Viet Nam	3.1	Mozambique	3.0	Tunisia	2.5
2.0	Viet Nam	1.5	Egypt	2.8	Kenya	2.7	South Africa	2.0
1.8	Bangladesh	1.3	Bangladesh	2.6	Egypt	2.7	Ethiopia	1.9
1.5	Mozambique	1.2	Tanzania	2.5	Sudan	2.4	Albania	1.9
1.4	Tanzania	1.2	Mali	2.4	Congo, Dem. Rep.	1.8	Mozambique	1.7
1.4	Bosnia-Herzegovina	1.1	Rwanda	2.4	Tanzania	1.7	Ma uritania	1.6
1.3	Pakistan	1.0	Burkina Faso	2.3	Senegal	1.7	Malawi	1.6
1.1	Côte d'Ivoire	0.9	Madagascar	2.0	China	1.7	Senegal	1.5
1.0	Peru	0.8	Chad	2.0	Malawi	1.6	Bangladesh	1.4
1.0	Morocco	0.8	Congo, Dem. Rep.	1.9	Chad	1.6	Turkey	1.4
30.4	Total above	26.1	Total above	49.1	Total above	43. 2	Total above	35.5
28.0	Multilateral ODA	29.3	Multilateral ODA	0.0	Multilateral ODA	3.7	Multilateral ODA	0.4
12.4	Unallocated	15.9	Unallocated	11.0	Unallocated	16.5	Unallocated	19.5
49 797	Total ODA \$ million	60 855	Total ODA \$ million	987	Total ODA \$ million	2 599	Total ODA \$ million	5 330
28.9	LLDCs	23.1	LLDCs	51.9	LLDCs	50.1	LLDCs	31.8
25.1	Other LICs	30.8	Other LICs	27.3	Other LICs	31.3	Other LICs	19.8
33.2	LMICs	37.5	LMICs	17.0	LMICs	15.8	LMICs	40.7
4.1	UMICs	5.5	UMICs	3.0	UMICs	2.1	UMICs	7.4
3.8	HICs	3.1	HICs	0.4	HICs	0.4	HICs	0.2
4.7	MADCT	-	MADCT	0.4	MADCT	0.4	MADCT	-
100.0	Total Bilateral	100.0	T otal Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
2.5	Europe	6.2	Europe	9.8	Europe	1.7	Europe	14.4
8.0	North of Sahara	7.1	North of Sahara	3.4	North of Sahara	5.5	North of Sahara	16.9
32.7	South of Sahara	26.5	South of Sahara	64.1	South of Sahara	63.7	South of Sahara	38.7
6.9	N. and C. America	6.6	N. and C. America	2.4	N. and C. America	6.3	N. and C. America	7.6
4.9	South America	6.4	South America	1.8	South Am erica	4.0	South America	5.5
6.7	Middle East	4.3	Middle East	2.4	Middle East	1.2	Middle East	3.5
14.9	S. and C. Asia	13.0	S. and C. Asi a	9.0	S. and C. Asia	10.6	S. and C. Asia	7.6
19.0	Far East Asia	25.4	Far East Asia	6.4	Far E ast Asia	4.1	Far East Asia	4.8
4.3	Oceania	4.4	Oceania	0.7	Oceania	2.8	Oceania	1.0
100.0	Total Bilateral	100.0	T otal Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Table 35

ODA from Non-DAC Donors

Net disbursements

\$ million

	1995	1996	1997	1998	1999
OECD Non-DAC					
Czech Republic	..	..	..	16	15
Korea	116	159	186	183	317
Poland	..	..	..	19	20
Turkey	107	88	77	102	..
Arab countries					
Kuwait	384	414	373	278	147
Saudi Arabia	192	327	251	288	185
UAE	65	31	115	63	92
Other donors					
Chinese Taipei	92	88	65	27	..
Estonia	..	..	..	0.2	0.4
TOTAL	956	1 107	1 067	976	777
<i>of which: Bilateral</i>					
OECD Non-DAC					
Czech Republic	..	..	..	6	7
Korea	71	123	111	125	131
Poland	..	..	..	14	15
Turkey	84	56	53	78	..
Arab countries					
Kuwait	339	367	355	247	147
Saudi Arabia	134	177	79	123	- 1
UAE	55	29	115	63	92
Other donors					
Chinese Taipei	78	87	65	27	..
Estonia	..	..	..	0.1	0.3
TOTAL	761	839	778	683	391

Note: China also provides aid, but does not disclose the amount.

Table 36

Debt Service Ratios by Region^a

	1992	1993	1994	1995	1996	1997	1998
Sub-Saharan Africa	19	15	13	16	12	12	13
of which: LLDCs	14	14	14	26	13	13	15
Nigeria	23	9	13	14	11	10	12
South Africa	9	10	7	10	8	8	9
Other countries	20	18	22	19	17	16	19
Latin America and Caribbean	27	27	24	26	26	30	25
of which: Argentina	27	38	33	33	38	48	52
Brazil	25	28	28	29	37	40	32
Jamaica	30	20	18	16	13	12	13
Mexico	35	31	27	30	29	30	19
Peru	24	57	17	14	19	30	26
South and East Asia	13	14	13	13	12	12	12
of which: China	10	11	9	10	9	8	7
India	24	22	24	23	21	18	16
Indonesia	30	31	30	31	36	28	22
Korea	8	10	7	8	8	8	11
Malaysia	6	7	8	7	7	5	5
Pakistan	20	21	29	26	24	38	31
Philippines	24	22	17	14	13	11	15
Thailand	12	17	15	14	14	19	20
North Africa and Middle East^b	20	20	21	18	16	17	17
of which: Egypt	16	11	27	11	9	12	12
Morocco	23	27	27	25	24	25	24
Tunisia	18	19	17	17	16	17	18
Overall total	18	17	16	16	15	16	15
<i>Memo:</i>							
Major debtor countries ^c	18	19	17	17	17	17	16
LLDCs	13	13	12	19	11	11	12

a) Long and short-term interest plus amortization payments (including to IMF) as a per cent of exports of goods and services (including private transfers).

b) Excluding Iraq.

c) Brazil, Mexico, Argentina, China, Korea, Russia, Indonesia, India, Thailand, Turkey, Philippines, Poland.

Source: OECD, World Debt Tables and International Financial Statistics, 1999, Global Development Finance 2000.

Table 37

Economic Indicators for DAC Member Countries

1999 data

	GNP per capita (USD)	Real GDP growth (%)	Inflation ^a (%)	Unemployment rate (%)	Budget surplus (+) or deficit (-) as % of GDP	Current external balance as % of GDP	Total government receipts as % of GDP
Australia	20 200	4.7	1.0	7.2	1.9	-5.8	33.7
Austria	25 300	2.1	0.9	5.2	-2.1	-2.8	47.7
Belgium	24 500	2.7	1.0	9.0	-0.7	3.9 b	47.2
Canada	20 200	4.5	1.6	7.6	2.2	-0.4	40.9
Denmark	32 300	1.7	2.7	5.2	2.8	1.8	55.1
Finland	24 500	4.0	0.7	10.2	1.9	5.4	48.9
France	24 200	2.9	0.3	11.1	-1.8	2.6	50.4
Germany	25 500	1.6	0.9	8.3	-1.4	-0.9	44.5
Greece	11 900	3.4	2.9	12.0	-1.8	-4.2	42.1
Ireland	21 000	9.8	3.8	5.6	2.7	0.7	33.6
Italy	20 500	1.4	1.5	11.5	-1.9	0.6	46.4
Japan	34 700	0.2	-0.9	4.7	-7.0	2.5	31.1
Luxembourg	41 800	7.5	2.3	2.9	..	3.9 b	..
Netherlands	25 100	3.9	1.6	3.2	1.0	5.3	43.7
New Zealand	13 100	3.7	0.1	6.8	0.3	-6.7	41.2
Norway	33 800	0.9	6.6	3.2	4.9	3.9	51.0
Portugal	10 800	3.0	2.7	4.5	-2.0	-8.9	39.3
Spain	15 000	4.0	2.9	15.9	-1.1	-2.1	38.5
Sweden	26 400	3.8	0.5	5.6	1.9	2.5	57.9
Switzerland	38 500	1.5	0.6	2.7	..	11.6	..
United Kingdom	24 400	2.2	2.5	6.0	1.3	-1.2	40.4
United States	34 100	4.2	1.5	4.2	1.0	-3.6	31.0
TOTAL DAC	28 100	3.0	1.0	6.7	-0.8	-0.8	36.7

a) GDP deflators.

b) Data combined for Belgium-Luxembourg.

Source: OECD *Economic Outlook*, December 2000 and country submissions.

	1982	1983	1984	1985
Australia	85.02	81.86	84.40	71.09
Austria	47.27	46.52	43.72	43.59
Belgium	49.61	46.83	43.58	44.32
Canada	79.69	84.04	82.69	80.33
Denmark	46.50	45.61	42.56	43.40
Finland	58.09	54.46	54.75	55.96
France	53.10	50.06	46.82	48.04
Germany	49.04	48.13	44.06	43.48
Greece	52.87	47.76	44.82	43.04
Ireland	52.50	50.88	47.19	48.44
Italy	46.35	47.49	45.78	45.88
Japan	44.38	47.36	48.60	49.42
Luxembourg	51.16	48.84	45.14	45.18
Netherlands	57.69	55.10	49.69	48.84
New Zealand	61.73	57.43	51.58	51.91
Norway	70.27	66.48	63.21	63.15
Portugal	39.19	34.99	33.02	34.63
Spain	50.36	43.06	42.90	43.69
Sweden	58.13	52.51	52.14	53.44
Switzerland	48.60	48.24	44.61	43.67
United Kingdom	52.47	47.96	44.02	44.84
United States	64.18	66.72	69.20	71.39
TOTAL DAC	54.04	53.68	52.49	52.90
EC	43.76	43.10	40.84	41.78

Table 38

Deflators for Resource Flows from DAC Donors^a (1998 = 100)

1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1999
72.33	81.57	98.86	107.13	110.88	113.34	108.26	101.68	110.26	113.59	122.68	118.09	103.75
60.65	74.79	77.80	74.58	89.78	90.74	100.53	97.62	102.28	118.54	114.43	100.83	96.68
60.71	73.68	76.54	74.96	91.03	91.53	100.81	97.30	102.32	118.12	113.82	99.91	96.83
81.17	89.08	100.31	109.10	114.08	119.28	114.58	108.92	104.00	105.91	108.35	107.73	101.47
59.43	73.60	77.32	74.92	91.75	91.25	99.40	93.88	97.33	112.41	111.33	99.34	98.56
71.32	85.74	97.36	100.87	119.30	114.87	104.42	83.80	93.62	116.58	110.61	99.94	96.41
65.51	77.68	80.87	77.96	93.99	93.44	101.56	97.26	100.97	114.23	113.04	100.30	96.16
60.81	74.86	77.78	74.41	89.31	90.40	100.85	98.77	103.14	119.18	114.67	100.32	96.69
50.06	59.01	65.04	65.11	80.45	83.74	91.96	87.51	92.03	105.70	109.21	102.87	99.38
65.38	74.17	78.39	77.00	89.22	88.35	96.07	86.91	90.17	99.63	101.80	100.64	98.73
63.40	77.39	82.33	83.17	103.03	107.07	112.72	91.83	92.61	96.29	107.03	99.32	96.96
71.20	83.05	94.39	89.39	87.16	96.35	104.05	119.28	130.01	140.30	119.60	107.83	113.92
60.53	74.43	76.04	74.06	91.84	91.93	100.21	93.77	101.43	115.35	111.72	100.01	98.04
66.33	79.63	82.55	77.88	92.82	92.83	100.94	97.43	101.76	117.47	113.15	99.75	97.53
63.25	80.90	96.91	94.45	97.80	95.81	90.59	93.49	104.13	118.37	126.37	121.51	98.83
72.72	85.33	92.58	92.38	105.82	104.66	108.72	96.91	97.26	111.66	114.33	107.52	103.12
47.83	55.42	60.62	62.44	77.73	85.97	101.27	90.66	93.23	108.54	108.97	98.85	98.36
58.95	70.71	79.21	83.45	104.01	109.27	118.55	99.54	98.31	110.72	112.81	99.76	98.41
68.87	81.17	89.85	92.01	108.87	114.71	120.58	92.66	95.71	107.16	115.60	102.79	96.70
61.51	76.23	79.88	73.65	90.44	92.88	97.32	95.07	104.44	122.15	117.24	99.74	97.01
52.82	61.98	71.49	70.65	82.60	87.49	90.51	79.54	82.33	87.02	88.84	95.97	100.07
72.96	75.15	77.71	80.67	83.81	86.86	88.97	91.11	93.01	95.03	96.87	98.76	101.50
66.51	76.96	83.25	82.14	91.39	94.92	100.71	99.04	103.54	113.31	109.88	102.01	101.87
56.87	69.39	74.24	72.71	88.49	90.84	99.24	92.96	97.00	109.72	109.26	99.39	96.65

a) Including the effect of exchange rate changes, i.e. applicable to US dollar figures only.

Table 39

Gross National Product and Population of DAC Member Countries

	Gross National Product (\$ billion)				Population (thousands)			
	1988-89 average	1997	1998	1999	1988-89 average	1997	1998	1999
Australia	255	379	353	384	16 670	18 520	18 730	18 970
Austria	126	206	212	205	7 610	8 070	8 080	8 090
Belgium	153	246	251	250	9 930	10 180	10 200	10 240
Canada	500	598	577	616	27 045	29 990	30 250	30 490
Denmark	102	168	171	172	5 130	5 280	5 300	5 320
Finland	106	115	125	127	4 955	5 140	5 150	5 170
France	954	1 400	1 436	1 432	56 270	58 610	58 850	59 100
Germany (a)	1 204	2 110	2 142	2 095	61 755	82 050	82 030	82 090
Greece	..	120	121	125	..	10 500	10 510	10 530
Ireland	29	60	67	79	3 530	3 660	3 710	3 750
Italy	842	1 146	1 166	1 171	56 800	56 940	57 040	57 080
Japan	2 875	4 246	3 838	4 395	123 020	126 170	126 490	126 690
Luxembourg	9	17	17	18	380	420	430	430
Netherlands	225	365	380	396	14 805	15 610	15 700	15 810
New Zealand	39	58	49	50	3 325	3 760	3 790	3 810
Norway	88	152	145	151	4 220	4 410	4 430	4 460
Portugal	43	101	107	108	9 940	9 960	9 980	9 990
Spain	362	524	565	592	38 755	39 320	39 370	39 420
Sweden	183	219	220	234	8 465	8 850	8 850	8 860
Switzerland	190	265	280	275	6 660	7 090	7 110	7 140
United Kingdom	827	1 308	1 408	1 451	57 260	59 010	59 240	59 500
United States	4 992	8 060	8 750	9 298	246 180	267 740	270 300	272 880
TOTAL DAC	14 103	21 862	22 379	23 623	762 705	831 280	835 540	839 820
<i>of which:</i>								
EU Members	5 165	8 105	8 387	8 455	335 585	373 600	374 440	375 380

a) Federal Republic of Germany : in 1988-89, West Germany only.

Table 40

Net Official Aid Disbursements to Countries on Part II of the DAC List of Aid Recipients

	\$ million					As % of GNP				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
Australia	4	10	0	1	3	0.00	0.00	0.00	0.00	0.00
Austria	313	226	181	191	184	0.13	0.10	0.09	0.09	0.09
Belgium	89	70	59	68	82	0.03	0.03	0.02	0.03	0.03
Canada	250	181	157	157	165	0.05	0.03	0.03	0.03	0.03
Denmark	170	120	133	118	128	0.10	0.07	0.08	0.07	0.07
Finland	76	57	71	82	74	0.06	0.05	0.06	0.07	0.06
France	770	711	574	823	550	0.05	0.05	0.04	0.06	0.04
Germany	4 514	1 329	660	654	729	0.18	0.06	0.03	0.03	0.03
Greece	..	2	9	15	11	..	0.00	0.01	0.01	0.01
Ireland	21	1	1	-	-	0.04	0.00	0.00	-	-
Italy	286	294	241	243	92	0.03	0.02	0.02	0.02	0.01
Japan	250	184	84	132	67	0.00	0.00	0.00	0.00	0.00
Luxembourg	9	2	2	3	3	0.05	0.01	0.01	0.02	0.01
Netherlands	305	13	7	130	22	0.08	0.00	0.00	0.03	0.01
New Zealand	1	0	0	0	0	0.00	0.00	0.00	0.00	0.00
Norway	61	50	55	52	28	0.04	0.03	0.04	0.04	0.02
Portugal	22	18	18	22	28	0.02	0.02	0.02	0.02	0.03
Spain	120	98	3	5	13	0.02	0.02	0.00	0.00	0.00
Sweden	152	178	148	105	99	0.07	0.07	0.07	0.05	0.04
Switzerland	102	97	75	76	70	0.03	0.03	0.03	0.03	0.03
United Kingdom	406	362	337	435	326	0.04	0.03	0.03	0.03	0.02
United States	1 280	1 694	2 516	2 726	3 521	0.02	0.02	0.03	0.03	0.04
TOTAL DAC	9 202	5 696	5 331	6 040	6 193	0.04	0.03	0.02	0.03	0.03
<i>of which:</i>										
EU Members	7 254	3 481	2 444	2 895	2 339	0.09	0.04	0.03	0.03	0.03

Note: For details of the countries that transferred to Part II of the DAC List of Aid Recipients in 1996 and 1997, see the List at the end of this volume.

The Flow of Financial

	Australia			Austria		
	1997	1998	1999	1997	1998	1999
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	0	1	3	181	191	184
OA as % of GNP	0.00	0.00	0.00	0.09	0.09	0.09
A. Bilateral OA	0	- 0	2	145	144	130
1. Grants	0	- 0	2	145	143	130
of which: Technical Co-operation	0	- 0	0	15	15	-
Developmental Food Aid	-	-	-	-	0	-
2. Loans	-	-	-	0	1	- 0
B. Multilateral OA	-	1	1	36	47	54
Grants and Capital Subscriptions	-	-	-	1	1	1
of which: to EC	-	-	-	34	39	44
to EBRD	-	-	-	-	7	7
II. Other Official Flows (OOF)	-	0	1	-	-	-
1. Official Export Credits	-	-	-	-	-	-
2. Other	-	0	1	-	-	-
III. Grants by NGOs	-	-	-	-	6	5
IV. Private Flows	-1 832	642	-	726	964	512
1. Direct Investment	- 883	433	-	728	964	512
2. Portfolio Investment	-	-	-	-	-	-
3. Export Credits	-	-	-	- 2	-	-
V. Total Resource Flows	-1 832	643	4	907	1 161	701
<i>Memo:</i>						
Debt Forgiveness	-	-	-	121	-	-

	France			Germany		
	1997	1998	1999	1997	1998	1999
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	574	823	550	660	654	729
OA as % of GNP	0.04	0.06	0.04	0.03	0.03	0.03
A. Bilateral OA	306	495	142	302	239	242
1. Grants	304	533	148	419	391	366
of which: Technical Co-operation	-	458	105	311	386	335
Developmental Food Aid	1	-	-	-	-	-
2. Loans	1	- 37	- 6	- 117	- 152	- 124
B. Multilateral OA	269	327	408	358	415	487
Grants and Capital Subscriptions	23	-	-	0	0	0
of which: to EC	245	300	383	344	386	448
to EBRD	-	27	26	14	29	19
II. Other Official Flows (OOF)	-	-	- 11	465	4 485	268
1. Official Export Credits	-	-	-	19	22	- 6
2. Other	-	-	- 11	447	4 463	274
III. Grants by NGOs	-	-	-	81	87	98
IV. Private Flows	5 377	6 893	8 229	8 238	19 321	14 007
1. Direct Investment	1 724	2 579	3 953	3 986	5 652	4 946
2. Portfolio Investment	3 165	3 723	4 058	3 736	12 826	8 700
3. Export Credits	487	591	218	516	844	361
V. Total Resource Flows	5 951	7 716	8 767	9 445	24 546	15 102
<i>Memo:</i>						
Debt Forgiveness	201	-	-	4	2	-

Table 41

Resources to Countries on Part II of the DAC List of Aid Recipients and Multilateral Organisations

\$ million

Belgium			Canada			Denmark			Finland		
1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
59	68	82	157	157	165	133	118	128	71	82	74
0.02	0.03	0.03	0.03	0.03	0.03	0.08	0.07	0.07	0.06	0.07	0.06
11	3	6	157	157	165	92	118	128	50	51	37
11	3	6	157	157	165	78	113	99	41	47	41
11	2	5	29	20	21	67	-	-	22	29	28
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	14	5	29	10	4	-4
48	66	75	-	-	-	41	-	-	20	31	38
-	-	-	-	-	-	-	-	-	1	1	-
48	59	68	-	-	-	39	-	-	19	25	32
-	7	7	-	-	-	3	-	-	0	5	4
-3	82	-9	-86	68	1 294	24	189	25	-30	-3	18
-	82	-	32	68	1 294	6	171	-	-28	0	22
-3	0	-9	-118	-	-	17	18	25	-2	-3	-3
-	-	0	-	-	-	2	-	2	-	-	-
14 612	16 385	17 604	13	34	-21	201	164	-	402	1 398	378
709	1 128	1 825	-	-	-	201	164	-	361	274	225
13 912	15 142	15 691	-	-	-	-	-	-	-5	1 130	167
-8	115	88	13	34	-21	-	-	-	46	-6	-14
14 668	16 535	17 678	84	260	1 437	360	472	155	443	1 477	470
-	-	-	118	114	117	-	-	-	-	-	-

\$ million

Greece			Ireland			Italy			Japan		
1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
9	15	11	1	-	-	241	243	92	84	132	67
0.01	0.01	0.01	0.00	-	-	0.02	0.02	0.01	0.00	0.00	0.00
9	13	8	1	-	-	6	3	8	67	94	27
9	13	8	1	-	-	5	3	8	62	90	72
7	10	7	1	-	-	2	2	4	59	88	50
-	2	0	-	-	-	2	0	0	-	-	-
-	-	-	-	-	-	1	-0	-1	5	3	-45
-	2	3	-	-	-	235	240	84	17	39	40
-	-	-	-	-	-	-	-	0	-	-	-
-	-	-	-	-	-	235	229	67	-	-	-
-	2	2	-	-	-	-	11	17	17	39	40
6	2	0	-	-	-	15	21	-1	397	1 874	1 524
6	2	0	-	-	-	-	-	-	-134	-254	-96
-	-	-	-	-	-	15	21	-1	531	2 128	1 620
-	-	-	-	-	-	-	2	-	-	-	-
-	-	-	-	-	-	3 269	3 839	6 137	3 161	3 794	1 018
-	-	-	-	-	-	956	1 028	-209	4 860	5 778	2 624
-	-	-	-	-	-	2 798	3 278	6 831	1 762	-675	-1 656
-	-	-	-	-	-	-485	-467	-486	-3 460	-1 309	50
15	17	11	1	-	-	3 525	4 105	6 228	3 642	5 801	2 609
-	-	-	-	-	-	-	-	-	-	-	-

The Flow of Financial Resources

	Luxembourg			Netherlands		
	1997	1998	1999	1997	1998	1999
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	2	3	3	7	130	22
OA as % of GNP	0.01	0.02	0.01	0.00	0.03	0.01
A. Bilateral OA	2	3	3	7	130	22
1. Grants	2	3	3	7	4	22
of which: Technical Co-operation	-	-	-	-	-	-
Developmental Food Aid	-	0	-	-	-	-
2. Loans	-	-	-	-	126	-
B. Multilateral OA	-	-	-	-	0	-
Grants and Capital Subscriptions	-	-	-	-	0	-
of which: to EC	-	-	-	-	-	-
to EBRD	-	-	-	-	-	-
II. Other Official Flows (OOF)	-	-	-	119	212	17
1. Official Export Credits	-	-	-	119	- 56	- 39
2. Other	-	-	-	-	268	56
III. Grants by NGOs	-	-	-	-	-	-
IV. Private Flows	-	-	-	3 451	1 749	2 299
1. Direct Investment	-	-	-	-	2 752	3 247
2. Portfolio Investment	-	-	-	-	-1 048	-
3. Export Credits	-	-	-	-	45	-
V. Total Resource Flows	2	3	3	3 577	2 091	2 338
<i>Memo:</i>						
Debt Forgiveness	-	-	-	-	-	-

	Sweden			Switzerland		
	1997	1998	1999	1997	1998	1999
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	148	105	99	75	76	70
OA as % of GNP	0.07	0.05	0.04	0.03	0.03	0.03
A. Bilateral OA	104	105	94	75	73	63
1. Grants	104	105	94	75	73	62
of which: Technical Co-operation	42	33	40	28	23	9
Developmental Food Aid	-	-	-	1	-	-
2. Loans	-	0	0	-	-	1
B. Multilateral OA	44	-	6	-	4	6
Grants and Capital Subscriptions	-	-	2	-	-	-
of which: to EC	44	-	-	-	-	-
to EBRD	-	-	3	-	4	5
II. Other Official Flows (OOF)	12	2	- 2	2	-	1
1. Official Export Credits	-	-	-	2	-	-
2. Other	12	2	- 2	-	-	1
III. Grants by NGOs	-	-	-	9	17	-
IV. Private Flows	577	1 284	1 215	3 896	1 387	6 899
1. Direct Investment	424	1 284	1 133	66	1 387	6 894
2. Portfolio Investment	- 0	- 0	0	-	-	0
3. Export Credits	153	0	81	-	-	6
V. Total Resource Flows	737	1 390	1 312	3 982	1 480	6 970
<i>Memo:</i>						
Debt Forgiveness	-	-	-	-	-	-

Table 41

to Countries on Part II of the DAC List of Aid Recipients and Multilateral Organisations (continued)

\$ million

New Zealand			Norway			Portugal			Spain		
1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
0	0	0	55	52	28	18	22	28	3	5	13
0.00	0.00	0.00	0.04	0.04	0.02	0.02	0.02	0.03	0.00	0.00	0.00
0	0	0	55	52	28	0	0	0	2	5	13
0	0	0	55	52	28	0	0	0	3	5	13
0	0	0	54	52	28	0	0	-	2	4	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-0	-	-
-	-	0	-	-	-	18	22	28	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	17	21	26	-	-	-
-	-	-	-	-	-	0	1	1	-	-	-
-	-	-	0	3	0	2	0	-	-	-	-7
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	0	3	0	2	0	-	-	-	-7
-	0	-	-	-	-	-	0	-	-	-	-
-	-	-	286	92	556	117	-19	2 782	389	574	57
-	-	-	206	90	548	96	-22	2 779	389	574	57
-	-	-	-	-	0	-	-	-	-	-	-
-	-	-	81	2	8	21	3	3	-	-	-
0	0	0	342	147	584	137	3	2 809	392	579	62
-	-	-	-	-	-	-	-	-	-	-	2

\$ million

United Kingdom			United States			TOTAL DAC COUNTRIES			EC		
1997	1998	1999	1997	1998	1999	1997	1998	1999	1997	1998	1999
337	435	326	2 516	2 726	3 521	5 331	6 040	6 193	1 441	2 414	2 818
0.03	0.03	0.02	0.03	0.03	0.04	0.02	0.03	0.03	-	-	-
140	121	98	2 516	2 714	3 443	4 048	4 520	4 657	1 441	2 409	2 818
142	122	98	2 537	2 746	3 204	4 157	4 602	4 568	1 238	1 636	1 715
141	112	87	589	1 020	1 510	1 378	2 253	2 230	328	357	484
-	-	-	45	22	861	49	24	861	-	3	1
-2	-1	-	-21	-32	240	-109	-82	89	203	773	1 103
197	313	228	-	12	78	1 282	1 520	1 535	-	5	-
-	-	-	-	-	-	26	3	4	-	-	-
197	293	225	-	-	-	1 223	1 351	1 294	-	-	-
-	16	0	-	-	36	34	147	167	-	5	-
-1	-1	-	7	-20	-96	929	6 914	3 021	493	476	262
-	-	-	-20	-18	-54	2	17	1 120	-	-	-
-1	-1	-	27	-2	-42	927	6 896	1 901	493	476	262
22	5	5	1 047	1 438	2 121	1 161	1 554	2 232	-	-	-
12 460	2 848	-6 446	14 740	10 409	16 221	70 084	71 757	71 446	-	-	-
-	3 415	-1 734	11 352	8 899	15 693	25 175	36 378	42 490	-	-	-
-	-808	-4 877	2 723	698	3	28 091	34 265	28 917	-	-	-
-	241	165	665	812	526	-1 974	905	986	-	-	-
12 818	3 287	-6 115	18 310	14 553	21 767	77 504	86 265	82 892	1 934	2 891	3 079
-	-	-	-	-	-	444	116	119	-	-	-

Note: A substantial part of the increase in private flows to Part II countries as of 1997 is due to the transfer of countries from Part I to Part II of the DAC List of Aid Recipients (for a complete list of countries, please refer to the end of this volume). Totals may not sum due to gaps in reporting.

Table 42

OA Receipts^a and Selected Indicators for Countries and Territories on Part II of the DAC List of Aid Recipients

	Net OA Receipts (\$ million)					GNP/CAP (e) 1998 US\$	Population 1998 million	Current GNP 1998 \$ million	OA/GNP 1998 per cent
	1995	1996	1997	1998	1999				
MADCTs									
Bahamas (b)	-	0	3	23	12	..	0.29	..	..
Bermuda (c)	-	-	- 8	1	0	..	0.06	2 255	0.02
Brunei (b)	-	3	0	0	1	24 630	0.31	7 201	0.00
Cayman Islands (c)	-	-	- 4	0	3	..	0.04	..	..
Chinese Taipei (c)	-	-	6	76	13	13 240	21.82	268 612	0.03
Cyprus (c)	-	-	42	32	50	11 910	0.75	9 032	0.36
Falkland Islands (c)	-	-	0	0	0	..	0.00	..	..
Hong Kong, China (c)	-	-	9	7	4	23 390	6.69	163 562	0.00
Israel (c)	-	-	1 196	1 066	906	17 450	5.96	122 440	0.87
Kuwait (b)	-	3	0	6	7	..	1.87	31 193	0.02
Qatar (b)	-	2	1	1	5	..	0.74	..	..
Singapore (b)	-	15	3	2	- 1	30 560	3.16	88 736	0.00
United Arab Emirates (b)	-	7	2	4	4	17 870	2.72	50 307	0.01
MADCTs, Total	-	30	1 250	1 218	1 003	..	44.43	(743 337)	0.16
CEECs/NIS									
Belarus	223	76	43	28	24	2 470	10.24	26 189	0.11
Bulgaria	113	182	217	236	265	1 220	8.26	11 974	1.97
Czech Republic	148	129	115	447	318	5 150	10.29	55 629	0.80
Estonia	58	59	65	90	83	3 360	1.45	5 121	1.76
Hungary	- 244	204	164	240	248	4 480	10.11	45 177	0.53
Latvia	63	72	80	97	96	2 380	2.45	6 122	1.58
Lithuania	179	91	102	128	129	2 540	3.70	10 492	1.22
Moldova (d)	66	36	-	-	-	380	4.30	1 656	-
Poland	3 790	1 166	860	902	984	3 910	38.67	156 096	0.58
Romania	275	223	212	357	373	1 430	22.50	41 050	0.87
Russia	1 610	1 282	734	1 018	1 816	2 250	146.91	265 933	0.38
Slovak Republic	98	98	70	155	318	3 700	5.39	20 204	0.77
Ukraine	320	398	180	383	480	850	50.30	41 569	0.92
CEEC Unallocated	472	487	398	560	363				
NIS Unallocated	731	659	907	992	240				
CEEC/NIS Unalloc.	512	329	167	167	797				
CEEC/NIS Part II Total	8 415	5 492	4 313	5 799	6 535	..	314.57	(687 211)	0.84
Part II Unallocated	-	62	40	23	19				
PART II COUNTRIES, TOTAL	8 415	5 584	5 603	7 040	7 558	..	359.00	(1 430 548)	0.49

a) OA receipts are total net OA flows from DAC countries, multilateral organisations and Arab countries.

b) These countries transferred to Part II of the DAC List of Aid Recipients on 1 January 1996; through 1995 aid to these countries is counted as ODA (see Table 25).

c) These countries transferred to Part II on 1 January 1997; through 1996 aid to these countries is counted as ODA (see Table 25).

d) Moldova transferred to Part I on 1 January 1997; from 1997 aid to Moldova is counted as ODA (see Table 25).

e) World Bank Atlas Basis.

Note: More advanced developing countries and territories (MADCTs) comprise countries which transferred to Part II of DAC List of Aid Recipients in 1996 or 1997, as per notes b) and c) above.

Source: World Bank, Secretariat estimates. Group totals and averages are calculated on available data only.

Glossary of Key Terms and Concepts

(Cross-references are given in CAPITALS)

AID: The words “aid” and “assistance” in this publication refer only to flows which qualify as OFFICIAL DEVELOPMENT ASSISTANCE (ODA) or OFFICIAL AID.

AMORTIZATION: Repayments of principal on a loan. Does not include interest payments.

ASSOCIATED FINANCING: The combination of Official Development Assistance, whether grants or loans, with any other funding to form finance packages. Associated Financing packages are subject to the same criteria of concessionality, developmental relevance and recipient country eligibility as TIED AID CREDITS.

BILATERAL: See TOTAL RECEIPTS.

CLAIM: The entitlement of a creditor to repayment of a LOAN; by extension, the loan itself or the outstanding amount thereof.

COMMITMENT: A firm obligation, expressed in writing and backed by the necessary funds, undertaken by an official donor to provide specified assistance to a recipient country or a multilateral organisation. Bilateral commitments are recorded in the full amount of expected transfer, irrespective of the time required for the completion of disbursements. Commitments to multilateral organisations are reported as the sum of *i*) any disbursements in the year in question which have not previously been notified as commitments and *ii*) expected disbursements in the following year.

CONCESSIONALITY LEVEL: A measure of the “softness” of a credit reflecting the benefit to the borrower compared to a loan at market rate (*cf.* GRANT ELEMENT). Technically, it is calculated as the difference between the nominal value of a TIED AID CREDIT and the present value of the debt service as of the date of disbursement, calculated at a discount rate applicable to the currency of the transaction and expressed as a percentage of the nominal value.

DAC (DEVELOPMENT ASSISTANCE COMMITTEE): The Committee of the OECD which deals with development co-operation matters. A description of its aims and a list of its Members are given at the front of this volume.

DAC LIST: See RECIPIENT COUNTRIES AND TERRITORIES.

DEBT REORGANISATION (also: RESTRUCTURING): Any action officially agreed between creditor and debtor that alters the terms previously established for repayment. This may include **forgiveness** (extinction of the loan), or **rescheduling** which can be implemented either by revising the repayment schedule or extending a new **refinancing** loan. See also “Notes on Definitions and Measurement” below.

DISBURSEMENT: The release of funds to, or the purchase of goods or services for a recipient; by extension, the amount thus spent. Disbursements record the actual international transfer of financial resources, or of goods or services valued at the cost to the donor. In the case of

activities carried out in donor countries, such as training, administration or public awareness programmes, disbursement is taken to have occurred when the funds have been transferred to the service provider or the recipient. They may be recorded **gross** (the total amount disbursed over a given accounting period) or **net** (less any repayments of loan principal during the same period).

EXPORT CREDITS: Loans for the purpose of trade and which are not represented by a negotiable instrument. They may be extended by the official or the private sector. If extended by the private sector, they may be supported by official guarantees.

GRACE PERIOD: See GRANT ELEMENT.

GRANTS: Transfers made in cash, goods or services for which no repayment is required.

GRANT ELEMENT: Reflects the **financial terms** of a commitment: interest rate, MATURITY and grace period (interval to first repayment of capital). It measures the concessionality of a loan, expressed as the percentage by which the present value of the expected stream of repayments falls short of the repayments that would have been generated at a given reference rate of interest. The reference rate is 10% in DAC statistics. Thus, the grant element is nil for a loan carrying an interest rate of 10%; it is 100% for a grant; and it lies between these two limits for a loan at less than 10% interest. If the face value of a loan is multiplied by its grant element, the result is referred to as the **grant equivalent** of that loan (*cf.* CONCESSIONALITY LEVEL). (Note: the grant element concept is not applied to the non-concessional (“hard window”) operations of the multilateral development banks.)

GRANT-LIKE FLOW: A transaction in which the donor country retains formal title to repayment but has expressed its intention in the commitment to hold the proceeds of repayment in the borrowing country for the benefit of that country.

LOANS: Transfers for which repayment is required. Only loans with maturities of over one year are included in DAC statistics. Data on net loans include deductions for repayments of principal (but not payment of interest) on earlier loans. This means that when a loan has been fully repaid, its effect on total net flows over the life of the loan is zero.

LONG-TERM: Used of loans with an original or extended maturity of more than one year.

MATURITY: The date at which the final repayment of a loan is due; by extension, the duration of the loan.

MULTILATERAL AGENCIES: In DAC statistics, those international institutions with governmental membership which conduct all or a significant part of their activities in favour of development and aid recipient countries. They include multilateral development banks (*e.g.* World Bank, regional development banks), United Nations agencies, and regional groupings (*e.g.* certain European Union and Arab agencies). A contribution by a DAC Member to such an agency is deemed to be multilateral if it is pooled with other contributions and disbursed at the discretion of the agency. Unless otherwise indicated, capital subscriptions to multilateral development banks are presented on a **deposit** basis, *i.e.* in the amount and as at the date of lodgement of the relevant letter of credit or other negotiable instrument. Limited data are available on an encashment basis, *i.e.* at the date and in the amount

of each drawing made by the agency on letters or other instruments.

NET FLOW: The total amount disbursed over a given accounting period, less repayments of loan principal during the same period, no account being taken of interest.

NET TRANSFER: Net flow minus payments of interest.

OFFICIAL AID: Flows which meet the conditions of eligibility for inclusion in OFFICIAL DEVELOPMENT ASSISTANCE, except that the recipients are on Part II of the DAC List of Aid Recipients (see RECIPIENT COUNTRIES AND TERRITORIES).

OFFICIAL DEVELOPMENT ASSISTANCE: Grants or loans to countries and territories on Part I of the DAC List of Aid Recipients (developing countries) which are:

- Undertaken by the official sector.
- With promotion of economic development and welfare as the main objective.
- At concessional financial terms (if a loan, having a GRANT ELEMENT of at least 25%).

In addition to financial flows, TECHNICAL CO-OPERATION is included in aid. Grants, loans and credits for military purposes are excluded. For the treatment of the forgiveness of loans originally extended for military purposes, see “Notes on Definitions and Measurement” below.

OFFICIAL DEVELOPMENT FINANCE (ODF): Used in measuring the inflow of resources to recipient countries: includes a) bilateral ODA, b) grants and concessional and non-concessional development lending by multilateral financial institutions, and c) those Other Official

Flows which are considered developmental (including refinancing loans) but which have too low a GRANT ELEMENT to qualify as ODA.

OFFSHORE BANKING CENTRES: Countries or territories whose financial institutions deal primarily with non-residents.

OTHER OFFICIAL FLOWS (OOF): Transactions by the official sector with countries on the List of Aid Recipients which do not meet the conditions for eligibility as Official Development Assistance or Official Aid, either because they are not primarily aimed at development, or because they have a grant element of less than 25%.

PARTIALLY UNTIED AID: Official Development Assistance (or Official Aid) for which the associated goods and services must be procured in the donor country or among a restricted group of other countries, which must however include substantially all recipient countries. Partially untied aid is subject to the same disciplines as TIED AID CREDITS and ASSOCIATED FINANCING.

PRIVATE FLOWS: Consist of flows at market terms financed out of private sector resources (i.e. changes in holdings of private long-term assets held by residents of the reporting country) and private grants (i.e. grants by **non-governmental organisations**, net of subsidies received from the official sector). In presentations focusing on the receipts of recipient countries, flows at market terms are shown as follows:

- **Direct investment:** Investment made to acquire or add to a lasting interest in an enterprise in a country on the DAC List of Aid Recipients (see RECIPIENT COUNTRIES AND TERRITORIES). “Lasting interest”

implies a long-term relationship where the direct investor has a significant influence on the management of the enterprise, reflected by ownership of at least 10% of the shares, or equivalent voting power or other means of control. In practice it is recorded as the change in the net worth of a subsidiary in a recipient country to the parent company, as shown in the books of the latter.

- **International bank lending:** Net lending to countries on the List of Aid Recipients by commercial banks in the Bank of International Settlements reporting area, *i.e.* most OECD countries and most offshore financial centres (Bahamas, Bahrain, Cayman Islands, Hong Kong, Netherlands Antilles and Singapore), net of lending to banks in the same offshore financial centres. Loans from central monetary authorities are excluded. Guaranteed bank loans and bonds are included under OTHER PRIVATE or BOND LENDING (see below) in these presentations.

- **Bond lending:** Net completed international bonds issued by countries on the DAC List of Aid Recipients.

- **Other private:** Mainly reported holdings of equities issued by firms in aid recipient countries, and bank loans which in this context are included with guaranteed export credits.

In data presentations which focus on the outflow of funds from donors, private flows other than direct investment are restricted to credits with a maturity of greater than one year and are usually divided into:

- **Private export credits:** See EXPORT CREDITS.

- **Securities of multilateral agencies:** This covers the transactions of the pri-

vate non-bank and bank sector in bonds, debentures *etc.* issued by multilateral institutions.

- **Bilateral portfolio investment and other:** Includes bank lending and the purchase of shares, bonds and real estate.

RECIPIENT COUNTRIES AND TERRITORIES: The DAC List of Aid Recipients used to compile the statistics in this volume is shown separately at the end of this annex. Some details about recent changes in the List are given in the “Notes on Definitions and Measurement” below. From 1 January 2000, Part I of the List is presented in the following categories (the word “countries” includes territories):

- **LLDCs:** Least Developed Countries. Group established by the United Nations. To be classified as an LLDC, countries must fall below thresholds established for income, economic diversification and social development. The DAC List is updated immediately to reflect any change in the LLDC group.

- **Other LICs:** Other Low-Income Countries. Includes all non-LLDC countries with per capita GNP \$760 or less in 1998 (World Bank Atlas basis).

- **LMICs:** Lower Middle-Income Countries, *i.e.* with GNP per capita (Atlas basis) between \$761 and \$3 030 in 1998. LLDCs which are also LMICs are only shown as LLDCs – not as LMICs.

- **UMICs:** Upper Middle-Income Countries, *i.e.* with GNP per capita (Atlas basis) between \$3 031 and \$9 360 in 1998.

- **HICs:** High-Income Countries, *i.e.* with GNP per capita (Atlas basis) more than \$9 360 in 1998.

Part II of the List comprises “Countries in Transition”. These comprise *i)* more

advanced Central and Eastern European Countries and New Independent States of the former Soviet Union; and *ii*) more advanced developing countries. See also OFFICIAL AID.

SHORT-TERM: Used of loans with a maturity of one year or less.

TECHNICAL CO-OPERATION: Includes both *a*) grants to nationals of aid recipient countries receiving education or training at home or abroad, and *b*) payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries (including the cost of associated equipment). Assistance of this kind provided specifically to facilitate the implementation of a capital project is included indistinguishably among bilateral project and programme expenditures, and is omitted from technical co-operation in statistics of aggregate flows.

TIED AID CREDITS: Official or officially supported LOANS, credits or ASSOCIATED FINANCING packages where procurement of the goods or services involved is limited to the donor country or to a group of countries which does not include substantially all aid recipient countries. Tied aid credits are subject to certain disciplines concerning their concessionality levels, the countries to which they may be directed, and their developmental relevance so as to avoid using aid funds on projects that would be commercially viable with market finance, and to ensure that recipient countries receive good value. Details are given the **Development Co-operation Reports** for 1987 (pp. 177-181) and 1992 (pp. 10-11).

TOTAL RECEIPTS: The inflow of resources to aid recipient countries (see

Table 1 of the Statistical Annex) includes, in addition to ODF, official and private EXPORT CREDITS, and long and short-term private transactions (see PRIVATE FLOWS). Total receipts are measured net of amortization payments and repatriation of capital by private investors. **Bilateral** flows are provided directly by a donor country to an aid recipient country. **Multilateral** flows are channelled *via* an international organisation active in development (*e.g.* World Bank, UNDP). In tables showing total receipts of recipient countries, the outflows of multilateral agencies to those countries is shown, not the contributions which the agencies received from donors.

UNDISBURSED: Describes amounts committed but not yet spent. See also COMMITMENT, DISBURSEMENT.

UNTIED AID: Official Development Assistance for which the associated goods and services may be fully and freely procured in substantially all countries.

VOLUME (real terms): The flow data in this publication are expressed in US dollars. To give a truer idea of the volume of flows over time, some data are presented in constant prices and exchange rates, with a reference year specified. This means that adjustment has been made to cover both inflation between the year in question and the reference year, and changes in the exchange rate between the currency concerned and the United States dollar over the same period. A table of combined conversion factors (deflators) is provided in the Statistical Annex (Table 38) which allows any figure in the Report in current United States dollars to be converted to dollars of the reference year ("constant prices").

Notes on Definitions and Measurement

The coverage of the data presented in this Report has changed in recent years. The main points are:

Changes in the ODA concept and the coverage of GNP

While the definition of Official Development Assistance has not changed for over 25 years, some changes in interpretation have tended to broaden the scope of the concept. The main ones are the recording of administrative costs as ODA (from 1979), the imputation as ODA of the share of subsidies to educational systems representing the cost of educating students from aid recipient countries (first specifically identified in 1984), and the inclusion of assistance provided by donor countries in the first year after the arrival of a refugee from an aid recipient country (eligible to be reported from the early 1980s but widely used only since 1991).

Precise quantification of the effects of these changes is difficult because changes in data collection methodology and coverage are often not directly apparent from Members' statistical returns. The amounts involved can, however, be substantial. For example, reporting by Canada in 1993 included for the first time a figure for in-Canada refugee support. The amount involved (\$184m.) represented almost 8% of total Canadian ODA. Aid flows reported by Australia in the late 1980s, it has been estimated, were some 12% higher than had they

been calculated according to the rules and procedures applying fifteen years earlier.*

The coverage of the GNP concept has also been expanding through the inclusion of new areas of economic activity and the improvement of collection methods. To avoid excessive revisions, ODA/GNP ratios used in this Report are generally only revised if there is a significant change in the GNP estimate for the current or immediately preceding year.

The new System of National Accounts (SNA) co-sponsored by the OECD and other major international organisations broadens the coverage of GNP, now renamed GNI – Gross National Income. This tends to depress donors' ODA/GNP ratios. Norway's and Denmark's ODA/GNP ratios declined by 6 to 8% as a result of moving to the new SNA in the mid-1990s. Finland and Australia later showed smaller falls of 2 to 4%. All DAC Members will be using the new SNA in their data for 2000.

Recipient country coverage

In the past ten years the following have been added to the list of ODA recipients at the dates shown: Albania (1989); the Black Communities of South Africa (1991 – now simply South Africa); Kazakhstan, Kyrgyzstan (now the Kyrgyz Republic), Tajikistan, Turkmenistan and Uzbekistan (1992); Armenia, Georgia and Azerbaijan (1993); Palestinian Administered Areas

* S. Scott, "Some Aspects of the 1988/89 Aid Budget", in *Quarterly Aid Round-up*, No. 6, AIDAB, Canberra, 1989, pp. 11-18.

(1994); Moldova (1997). Eritrea, formerly part of Ethiopia, has been treated as a separate country from 1993. The former United States Trust Territory of the Pacific Islands has been progressively replaced by its independent successor States, viz. Federated States of Micronesia and Marshall Islands (1992); Northern Marianas and Palau Islands (1994).

Over the same period, the following countries and territories have been removed from the ODA recipient list: Portugal (1991); French Guyana, Guadeloupe, Martinique, Réunion and St Pierre and Miquelon (1992), Greece (1994).

From 1993, several CEEC/NIS countries in transition have been included on Part II of a new List of Aid Recipients (the List is given at the end of this annex). Aid to countries on Part II of the List is recorded as "Official Aid", not as ODA. To avoid overlap, Part II of the new List does not include those CEEC/NIS countries which have been classified as ODA recipients.

From 1996, the following High-Income Countries were transferred from Part I to Part II of the List: Bahamas, Brunei, Kuwait, Qatar, Singapore and United Arab Emirates. From 1997, seven further High-Income Countries were transferred to Part II: Bermuda, Cayman Islands, Chinese Taipei, Cyprus, Falkland Islands, Hong Kong (China), and Israel. From 1 January 2000, Aruba, the British Virgin Islands, French Polynesia, Gibraltar, Korea, Libya, Macao, Netherlands Antilles, New Caledonia and the Northern Marianas progress to Part II. Flows in 2000 will therefore be counted according to the List shown opposite. The List will be reviewed again in 2002.

Data on total aid to Part I countries (ODA) and total aid to Part II countries (OA) follow the recipient list for the year in question. However, when a country is added to or removed from an income group in Part I, totals for the groups affected are adjusted retroactively to maximise comparability over time with reference to the current list.

Donor country coverage

Spain and Portugal joined the DAC in 1991, Luxembourg joined in 1992 and Greece joined in 1999. Their assistance is now counted within the DAC total. ODA flows from these countries before they joined the DAC have been added to earlier years' data where available. The accession of new Members has added to total DAC ODA, but has usually reduced the overall ODA/GNP ratio, since their programmes are often smaller in relation to GNP than those of the longer-established donors.

Treatment of debt forgiveness

The treatment of the **forgiveness of loans not originally reported as ODA** varied in earlier years. Up to and including 1992, where forgiveness of non-ODA debt met the tests of ODA, it was reportable as ODA. From 1990 to 1992 inclusive it remained reportable as part of a country's ODA, but was excluded from the DAC total. From 1993, forgiveness of debt originally intended for **military** purposes has been reportable as "Other Official Flows", whereas forgiveness of other non-ODA loans (mainly **export credits**) recorded as ODA is included both in country data and in total DAC ODA in the same way as it was until 1989.

DAC List of Aid Recipients – As at 1 January 2000

Part I: Developing Countries and Territories (Official Development Assistance)						Part II: Countries and Territories in Transition (Official Aid)	
LLDCs	Other LICs (per capita GNP < \$760 in 1998)	LMICs (per capita GNP \$761-\$3030 in 1998)	UMICs (per capita GNP \$3031-\$9360 in 1998)	HICs (per capita GNP > \$9360 in 1998) ¹		CEECs/NIS	More Advanced Developing Countries and Territories
Afghanistan Angola Bangladesh Benin Bhutan Burkina Faso Burundi Cambodia Cape Verde Central African Republic Chad Comoros Congo, Dem. Rep. Djibouti Equatorial Guinea Eritrea Ethiopia Gambia Guinea Guinea-Bissau Haiti Kiribati Laos Lesotho Liberia Madagascar Malawi Maldives Mali Mauritania Mozambique Myanmar Nepal Niger Rwanda Samoa Sao Tome and Principe Sierra Leone Solomon Islands Somalia Sudan Tanzania Togo Tuvalu Uganda Vanuatu Yemen Zambia	*Armenia *Azerbaijan Cameroon China Congo, Rep. Côte d'Ivoire •East Timor Ghana Honduras India Indonesia Kenya Korea, Democratic Republic *Kyrgyz Rep. *Moldova Mongolia Nicaragua Nigeria Pakistan Senegal *Tajikistan *Turkmenistan Viet Nam Zimbabwe	*Albania Algeria Belize Bolivia Bosnia and Herzegovina Colombia Costa Rica Cuba Dominica Dominican Republic Ecuador Egypt El Salvador Fiji *Georgia Guatemala Guyana Iran Iraq Jamaica Jordan *Kazakhstan Macedonia (former Yugoslav Republic) Marshall Islands Micronesia, Federated States Morocco Namibia Niue	Palestinian Administered Areas Papua New Guinea Paraguay Peru Philippines South Africa Sri Lanka St Vincent and Grenadines Suriname Swaziland Syria Thailand •Tokelau Tonga Tunisia *Uzbekistan •Wallis and Futuna Yugoslavia, Federal Republic	Botswana Brazil Chile Cook Islands Croatia Gabon Grenada Lebanon Malaysia Mauritius •Mayotte Mexico Nauru Palau Islands Panama •St Helena St Lucia Trinidad and Tobago Turkey Uruguay Venezuela	Malta ¹ Slovenia ¹	*Belarus *Bulgaria *Czech Republic *Estonia *Hungary *Latvia *Lithuania *Poland *Romania *Russia *Slovak Republic *Ukraine	•Aruba Bahamas •Bermuda Brunei •Cayman Islands Chinese Taipei Cyprus •Falkland Islands •French Polynesia •Gibraltar •Hong Kong, China Israel Korea, Rep. Kuwait Libya •Macao •Netherlands Antilles •New Caledonia Northern Marianas Qatar Singapore United Arab Emirates •Virgin Islands (UK)

* Central and Eastern European Countries and New Independent States of the former Soviet Union (CEECs/NIS).

• Territory.

1. These countries and territories will transfer to Part II on 1 January 2003 unless an exception is agreed.

The effect of these decisions on ODA figures can be summarised as follows:

a) **Countries' ODA:** Forgiveness of all non-ODA debt reportable as ODA through 1992. From 1993, forgiveness of military debt may only be reported as OOF.

b) **DAC total ODA:** Equals the total of countries' reported ODA, except for the exclusion of the following:

- 1990: \$1.2 billion of forgiven United States military debt and \$334 million of various countries' forgiven claims in respect of export credit and structural adjustment lending.
- 1991: \$1.9 billion of forgiven United States military debt and \$28 million of various countries' forgiven export credit debt.

- 1992: \$894 million of forgiven United States military debt and \$975 million of various countries' forgiven export credit debt.

The **forgiveness of outstanding loan principal originally reported as ODA** does not give rise to a new net disbursement of ODA. Statistically, the benefit is reflected in the fact that because the cancelled repayments will not take place, net ODA disbursements will not be reduced.

Reporting year

All data in this publication refer to calendar years, unless otherwise stated.

List of acronyms¹

ACP	AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES
AERA	ACCELERATED ECONOMIC RECOVERY IN ASIA
AfDB	AFRICAN DEVELOPMENT BANK
AfDF	AFRICAN DEVELOPMENT FUND
AsDB	ASIAN DEVELOPMENT BANK
AsDF	ASIAN DEVELOPMENT FUND
ASEAN	ASSOCIATION OF SOUTH-EAST ASIAN NATIONS
BIS	BANK FOR INTERNATIONAL SETTLEMENTS
BHN	BASIC HUMAN NEEDS
BSS	BASIC SOCIAL SERVICES
CCA	COMMON COUNTRY ASSESSMENT
CDE	CAPACITY DEVELOPMENT IN ENVIRONMENT
CDF	COMPREHENSIVE DEVELOPMENT FRAMEWORK
CEC	COMMISSION OF THE EUROPEAN COMMUNITIES
CEDAW	CONVENTION ON THE ELIMINATION OF DISCRIMINATION AGAINST WOMEN
CEECs	CENTRAL AND EASTERN EUROPEAN COUNTRIES
CFA²	AFRICAN FINANCIAL COMMUNITY
CIS	COMMONWEALTH OF INDEPENDENT STATES
CPE	COUNTRY PROGRAMME EVALUATION
CPIA	COUNTRY POLICY AND INSTITUTIONAL ASSESSMENT
CRS	CREDITOR REPORTING SYSTEM (of the DAC)
CSOs	CIVIL SOCIETY ORGANISATIONS
DAC	DEVELOPMENT ASSISTANCE COMMITTEE
DCD	DEVELOPMENT CO-OPERATION DIRECTORATE (OECD)
EBRD	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT
EC	EUROPEAN COMMUNITY
ECHO	EUROPEAN COMMUNITY HUMANITARIAN OFFICE
EDF	EUROPEAN DEVELOPMENT FUND
EFA	EDUCATION FOR ALL
ESAF	ENHANCED STRUCTURAL ADJUSTMENT FACILITY (IMF, now PRGF)
EU	EUROPEAN UNION
FDI	FOREIGN DIRECT INVESTMENT
FSAP	FINANCIAL SECTOR ASSESSMENT PROGRAMME (of the IMF/World Bank)
GSP	GENERALISED SYSTEM OF PREFERENCES
HICs	HIGH-INCOME COUNTRIES
HIPCs³	HEAVILY-INDEBTED POOR COUNTRIES
HPI-1	HUMAN POVERTY INDEX
IBRD	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
ICB	INTERNATIONAL COMPETITIVE BIDDING
ICPD	INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT (Cairo, 1994)

IDA	INTERNATIONAL DEVELOPMENT ASSOCIATION
IDAI	INTEGRATED DEVELOPMENT ACTIVITY INFORMATION
IDB	INTER-AMERICAN DEVELOPMENT BANK
IDG	INTERNATIONAL DEVELOPMENT GOAL
IECDF	INTERNATIONAL ECONOMIC CO-OPERATION DEVELOPMENT FUND
IFAD	INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
IFC	INTERNATIONAL FINANCE CORPORATION
ILO	INTERNATIONAL LABOUR ORGANISATION
IMF	INTERNATIONAL MONETARY FUND
IMSG	INFORMAL MULTILATERAL SECRETARIATS GROUP
ITC	INTERNATIONAL TRADE CENTRE
JBIC	JAPAN BANK FOR INTERNATIONAL CO-OPERATION (ex OECF + JEXIM)
JEXIM	JAPAN EXPORT IMPORT BANK
KfW²	BANK FOR RECONSTRUCTION AND DEVELOPMENT (Germany)
LDCs	DEVELOPING COUNTRIES
LICs	LOW-INCOME COUNTRIES
LLDCs	LEAST DEVELOPED COUNTRIES
LMICs	LOWER MIDDLE-INCOME COUNTRIES
MDB	MULTILATERAL DEVELOPMENT BANK
NGO	NON-GOVERNMENTAL ORGANISATION
NIS	NEW INDEPENDENT STATES (of the former Soviet Union)
NSSDs	NATIONAL STRATEGIES FOR SUSTAINABLE DEVELOPMENT
ODA	OFFICIAL DEVELOPMENT ASSISTANCE
ODF	OFFICIAL DEVELOPMENT FINANCE
OECD	ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
OECF	OVERSEAS ECONOMIC CO-OPERATION FUND (Japan, now JBIC)
OLICs	OTHER LOW-INCOME COUNTRIES
OOF	OTHER OFFICIAL FLOWS
PDGG	PARTICIPATORY DEVELOPMENT AND GOOD GOVERNANCE
PRGF	POVERTY REDUCTION AND GROWTH FACILITY (IMF, formerly ESAF)
PRSP	POVERTY REDUCTION STRATEGY PAPER
RBM	RESULTS-BASED MANAGEMENT
S-21	21st CENTURY STRATEGY
SAF	STRUCTURAL ADJUSTMENT FACILITY
SDR	SPECIAL DRAWING RIGHT
SNA	SYSTEM OF NATIONAL ACCOUNTS
SPA	STRATEGIC PARTNERSHIP WITH AFRICA (formerly Special Programme of Assistance for Africa)
SPS	SECTOR PROGRAMME SUPPORT
SSA	SUB-SAHARAN AFRICA
SWAps	SECTOR-WIDE APPROACHES

TC	TECHNICAL CO-OPERATION
UMICs	UPPER MIDDLE-INCOME COUNTRIES
UN	UNITED NATIONS
UNCED	UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT, RIO DE JANEIRO, 1992
UNCTAD	UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
UNDAF	UNITED NATIONS DEVELOPMENT ASSISTANCE FRAMEWORK
UNDP	UNITED NATIONS DEVELOPMENT PROGRAMME
UNEP	UNITED NATIONS ENVIRONMENT PROGRAMME
UNESCO	UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANISATION
UNFCCC	UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE
UNFPA	UNITED NATIONS FUND FOR POPULATION ACTIVITIES
UNHCR	UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES
UNICEF	UNITED NATIONS CHILDREN'S FUND
WFP	WORLD FOOD PROGRAMME
WHO	WORLD HEALTH ORGANISATION
WSSD	WORLD SUMMIT FOR SOCIAL DEVELOPMENT (Copenhagen, 1995)
WTO	WORLD TRADE ORGANISATION

1. This list is not exhaustive. It provides the most common development co-operation related acronyms, including those referred to in this Report. Acronyms for country ministries and aid agencies are provided in Chapter IV.
2. Denotes acronym in the original language.
3. Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Equatorial Guinea, Ethiopia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Laos PDR, Liberia, Madagascar, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Viet Nam, Yemen, Zaire and Zambia.

DAC List of Aid Recipients – For resource flows in 1999

Part I: Developing Countries and Territories (Official Development Assistance)						Part II: Countries and Territories in Transition (Official Aid)	
LLDCs	Other LICs (per capita GNP < \$765 in 1995)	LMICs (per capita GNP \$766-\$935 in 1995)	UMICs (per capita GNP \$936-\$9385 in 1995)	HICs (per capita GNP > \$9385 in 1995) ¹		CEECs/NIS	More Advanced Developing Countries and Territories
Afghanistan Angola Bangladesh Benin Bhutan Burkina Faso Burundi Cambodia Cape Verde Central African Republic Chad Comoros Congo, Dem. Rep. Djibouti Equatorial Guinea Eritrea Ethiopia Gambia Guinea Guinea-Bissau Haiti Kiribati Laos Lesotho Liberia Madagascar Malawi Maldives Mali Mauritania Mozambique Myanmar Nepal Niger Rwanda Samoa Sao Tome and Principe Sierra Leone Solomon Islands Somalia Sudan Tanzania Togo Tuvalu Uganda Vanuatu Yemen Zambia	*Albania *Armenia *Azerbaijan Bosnia and Herzegovina Cameroon China Congo, Rep. Côte d'Ivoire *Georgia Ghana Guyana Honduras India Kenya *Kyrgyz Rep. Mongolia Nicaragua Nigeria Pakistan Senegal Sri Lanka *Tajikistan Viet Nam Zimbabwe	Algeria Belize Bolivia Botswana Colombia Costa Rica Cuba Dominica Dominican Republic ●East Timor Ecuador Egypt El Salvador Fiji Grenada Guatemala Indonesia Iran Iraq Jamaica Jordan *Kazakhstan Korea, Democratic Republic of Lebanon Macedonia (former Yugoslav Republic) Marshall Islands Micronesia, Federated States *Moldova Morocco Namibia Niue	Palau Islands Palestinian Administered Areas Panama Papua New Guinea Paraguay Peru Philippines St Vincent & Grenadines Suriname Swaziland Syria Thailand ●Tokelau Tonga Tunisia Turkey *Turkmenistan *Uzbekistan Venezuela ●Wallis and Futuna Yugoslavia, Federal Republic	Brazil Chile Cook Islands Croatia Gabon Malaysia Mauritius ●Mayotte Mexico Nauru South Africa St Lucia Trinidad and Tobago Uruguay Threshold for World Bank Loan Eligibility (\$5295 in 1995) ●Anguilla Antigua and Barbuda Argentina Bahrain Barbados Libya ¹ Malta ●Montserrat Oman Saudi Arabia Seychelles Slovenia ●St Helena St Kitts and Nevis ●Turks and Caicos Islands	●Aruba ¹ ●French Polynesia ¹ ●Gibraltar ¹ Korea ¹ ●Macao ¹ ●Netherlands Antilles ¹ ●New Caledonia ¹ Northern Marianas ¹ ●Virgin Islands (UK) ¹	*Belarus *Bulgaria *Czech Republic *Estonia *Hungary *Latvia *Lithuania *Poland *Romania *Russia *Slovak Republic *Ukraine	Bahamas ●Bermuda Brunei ●Cayman Islands Chinese Taipei Cyprus ●Falkland Islands ●Hong Kong, China Israel Kuwait Qatar Singapore United Arab Emirates

* Central and Eastern European Countries and New Independent States of the former Soviet Union (CEECs/NIS).

● Territory.

1. These countries and territories transferred to Part II on 1 January 2000.

PARIS21

***P*ARtnership *I*n *S*tatistics for development in the **21**st Century**

What is PARIS21?

PARIS21 is a new international process by a global consortium of policy makers, statisticians, and users of statistical information in support of development. It is not a new international agency; it works through existing agencies.

What is it for?

PARIS21 aims to build statistical capacity as the foundation for effective development policies by helping to develop well-managed statistical systems that are appropriately resourced.

In the longer term PARIS21 aims to help to promote a culture of evidence-based policy making and monitoring in all countries, but especially in poor developing countries. This in turn will serve to improve transparency, accountability and the quality of governance.

"Without good quality statistics countries are ill placed to plan and monitor their own development effectively. Badly informed decisions waste scarce resources, particularly affecting poor people who are least able to cope."

Clare Short, 1999.

What can it do?

The PARIS21 consortium promotes and assists strategic planning to meet the information needs of national development frameworks. It is a source of international expertise and encourages South-South co-operation. It facilitates lesson learning and the sharing of best practice. It fosters more effective dialogue and co-ordination in international technical co-operation. It will create and disseminate advocacy materials.

PARIS21 aims to raise awareness and demand for statistics and analysis. PARIS21 has only limited funds for regional workshops, but its membership includes both bilateral and multilateral development agencies. The aim is to build on existing national, regional and international work and to generate a step increase in resources devoted to building statistical capacity. PARIS21 acts as a catalyst, stepping aside as the development partners take this work forward on a country-by-country basis.

How does it do it?

The membership guides what PARIS21 does. During 2000 and 2001, PARIS21 will organise a series of regional workshops to raise awareness and explore the scope for regional co-operation. These will be followed by national and regional capacity-building efforts, bringing together users and producers of statistics and civil society in a policy context.

The initial focus, in line with current policy attention, is on helping countries to maximize use of existing information in preparing national Poverty Reduction Strategy Papers (PRSPs) while laying the foundations for sustainable statistical capacity building to help in implementing them. This includes all HIPC and other low-income countries, and covers those piloting the UN's Development Assistance Framework (UNDAF) and the World Bank's Comprehensive Development Framework (CDF).

How can countries take part?

Governments that want advice and assistance with developing sustainable statistical capacity can approach PARIS21 through a number of channels. These include country-based representatives of the UN, World Bank or IMF, or the Secretariat.

PARIS21 principles

PARIS21 is a practical example of applying partnership principles to development co-operation. These principles recognise that the most important contribution to development is made by the people and governments of developing countries. They emphasise the need for country ownership and leadership, shared longer-term international and local commitment and better co-ordinated technical co-operation.

PARIS21 applies the *Practical Guidelines for Technical Co-operation in Statistics* adopted by the UN Statistical Commission in March 1999. These stress the need for statistical development to be well planned, to take a broad view of both information needs and supply, to be driven by priority user needs, and to build on existing systems.

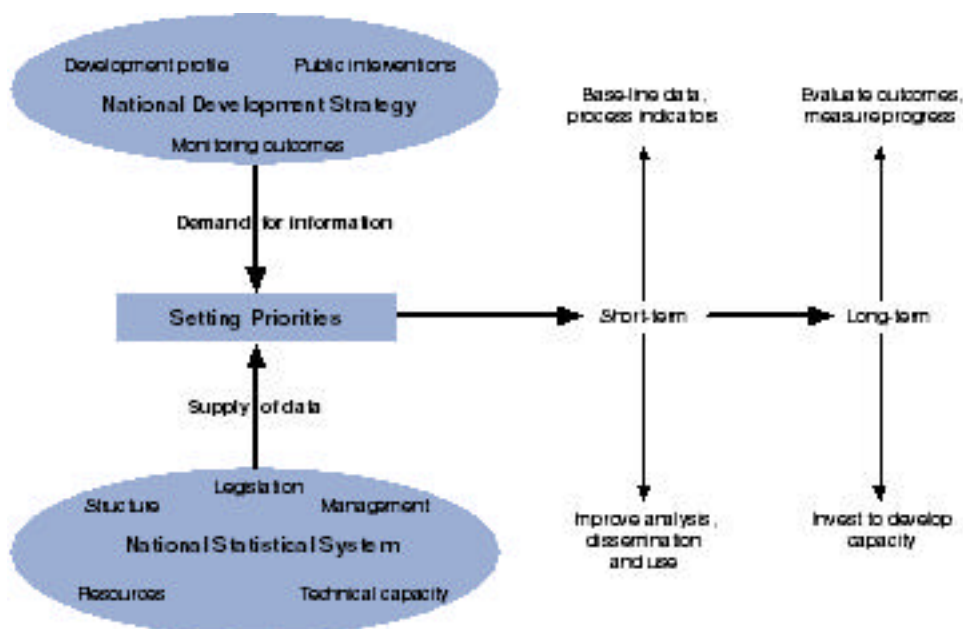
"Statistics are the eyes of the policymaker."

Keith Muhakanizi, Director of Economic Affairs, Uganda, 1999.

Setting short and long-term priorities to match the supply and demand for data in support of national development strategies

The national development strategy process generates demand for three main types of data: for setting a baseline; for selecting public interventions with a high and sustained impact; and for monitoring outcomes. The national statistical system, defined in its widest sense, supplies the data. Its main components include: the overall structure; the legislative framework; management and co-ordination processes; resource availability; and the technical skills and expertise of its people.

In the short-term, the aim is to generate the priority indicators needed for the national development strategy and improve the dissemination, analysis and use of existing data. In the longer term, the objective is to improve understanding of the impact of interventions, which requires investment in strengthened capacity.



PARIS21 in context

PARIS21 was launched at a meeting of senior statisticians and policy makers from countries and agencies held in Paris in November 1999. The meeting was an initiative of the UN, OECD, World Bank, IMF and the European Commission in response to a UN Economic and Social Council (ECOSOC) resolution on indicators and statistical capacity building. The meeting was co-chaired by the Chairs of the UN Statistics Commission and the OECD Development Assistance Committee. Clare Short, United Kingdom's Secretary of State for International Development, gave the keynote speech.

The ECOSOC resolution was part of the co-ordinated UN follow-up to the global conferences of the 1990s. Those conferences produced many quantified development goals for periods up to 2015. There was a resultant upsurge in the demand for indicators to measure progress.

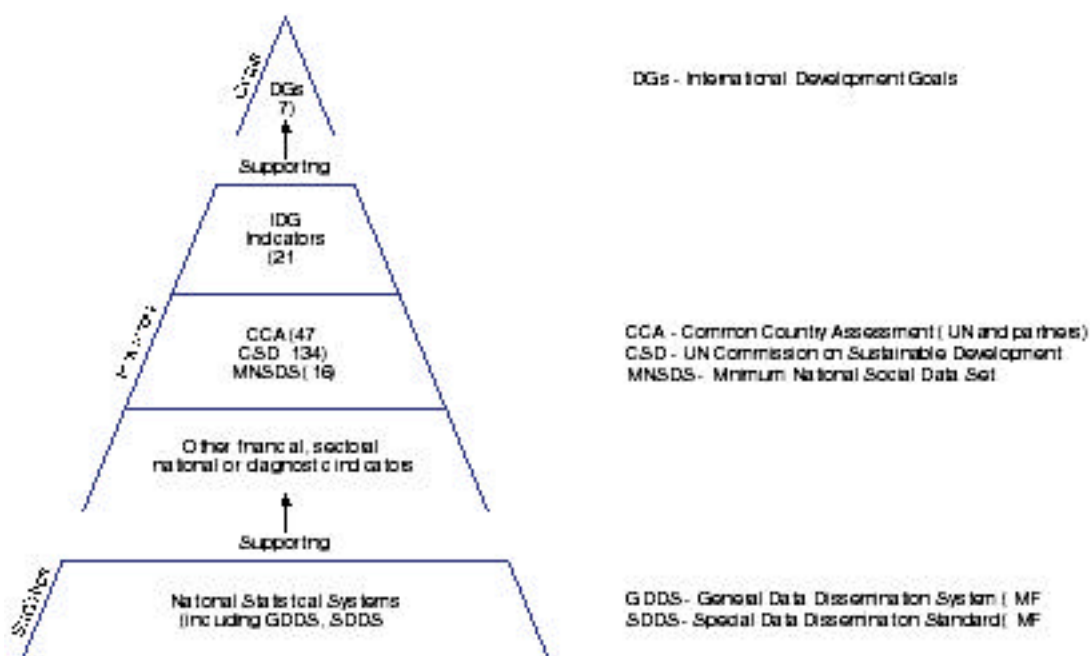
For many countries this upsurge showed the lack of timely, comparable and comprehensive data that PARIS21 is designed to address. While PARIS21 is aimed at all the statistics a country requires to set and monitor its economic and social development, the selection of some UN conference goals for regular monitoring has increased awareness of the crisis in statistics that led to the PARIS21 initiative.

A major example of selectivity are the seven international development goals: by 2015 to halve the proportion of people living in extreme poverty, provide universal access to primary education and reproductive health services, reduce infant and child mortality by two-thirds and maternal mortality by three-quarters, and by 2005 to attain gender equality in primary and secondary education and the implementation of national strategies for sustainable development. Some 21 indicators have been selected to measure progress towards these goals.

PARIS21 is key to efforts to have reliable statistics to monitor these goals as well as other complementary indicator lists such as the UN *Common Country Assessment* indicators and the *Minimum National Social Data Set*.

The key point is that statistical capacity is needed not only to monitor progress but also to achieve it. Identification of need and comprehensive knowledge of resources and constraints are all crucial information for a government seeking to set and implement appropriate pro-poor policies. Without timely and reliable statistics policy makers are blinded and the decisions they make flawed.

This pyramid illustrates the dependency of the international development goals and indicator sets on national and regional statistical systems, supported by existing systems and standards.



Membership

PARIS21 members include people from governments, regional, and international organisations, professional bodies and academic institutions. In November 2000 there were almost 400 members from over 100 countries representing 196 agencies. Over two thirds of country members are from developing countries. Membership is open to anyone with practical experience and a wish to collaborate to improve policy making through reliable, pertinent statistics.

How do members participate?

PARIS21 has the following task teams, which operate mainly by e-mail. Members are invited to sign up to those to which they can make a contribution.

Task Teams	
1) Advocacy Products	Making the case for better information
2) Information Exchange	Statistical capacity-building projects and events
3) Sequenced Information Strategies	Process and experience with strategies
4) Indicators	Poverty monitoring and statistical capacity
5) Methodologies and Technologies	New developments and costs
6) Census	Funding and management of censuses

PARIS21 Secretariat

PARIS21 is serviced by a small Secretariat based in Paris, as part of the Development Co-operation Directorate of the Organisation for Economic Co-operation and Development. The work of the consortium is guided by a steering committee with representatives of developing and transition countries from each region of the world, bilateral donors, and the UN, OECD, World Bank, IMF and EC.

Visit our website at www.paris21.org. Contact the Secretariat at contact@paris21.org or Room 1642, 2 rue Andre Pascal, 75775 Paris Cedex 16, France. Tel: +33 1 45 24 90 51, Fax: +33 1 44 30 61 46.

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