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Development Co-operation

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Efforts and Policies
of the Members
of the
Development Assistance Committee

Development Co-operation

2002
Report

Report by Jean-Claude Faure
Chairman of the **D**evelopment **A**ssistance **C**ommittee

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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Preface by the Secretary-General

I particularly welcome the 2002 Development Co-operation Report. It reflects a year which completed the cycle of development summits from Doha to Monterrey and Johannesburg. A broad array of agreed policies for partnerships with developing countries is now in place. And with the Millennium Development Goals, whose origins go back to the DAC's report of 1996, we have a yardstick against which to measure development progress.

After four decades of development co-operation, the scene is thus set for a fresh start. Various donor commitments to increase aid are also signs of a new momentum. The enormous challenge will be how to make the joint efforts of donors and their partners more effective for people in developing countries.

In many respects, this will mean breaking with old habits. Donors will have to join forces in the field, putting greater support behind country-led strategies, while lowering their national flags on individual projects. Hopefully, we are on the threshold of imaginative co-operative approaches to ensure greater effectiveness of aid than we have witnessed in the past.

Aid, although an important contribution to GNI in many poor countries, is but one element for development progress. OECD's history and present role testify to the necessity of good governance with strong institutional capacity to convert aid into measurable progress towards sustainable development.

Equally important is policy coherence for development on the part of donor countries. Opening markets, creating opportunities for trade in manufactured goods and for the use of advanced technologies by developing countries are much stronger determinants of economic development than aid. Indeed, annual ODA amounts are dwarfed by the aggregate agricultural subsidies in OECD countries which deprive developing countries of important export opportunities.

That is why I was pleased that OECD's Ministerial Council meeting in 2002 brought together Trade and Development Ministers to discuss incoherence between these two policy areas. And, for the first time ever, OECD Ministers adopted a special statement on development.

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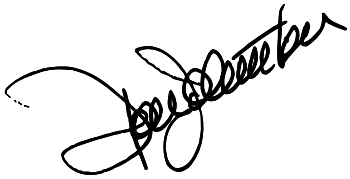
The statement "OECD Action for a Shared Development Agenda" lends strong support to OECD's programme on policy coherence for development. The "D" in OECD's name is thus underpinned by both the work of the DAC and OECD's broader work on policy coherence for development.

We must never forget the lessons of the Marshall Plan, of which the OECD is the living legacy. While financial aid was important, it was only a catalytic element in ensuring the outstanding success of the Plan. The co-operation amongst participating states, the creation of the right institutional framework and profitable economic interdependence laid the foundations for the prosperous Europe of today. So it is with ODA: important as a spark to light the growth potential of poor countries.

Donald J. Johnston
Secretary-General



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Following the Monterrey and Johannesburg Conferences, the international community is endeavouring to implement, with heightened resolve, the development consensus that now unites its members.

The stakes are high. Consolidating the efforts of partner and donor countries alike to promote poverty reduction and sustainable development strategies. Basing those strategies on the pursuit of stronger, more sustainable economic growth to benefit the poor, on widespread respect for rights, and on the need for a change of scale on the education and healthcare front. Acting within a more open form of globalisation that will serve to boost growth in trade, investment and knowledge sharing. Establishing stronger partnerships based on policy relevance, good governance for all and effective ownership. Incorporating into this new approach every aspect of development finance, with a marked increase in official development assistance over the coming years, extensive and sustainable mobilisation of national resources, and involvement of the private sector, particularly in the form of public/private partnerships on a much larger scale.

Challenges are immense. They demand scaling-up and sustained momentum. They imply a joint effort to implement development strategies and make systematic progress towards the Millennium Development Goals, guided by a strict monitoring of outcomes. The effectiveness of aid, and of the partnerships themselves, needs to be strengthened by means of a shared responsibility approach. It is also necessary to make proper use of increasingly available aid resources, for which donor countries are accountable to the public, so as to foster solidarity and generate a more open form of globalisation. And finally the challenges impose the need to achieve policy coherence and maximise the synergies between development co-operation, private investment and trade. We know how much ground there is still left to cover from the Doha Development Agenda set by the World Trade Organization's Ministerial Conference in late 2001.

The DAC report gives details of the policies and measures introduced by member countries, trends in aid, and commitments for the future. This year it also gives me the opportunity to end on a more personal note. This will be the last report I shall have the honour of publishing on my responsibility before once again becoming one of its most assiduous readers when my mandate as DAC Chairman ends in a few months' time. I consider it a privilege to have been offered the opportunity of taking part with my colleagues – on the Committee, in the OECD and its Secretariat, in our partner countries and the international community – in this joint enterprise to promote development co-operation. At a time when change, once elusive, is becoming a tangible, appealing but demanding prospect, this experience has confirmed my feeling that the DAC will continue to play a vital role in the process already under way.

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I should like, once again, to emphasise how much this report owes to the commitment, competence and professionalism of the OECD's Development Co-operation Directorate, headed by Michael Roeskau. The team members involved in this year's Report, run tirelessly and energetically by editor and production co-ordinator Kerry Burns, have given unstintingly of their time and effort, in addition to their usual work. My thanks also go to DAC Members, other OECD directorates and the OECD Development Centre for their contributions and comments.*

Jean-Claude Faure

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OVERVIEW BY THE DAC CHAIRMAN, M. JEAN-CLAUDE FAURE

Concerted Actions

New prospects are opening up for development and co-operation policies. Following the Doha Development Agenda, adopted by the WTO in late 2001, the year 2002 will remain that of the Monterrey Consensus and the Action Plan for Johannesburg. 2002 provided striking confirmation of a new strategy based on measures to combat poverty and on sustainable development in the context of enhanced partnership, as already reflected in the Millennium Declaration adopted in 2000 with its Development Goals. So the turning point seems to have been reached – including in terms of ODA resources. The latter are set to increase substantially in coming years – a trend that needs to be reinforced and magnified following a decade of steep decline which was halted in 1998. Nothing will be achieved without perseverance, without sustainable and effective implementation and without coherent integration into an open globalisation.

Translating the "new deal" into action

In the last few months, the international development community has embarked decisively on implementing the commitments entered into in Monterrey, by donors and their partners alike, to improve their policies, practices and performance.

Achieving the Millennium Development Goals through combating poverty within the prescribed timescale, is now of the essence. And it is within this framework, against a background of ever spreading respect for people's rights and governance, that growth, investment, trade and globalisation can promote progress towards sustainable development for all, and that peace and security can be better guaranteed in a less divided world with fewer inequalities.

Involved as it is in poverty reduction strategies in a large number of partner countries, and especially in the framework of the Poverty Reduction Strategy Papers (PRSPs), we can begin to draw on the lessons of this undertaking, as demonstrated by the first evaluations conducted in 2002 under the aegis of the international financial institutions, with the participation of bilateral donors and partner countries. In the same way, the drawing up of National Strategies for Sustainable Development (NSSDs) underlines the need to tackle the support

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programmes for these convergent, multi-dimensional strategies in an integrated manner.

In view of the way the world economic situation is shaping, we can but witness with concern the continuing uncertainty of growth prospects in a number of industrialised countries. This is resulting in shortages of capital in many middle-income and emerging economies and restricting the buoyancy of the private sector in its role as the engine of development. The unfavourable trend in foreign direct investment in 2002 is evidence of this. This only increases the relevance and urgency of the Monterrey approach, the aim of which, over time, is to combine all the dimensions of development financing, including private governance, in a more interactive manner at a time when public-private partnerships (PPPs) are being promoted and sought after on a vast scale – especially in the context of the Johannesburg Plan of Action.

These are the component parts of the impetus for action and scaling-up that can underpin successful and sustained implementation of the joint orientations politically decided in 2002. They form the basis for a fresh start. Implementation of these guidelines is thus the main focus of this year's Development Co-operation Report.

A dynamic process

Two years after the adoption of the Millennium Declaration by the UN General Assembly, the *Millennium Development Goals* (MDGs) are now considered as an instrument at the disposal of the entire international community for guiding, defining and uniting the common effort to promote development.

In co-operation with other international organisations, and in particular the OECD, the United Nations is setting up a strategy for the monitoring, integration and promotion of the goals.

The MDGs are not, as such, equally ambitious or achievable for every country. To be relevant at the country level and serve as an instrument for partners and donors to foster the implementation of development co-operation policies, the MDGs must reflect local circumstances and development priorities. A comprehensive programme has been launched to produce national reports, and the availability of relevant and reliable indicators will help to maintain momentum by providing information to fuel periodic analysis of the results of the policies in place and their suitability.

Work on *strategic approaches to poverty reduction* is continuing in the DAC, in co-operation with partner countries and multilateral organisations, on the basis of the guidelines drawn up by the Committee, which were highlighted in last year's Report. And work is also continuing in partner countries, or as part of their joint initiatives such as the New Partnership for Africa's Development (NEPAD), and in multilateral organisations.

The focus on requirements in the basic social sectors has encouraged a number of donors to provide specific support for fast-track programmes that partner countries were able to implement with a view to achieving the goals of Education for All. With regard to health, work conducted in conjunction with the World Health Organization (WHO) in this context, or in the wake of the conclusions reached by its Commission on Macroeconomics and Health (CMH), has resulted in a DAC Reference Document on Poverty

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and Health which is available to members of the Committee.

On a different front, the strategies are based on the promotion of growth, and hence on the buoyancy of the private sector, enterprises – large or small – and agricultural in particular, on effective regulatory bodies and on the most efficient possible markets. This is a concrete way of strengthening governance, rights and the rule of law, rules and standards and their implementation. The Development Partnership Forum that met in February 2002 was devoted to these questions.

Growth needs to be pro-poor, based on equal participation by women and men in production and in the division of the fruits of growth, on the reduction of inequality and vulnerability, on access to assets that foster initiative and the taking and assuming of responsibilities, by women in particular. It is in these areas that the DAC will be focusing its future work.

Where *sustainable development* is concerned, the Johannesburg Summit highlighted in its Plan of Action the links that need to be established between natural resource management and poverty reduction and the impact of world environmental risks on the development prospects of the poorest countries. This militates in favour of seeking closer ties between poverty reduction strategies and sustainable development strategies.

In all these areas, the lessons learnt from implementation need to be taken further, adapted, updated and integrated in a permanent dialogue with partners, as a means to maintain the momentum.

A change in scale

This involves a significant change in the scale of all the components of development financing: official development assistance, public and private domestic resources, international private flows – whether profit-making or non-profit-making – and the dividends from the opening-up and expansion of trade.

Where *official development assistance* is concerned, the increase in volume over the coming years, to which the vast majority of DAC countries committed at, or in the wake of, the Monterrey Conference, is unprecedented in over ten years. It is estimated that the realisation of these commitments would raise the ODA/GNI ratio for all DAC countries from 0.22% in 2001 (unchanged from the previous year) to 0.26% in 2006, the volume in real terms being some USD 16 billion up on the 2001 figure (USD 52 336 billion).

These growth prospects fall short of the target of doubling the volume of aid often put forward in analyses of what is needed to achieve the MDGs within the desired timeframe. But they reflect a reversal in the trend which, if it is to continue, will depend largely on the effective use and implementation of development strategies. In any event, the scale of the expected change will mean that the question of the quality of aid, its productivity and effectiveness and the capacity to pledge, disburse and absorb these increased amounts allocated to operations – whose nature is also changing – will be seen in a vastly different light. This is a question that both donors and partners must address; and it underpins the shared priority of promoting aid effectiveness and partnership approaches.

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This brings us to the issue of debt, and how to tackle and overcome debt. The Monterrey conclusions stressed the importance of finding a lasting solution to the debt problem of the poorest countries. The Heavily Indebted Poor Countries (HIPC) Initiative enabled considerable progress, but the changes that might reasonably be made to the Initiative so as to raise the level of debt forgiveness or improve the sustainability of the mechanism would require additional financing.

The role of ODA is changing. While ODA must continue to support vital poverty reduction programmes via a varied range of instruments, it must also be more actively linked to developing the capacities that encourage partner countries to mobilise their domestic resources and thus derive benefit from external flows. Without targeted and catalytic ODA, the incipient transition to private financing of development will remain slow and unbalanced – precisely when it is called on to play a decisive role.

Where *private financing of development* is concerned, the Johannesburg Summit placed the emphasis on the change in the scale of public-private partnerships that has to be envisaged if, *inter alia*, the Millennium Development Goals as regards access to drinking water or sanitation (a goal set in Johannesburg) are to be attained. The World Water Forum is scheduled to debate this issue in March 2003 in order, specifically, to better identify the conditions and implications of this significant change in scale.

This will confront both public authorities and private sector partners with new challenges in terms of quantifying goals, monitoring progress and results and ensuring transparency and governance for all. In the same way, it will prompt new ways of working together amongst all stakeholders – public, private or involving civil society in partner countries.

More generally, while the role of the private sector is becoming more strongly established, private flows must now encompass, more than ever before, concerns relating to social responsibility and responsible investment, precisely when private governance is being called in question over one crisis or another.

It is also in this context that the development of local enterprises is an important factor in economic policy and a prerequisite for sustainable growth, something that will involve increasing interaction between public authorities and the local private sector, firms in developed, emerging and transition countries and official development assistance.

Finally, non-profit private financing of development is at present experiencing the sort of growth that donors are taking increasingly into consideration. Such financing may stem from "philanthropic strategies" adopted by big international companies – often involving very substantial sums – or it may come from activities pursued by foundations. But in general, this trend can be attributed to the widening range of private contribution – grants, legacies or sponsorship – as well as to increased public awareness, or the diverse and evolving role of civil society organisations in the economic community, unions, business partnerships and chambers of commerce. Donor country authorities are often eager to encourage this trend in order to better co-ordinate such initiatives and improve

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their effectiveness and integration in sustainable development finance flows.

All told, the impetus generated by the implementation of the new prospects outlined by the 2002 international conferences, like the scaling-up that every component of development financing is already experiencing or will experience, is helping to establish a priority – the determined pursuit of efforts to improve the effectiveness of aid and partnership. And to affirm a necessity – that of tackling head-on the questions of policy coherence and capacity building.

Joining efforts to ensure effective development through partnership

The effectiveness of development, in its broadest sense, hinges on aid delivery methods and practices, and on increased diversification of the operations and actions it finances. This means enhanced harmonisation coupled with monitoring and managing results in the field.

But this also involves support for the strategies defined and subsequently implemented by partner countries. This support is being organised within multi-year frameworks; in other words, what is involved is the lasting operational effectiveness of the partnerships themselves.

With the international development community in the process of implementing the Monterrey Consensus, these goals are now of central concern.

In the DAC, this concern is reflected in an in-depth review of every aspect of aid effectiveness, the new object being to enhance effectiveness and capacity. On the statistical front, this concerns data collection, contributions to the work in progress on indicators and helping to strengthen the statistical capacities of partner countries, in particular via the initiatives undertaken within the PARIS21 Consortium. This also argues in favour of making peer reviews more thorough and comprehensive. And it is from this perspective that the conditions and arrangements for improved co-ordination in the field have to be assessed.

The fact that these requirements are now shared is leading to a greater pooling of bilateral and multilateral donors' ideas and approaches. They are determined to work together to harmonise their procedures and practices and, with partner countries, to devise practical forms of partnership and ways of monitoring implementation in the field which promote results-based management.

Creating the conditions for effective implementation and acquiring the tools needed for results-based management

In the 1999 Development Co-operation Report, emphasis was already placed on the importance of evaluating the effectiveness and results of aid – this against the background of the reform of distribution systems and with attention focusing on tighter management, cost reduction, the need to be closer to events in the field, and management of the disbursements cycle. These are now all preconditions for effective implementation, and enhanced and sustained performance.

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Harmonising donor practices means identifying and prompting change in those practices that impose the greatest burdens on partner countries in terms of ownership and transaction costs. These burdens undermine effective co-ordination and ownership by partners and make aid effectiveness a near impossible quest.

Studies to clarify concepts and definitions are important. But after, it is a matter of seeking practically and deliberately to eliminate pointless differences between procedures, or to simplify them in such a way as to ease the burden on partner countries so as to gradually bring these procedures into line with those of partners. Against this background, donors can increase transparency through sharing information between themselves and with their partners, on activities, procedures and evaluations.

Building up inventories of "good practices" is fundamentally participatory in nature and the working group set up amongst DAC Member countries two years ago has involved in its work both partner countries and the multilateral development banks – all engaged in parallel endeavours of the same nature. In this context, the multilateral banks and the DAC organised a High Level Forum in Rome in February 2003 at the invitation of the Italian authorities, the Forum's purpose being to demonstrate donors' shared determination to implement a concrete harmonisation process.

Measuring and monitoring the results of development strategies, programmes and projects in such a way as to improve implementation and management, and to facilitate evaluation, is a widely shared objective by partners in development. But it also poses numerous and complex challenges.

This approach represents a genuine change in scale, as it is at the centre of four closely related concerns: monitoring the progress reported or difficulties encountered at the country level in achieving the MDGs; evaluating the development strategies defined and implemented by partners; results-based performance management pursued by bilateral aid agencies and multilateral banks; and, ultimately increasing the effectiveness of development.

On the partners' side, results-based management, facilitated by the implementation of poverty reduction strategies – in particular in the context of PRSPs – is being more systematically utilised through strengthened local monitoring and evaluation systems. This makes capacity development a priority – especially as regards statistics in the broad sense – because relevant and reliable indicators are essential. These are moreover vital to local reporting on progress towards the MDGs. The PARIS21 Consortium has launched regional and joint consultations to that end. Strengthening public sector management systems, and their capacities, is another key priority.

Development agencies and multilateral banks have gradually developed instruments to manage on the basis of results and evaluate their own activities. The shared agenda for action and the related challenges that emerge could make individual systems less effective if these efforts are not sufficiently integrated in collective and concerted actions that are coherent from the standpoint of partners' priorities.

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These questions are very much on the agenda, and have been discussed on two occasions last year. The Round Table organised last June in Washington by the World Bank, the multilateral banks and the DAC, launched this debate in a manner that shaped the DAC Development Partnership Forum in December 2002, where the central issues concerned the lessons to be learnt from experience with the results-based approach at the operational level, for both donors and partners. Rapid progress in these areas is urgently needed if co-operation is to be given long-term momentum.

Strengthening partnerships for ownership at the operational level

Once the conditions have been met – in terms of ownership, governance and policies, for partnership to be the natural framework for implementing poverty reduction and sustainable development strategies in particular – the role of development co-operation is to provide support for that implementation based on responsibility and ownership by partners.

The operational objectives then involve concerted and coherent actions and aid co-ordination, in an integrated framework, targeted at areas where impact will be greatest, providing aid that is as predictable as possible, including for recurrent costs if necessary, and favouring delivery methods that are the most effective in terms of cost.

The choice of aid allocation instruments arises naturally in this context. And this choice is wide, ranging from project to programme financing – sectoral in particular – and also budget support. The choice is not a simple one and it continues to fuel donor discussions, all the more so since it naturally embraces their development co-operation culture.

The answer must be based largely on identifying and taking account of the circumstances and local conditions that will ensure efficient aid allocation, delivery and utilisation. Sectoral programmes should include commitments in terms of governance, consistency and ownership to back up priorities on the programming of appropriate and relevant domestic public financing. In the same way, budget support ought generally to be incorporated in public expenditure frameworks that respond to the needs of transparency and accountability.

So we must assemble the conditions for effective and operational partnership, not only when formulating strategies, but also when it comes to implementing them.

Conversely, it is obvious that setting up partnerships and establishing effective co-operation within that framework is impossible, or jeopardised, when good governance is lacking or inadequate, whether it be the result of crises or conflicts.

The situation of countries that do not or cannot engage in poverty reduction and sustainable development programmes or that, in precarious and vulnerable conditions, are faced with the need to relaunch the development process, is an even greater cause for concern when developing and pursuing relevant and effective development co-operation policies in such countries. It is often a question of peace and security, progress towards globalisation open to all, and the prospect of achieving the Millennium

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Development Goals both locally and more widely.

The 2001 Development Co-operation Report stressed that the international community was concerned, in such situations of stress or "difficult partnerships", about how to stay engaged in the dialogue and about devising appropriate forms of co-operation. Learning from current debates and initiatives, the DAC, the World Bank, the UNDP and the European Commission organised a joint meeting on this issue at the end of last year, where they had the opportunity to gauge the extent to which their approaches were converging around some of the partnership principles contained in this Report.

Depending on circumstances and opportunities, aid can be used to facilitate the adoption of suitable policies, back institutional reform and help to improve the situation of grassroots social sectors – such as health and water/sanitation services – build up capacity and monitor the results obtained; in short, improve the effectiveness of aid.

Aid can also be used to complement these approaches founded on selectivity, as a corollary of resolutely committing aid to sustainable strategies implemented, in the framework of effective and stronger partnerships, by the search for equally effective forms of intervention, suited both to different, and difficult, situations.

Commitment to shared responsibility

The pursuit, in all its dimensions and on a new scale, of effective development and enhanced partnership requires both partner countries and donors to behave with equal responsibility, clarify and abide by their commitments and mutually monitor and manage results in a transparent manner. This is now considered as key to successful implementation of the Monterrey Consensus.

DAC's *peer reviews* are, from this point of view, an excellent instrument for joining the new course. The relevance of peer review, common to the OECD as a whole, is prompting the Committee to refine and enhance it, and also to look more thoroughly at methodology. The reviews' conclusions can be made more practically useful, both for discussion purposes and for improving the policies and practices of each stakeholder individually and members as a whole. They can also be better shared with partners, and this is an increasing concern. It is also encouraging that some partners – the countries involved in the NEPAD initiative in particular – have decided to take the same course and involve the DAC as a partner in their discussions in the framework of mutual accountability and co-operation between the NEPAD and OECD.

E*valuation, in all its forms*, will help underpin the new direction of development co-operation policy implementation. This has just as much to do with the broadening of its scope and methods as with the dissemination of the results and their incorporation in the aid effectiveness approach. Evaluation has to become a better vector and permanent feature of partnership and involve all stakeholders. A more systematic evaluation process can go hand in hand with the implementation process and contribute to results assessment. Evaluating strategies and programmes and conducting joint evaluations involves challenges. Once again, it is a matter of a

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change of scale, of a broader sphere opening up – over and above the increasing amount of experience.

Mutual commitment and shared responsibility will in fact result from the convergence of partners' and donors' approaches in seeking, responsibly and transparently, to implement development strategies, and likewise co-operation and official development assistance policies, and in pursuing the Millennium Development Goals. No complex system is required to achieve this convergence and co-ordination; it rests rather on the emergence of partner mechanisms.

Reinforcing partnerships through governance, and performance evaluation and management is at the forefront of development concerns today. While the challenges involved should not be underestimated, this basically comes down to confirming that partnership and the quest for effectiveness are shared objectives.

Following years of uncertainty, and then transition and change, 2003 hopefully provides a window of opportunity for launching the implementation of the sort of development policies that will enable the international community to embark more credibly on the path towards achieving the Millennium Development Goals, despite the uncertain economic situation, and recognising the interdependence that can open up globalisation.

Tomorrow's agenda: coherence and knowledge

The process involved here is a dynamic one, and one which – like development itself – is bound to evolve. Its key features are interaction, interdependence, opening-up and outreach, as are the change in approaches, practices, and methods, or the capacity to innovate. It is in this context that the challenges of coherence and knowledge continue to arise.

The coherence imperative

Policy coherence for development remains a major concern.

Poverty reduction strategies are multi-dimensional and inscribed in a broad framework.

All development partners now recognise that poverty reduction and sustainable development strategies are part of an overall approach combining interdependent policies, and coherent assistance from the international community.

The quest for coherence is thus part and parcel of the development process itself and is multi-faceted. It encompasses sustainable pro-poor growth, the private sector's pace-setting role, the promotion of business and the role of foreign investment, particularly in the context of public-private partnerships which are set to expand – especially as regards water and other infrastructure. It also helps to lessen the risk of increased imbalances or exclusion that globalisation would engender, if it does not open up.

On another level, it is important to support partner countries in these endeavours to increase the coherence of their policies in the social, environmental and institutional fields, without losing sight of the regional and sub-regional factors involved.

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It is with respect to trade that coherence issues arise most acutely and sharply.

The process launched in Doha by the WTO Ministerial Conference has led to a bringing together of all the strands of a multi-faceted co-operation programme designed to bolster capacities in every aspect of trade. The OECD, including the DAC, is involved in this programme alongside the WTO.

The majority of the industrialised countries have made their markets either completely, or very extensively, open to LDC products free of quotas and duties. Yet the fact remains that the question of tariffs and the opening up of markets, and also of subsidies for producers in numerous industrialised countries is inhibiting development in many partner countries. This deprives them of resources and reduces the effectiveness of the development co-operation strategies that donors are engaged in. The DAC's peer reviews highlight these problems and provide a measure of the challenges faced.

Skills, capacities and knowledge

The imperative of ownership and the outlook for strengthened partnerships, along with mainstreaming development effectiveness and evaluation, unveil immense needs and opportunities for local knowledge and capacities, and for effective institutions and human capital in general, to invest in economic and social development. At the same time, globalisation is opening up vast perspectives for the production, dissemination and sharing of knowledge. More generally, development itself is a process of societal transformation in which local, endogenous capacities play a key role.

The issue of capacity building runs through all development policies and their implementation

All developments cited above have highlighted needs with respect to the formulation and pursuit of poverty reduction strategies, the implementation of growth strategies that benefit the poor, the strengthening of government spending plans to enhance quality and reliability, analysis and assessment, and the production and monitoring of suitable indicators. And here, another priority must be mentioned again: to strengthen capacities in the realm of trade. All this involves, in turn, a change of scale.

These issues confront the poorest countries with special urgency, and nurture the desire of all partners to foster ownership in the context of strengthened partnerships. Along with the need for a long-term response to the problem of costs, this calls in many cases for a rethink of traditional ways to provide technical co-operation.

In some cases, promising initiatives have been taken, as outlined in this Report, such as those in the areas of trade capacity building and statistics (PARIS21).

Nonetheless, in countries that are implementing poverty-reduction or sustainable development strategies, a coherent medium-term strategic course could be taken toward capacity development in general. The way in which donors might mobilise their potential for technical co-operation would be considered in a new environment. Such approaches are emerging. Countries engaging in pursuing them could define integrated frameworks that, coupled with their strategies, such as PRSPs, would contribute to enhanced

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co-ordination and, beyond that, lead to the shaping of specific strategies.

Capacity building

Beyond capacity building, the stakes are high when it comes to the general development of capabilities, in a context in which globalisation is opening up vast scope for the production, dissemination and sharing of knowledge, while the development of new information technologies holds out its potentialities.

Here lies the real challenge for the future. The debate is open as to how to approach the various aspects of the question, from exactly how best to deploy national or regional human resources to a response to the brain-drain and implementation of incentive policies to accompany migration policies in a multilateral or bilateral context. The issues are being explored, experiments are being conducted in a number of areas, and strategies are taking shape. The time has come to take them up together, more systematically, in a less rhetorical and more pragmatic and coherent manner. This is a priority in achieving sustainable development and effective ownership and partnership; equally, it is one of the cornerstones of a world that is moving forward, closer together and more open.

Conclusion

These are times for a renewed course of action.

The DAC is marshalling the means to take part in this movement, upon which bilateral donors have embarked. The policy and strategy discussions held by Ministers and heads of aid agencies in the spring, and by senior government officials in December, guide the Committee's work. We need to continue strengthening this process, with support from the Secretariat and the subsidiary bodies, that enrich and enhance the relevance of the Committee's thinking and proposals for action. The Programme of Work, which is set forth in the following sections, strikes a balance between two core priorities: first, strategic enhancement and monitoring of the volume and quality of official assistance; and second, the effectiveness of development, and ODA. It is also in that spirit that the Committee is currently reflecting upon the structure, nature, role and number of its subsidiary bodies.

The OECD as a whole is focusing its reflection and resources on a determination reaffirmed last year in the Declaration adopted by the Council meeting at Ministerial level on OECD *Action for a Shared Development Agenda*.* This is the context in which the DAC, for its part, will also pursue interaction and synergy, because everything points to the need for a coherent vision and a coherent approach to development. The 2003 DAC High Level Meeting will provide an opportunity to discuss coherence issues in a context conducive to better integrated action.

The joint approach to the issues, challenges and practical aspects for implementing the Monterrey Consensus is also under way. As never before, perhaps, have the multilateral community and bilateral donors so intensely

* See Annex.

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shared their agendas, taken joint initiatives and moved forward together in mapping action. Development partners are doing likewise, as symbolised by the founding of NEPAD; they are closely associated with this movement, which they enhance and stimulate by their presence.

In the final analysis, the activity surrounding development is no doubt a reflection of the political and strategic importance of this dimension of the future. Official assistance and development co-operation can henceforth play a major role, alongside other national and multilateral policies, in any approach to governance and globalisation – provided that this hinges on greater coherence, in the realm of trade in particular.

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Annex

OECD Action for a Shared Development Agenda

OECD's role and strengths

1. Contributing to global development is a key objective of the OECD. Its founding Convention calls upon the OECD to promote policies

> *"designed to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development."* [Article 1(*b*)].

Given increased interdependence, this objective is even more vital today in order to achieve poverty reduction and sustainable development globally. The principles and values that the OECD promotes – commitments to democracy, market-based economies and open, rule-based, and non-discriminatory trading and financial systems, supported by good governance – are essential to achieving our ultimate goal of the economic and social well being of all people, in a way that respects diversity and cultural identity.

2. OECD's strengths include a multidisciplinary capacity for analysis and policy dialogue, its sharing of best practices and monitoring of its Members through peer review, and extensive policy dialogue and capacity building activities with more than 70 non-member economies, international organisations and other stakeholders. The Development Assistance Committee (DAC) provides a capacity to foster amongst donors concerted, well co-ordinated, effective and adequately financed international efforts in support of development and poverty reduction in developing countries.

3. The building blocks for achieving the internationally agreed goals of the Millennium Declaration are now in place, supported by a broadly shared view that effective development calls for a comprehensive, partnership-based and results-focused approach. Developing countries have primary responsibility for their economic and social development, establishing good governance and sound policies to mobilise domestic resources and attract private investment, while developed countries give increased attention to the impacts of their policies on developing countries, and assist developing countries, in particular least developed countries (LDCs), in their efforts to build the capacity necessary to make effective use of trade, investment and aid in support of poverty reduction and sustainable development.

How OECD contributes

4. The OECD, for its part, will build upon its strengths to advance this shared development agenda in the following ways:

Encouraging policy coherence for development

5. Successful poverty reduction requires mutually supportive policies across a wide range of economic, social and environmental issues. Through its programme on policy coherence for development, the OECD will enhance understanding of the development dimensions of Member country policies and their impacts on developing countries. Analysis should consider trade-offs and potential synergies across such areas as trade, investment, agriculture, health, education, the environment and development co-operation, to encourage greater policy coherence in support of the internationally agreed development goals.

6. By increasing understanding of the development benefits of rules-based trade and investment, such work will help to reinforce our efforts, including promoting the better integration of developing countries into the multilateral trading system, to achieve more open markets both between developed and developing countries and among developing countries themselves to allow for export-led growth, and further our aim to improve market access to the goods of developing countries, and particularly LDCs.

Supporting developing countries' governance and policy capacities

7. The OECD will continue to work with developing countries and countries in transition to help them identify and meet key human and governance capacity needs, including through use of information and communication technologies. OECD Global Forums and regional dialogue can support developing countries' efforts to build good governance and market-supportive institutions conducive to mobilising domestic resources and attracting investment capital. Such resources are critically important to developing countries' efforts to achieve sustained economic

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growth and support their capacities to address vital environmental, educational, health and other needs. We welcome initiatives at the regional level, such as the New Partnership for Africa's Development (NEPAD), and stand ready to share the OECD's experience and expertise, notably on peer reviews, in support of a sustained commitment to strengthen political and economic governance.

Improving aid effectiveness and ensuring adequate aid volume

8. Aid remains an important policy instrument and complement to domestic and international private capital for reducing poverty, preventing conflict, promoting good governance and creating an enabling environment conducive to achieving private sector-led growth. The OECD, where the world's major donors meet, has a key role in improving aid effectiveness, thereby sustaining the case for aid volume. Peer review in the DAC is an important tool in support of this role. The OECD is working to reduce the complexity of aid management procedures in collaboration with multilateral aid agencies and developing countries, and to ensure effective implementation of all aspects of the OECD/DAC Recommendation on untying aid to the least developed countries.

Strengthening partnerships and accountability

9. The OECD will strengthen its partnerships with non-members, in particular developing countries, as well as with international organisations and other stakeholders through analytical work, policy dialogue, and advice. A broader and more effective dialogue will improve the quality of our efforts to support development. The OECD will account for its actions to advance this shared development agenda through regular review and reports on progress.

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Part I

AID EFFECTIVENESS

Enhancing the effectiveness of aid to promote sustainable development is an essential challenge to meet in order to achieve the Millennium Development Goals. Work in the Development Assistance Committee is thus focusing closely on the issue of aid effectiveness. This section of the Report provides an overview of DAC work in the area, emphasising the linkages between the aid effectiveness agenda and the work plans of the DAC subsidiary bodies.

1. Introduction

Improving the effectiveness of aid is a fundamental objective of the international community, as it strives to implement the Monterrey Consensus. It entails improving the content, management and delivery of development co-operation activities to ensure that available resources are exploited to the maximum.

Work in the Development Assistance Committee (DAC) is thus focusing closely on the crucial issue of aid effectiveness. The opening section of this year's annual *Development Co-operation Report* provides an overview of work in the DAC/DCD on aid effectiveness, emphasising the linkages between the aid effectiveness agenda and the work plans of all the DAC subsidiary bodies. It identifies directions for future work and highlights issues for further consideration.

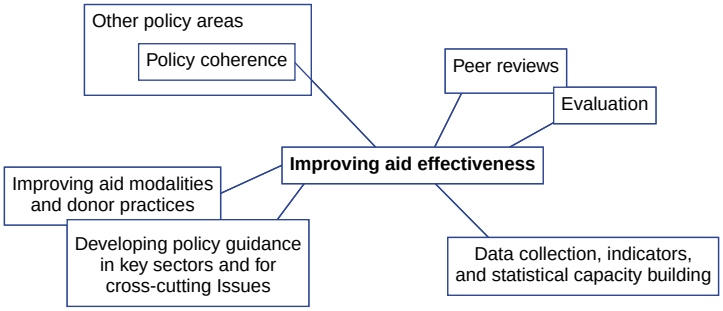
The figure below illustrates the linkages between the various current work clusters within the DAC and aid effectiveness.

2. Current DAC/DCD work on aid effectiveness

Peer review and evaluation of donors' policies and programmes

DAC members' development co-operation policies and programmes are monitored and assessed in the peer reviews. Donors' policies and performance are analysed on

Aid effectiveness: Links with current DAC/DCD work clusters



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the basis of agreed DAC principles and guidelines and the objectives of the member under review. The peer reviews bring in real-time information on donor policies and experience to inform DAC processes and work in other areas.

In evaluation work, the effectiveness of aid programmes and aid delivery modalities is assessed. The work results in synthesis studies on themes or sectors, and in improved practices and methodology for assessing effectiveness.

Data collection, indicators and statistical capacity building

Current work includes collaboration with the United Nations Expert Group on the Millennium Development Goal (MDG) indicators to provide analysis and data for the seven indicators for which the OECD is the source,[1] and work with international agencies and bilateral donors to aim for consistency in indicators of aid effectiveness, linked to intermediate and outcome indicators for the MDGs. A special module is included at the end of Part II of the Report which provides details on progress with the MDGs during the 1990s. Data on official and private flows is regularly collected to analyse the contribution of aid inputs to development outcomes.

Statistical capacity building in developing countries is promoted through PARIS21,[2] including via task teams on indicators of capacity, co-ordinating the strengthening of statistical sources for indicators for the MDGs, and on indicators of governance. Box II.4 in the next section provides further details on the work of PARIS21.

Improving aid modalities and donor practices

Harmonising donor practices means reducing transaction costs and making co-ordination function more effectively. The DAC Task Force on Donor Practices has produced a report, *Harmonising Donor Practices for Effective Aid Delivery – Good Practice Papers* (GPPs), which – if the practices recommended therein are applied by donors, with full consideration for the circumstances in each partner country – could significantly reduce transaction costs while sustaining or even improving aid performance. Highlights from one of these six papers – *A Framework for Donor Co-operation* – are reproduced in Section III.

The implementation of the 2001 DAC *Recommendation on Untying ODA to the Least Developed Countries*[3] will ensure better value for money through enhanced competition and locally owned procurement systems. Proposals for joint DAC/World Bank work on

1. Indicator 33: Net ODA, total and to LDCs, as percentage of OECD/DAC donors' gross national income.
   Indicator 34: Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation).
   Indicator 35: Proportion of bilateral ODA of OECD/DAC donors that is untied.
   Indicator 36: ODA received in landlocked countries as proportion of their GNIs.
   Indicator 37: ODA received in small island developing States as proportion of their GNIs.
   Indicator 40: Agricultural support estimate for OECD countries as percentage of their GDP.
   Indicator 41: Proportion of ODA provided to help build trade capacity.
2. PARIS21: Partnership in Statistics for Development in the 21st Century, a Consortium hosted at OECD's Development Co-operation Directorate.
3. See *www.oecd.org/dac*

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strengthening procurement capacities in developing countries are also being considered.

Results management means aiming for better results in the field and improving outcomes through strengthened focus on results in planning, operations and daily management practices. Managing for development results and aid effectiveness was the theme of the DAC 2002 *Development Partnership Forum*. Section II provides an overview of the main topics examined at the Forum.

Developing policy guidance and improving co-ordination

The DAC Poverty Reduction Network has developed a Reference Document, *Poverty and Health*, highlights of which are reproduced in Section VIII, *Investing in Health to Reduce Poverty*. Work on rural poverty, the role of the private sector in poverty reduction, and on agriculture is also underway.

The DAC Network on Conflict Peace and Development Co-operation is working on the issue of terrorism prevention, and will submit a policy note – A *Development Co-operation Lens on Terrorism Prevention* – to the DAC 2003 High Level Meeting. This work supplements previous work of the Network on conflict prevention.

Work is also focusing on aid effectiveness in difficult partnerships, *i.e.* situations where the "partnership model" is difficult or impossible to apply. In October 2002, a workshop on *Working for Development in Difficult Partnerships* was organised jointly with the World Bank. Section VII of the Report presents the basic findings of the workshop.

In 2001, a joint DAC/Development Centre expert seminar emphasised the impacts of both a conducive policy environment and the incidence and extent of poverty in partner countries as aid allocation criteria to effectively reduce income poverty. Analysis is now going beyond the dimensions of policies and institutions with an expert seminar on aid effectiveness and selectivity planned for March 2003 (see "Aid management" below).

Policy coherence and aid effectiveness

Policy coherence is a major determinant of the development effectiveness of aid. Aid is by no means the only factor impacting on economic development in developing countries. The focus on policy coherence attempts to broaden understanding of the development process. It involves OECD policies in areas such as trade, finance, food and agriculture, natural resources and environment, conflict prevention, terrorism, social polices, and arrangements in donor governments for addressing coherence issues.

DAC peer reviews focus on issues related to policy coherence and each donor review now systematically includes a section on policy coherence. Policy coherence is also a specific topic of DAC discussions in all peer review meetings. Section V shows how individual DAC members are applying the principles of policy coherence in their aid programmes.

3. Future directions

The figure below highlights some future key building blocks in the area of aid effectiveness, based on current work in the DAC.

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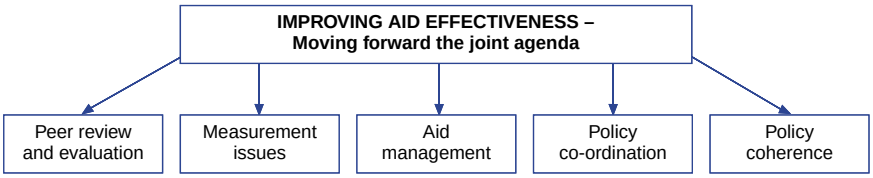
Aid effectiveness: Building blocks for future work



Peer review and evaluation

The Client Survey on Peer Reviews, undertaken in 2002, confirmed the benefits members can draw from the DAC peer review process. It also outlined areas for improvement, and the importance of sharing experience and lessons, of accurate methodology and specific thematic coverage. Analytical assessment frameworks with outcome-oriented standards will be strengthened to help assess the effectiveness of donor agencies, and joint country assessments will be a standing feature of the peer review process. More attention will also be given to a continuous learning process on the basis of the peer reviews. Section V provides more detailed background on the Client Survey.

Greater emphasis is needed in future peer review work to implement joint evaluations to meet the demand for accountability at higher levels and for combined donor outcomes. This will require changes in the application of aid evaluation in aid agencies. Policies and programmes need to be subject to the reality checks of evaluation and, in turn, evaluation findings and evidence need to inform the formulation of new policies and programmes. What works and why are key questions, and as aid instruments and policies evolve, evaluation capacities and methods need to be developed and adapted. This will be part of the future work of the DAC Working Party on Aid Evaluation.

Measuring aid effectiveness

Most of the MDGs are long term and focused on outcomes. Intermediate measures of development progress at the global and country level are needed to provide a real-time demonstration of progress towards the achievement of the MDGs. This also involves work on indicators to demonstrate how effectively ODA is contributing to sustainable development.

Further strengthening of partner country capacities for data collection and analysis is an important part of the measurement component of aid effectiveness work. The partnership operations of PARIS21 aim to foster these key capacities (see Box II-4).

Measuring governance through the development of governance indicators and assessment methodologies is another area for future DAC work closely related to aid effectiveness. The DAC Network on Good Governance and Capacity Building, or successor body,[4] will carry out this work.

4. In 2002, in the context of OECD reform, all DAC subsidiary bodies were reviewed. Discussions are continuing in the DAC and the results of the review will be implemented in the 2003-2004 work programme. The status and work programmes of current DAC subsidiary bodies are thus evolving (see the DAC *at Work* annex).

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Aid management

The next phase of donor practices and procedures may focus on the implementation of agreed good practice by members and partners. The role of the DAC would be to monitor the implementation of the poverty reduction strategy process and to show how donor instruments and procedures can respond to partner country needs and priorities and contribute to co-ordinated and streamlined development co-operation programmes. Proposals for future DAC work on implementing poverty reduction strategies to strengthen development effectiveness are currently being developed.

The focus of work on aid untying is the implementation of the 2001 Recommendation, in particular untying of agreed activities, *ex ante* notification of untied offers, and promoting effort sharing. Major work is also underway on strengthening developing country capacities for procurement, including assessing implications for improved donor co-ordination. This work will be undertaken by the DAC Working Party on Financial Aspects of Development Assistance, or successor body.

As results-based management (RBM) systems evolve, it will be important to keep a close watch on this area and to analyse and assess emerging lessons to promote collective learning. Managing for results was the key theme of the 2002 DAC *Development Partnership Forum* (presented in Section II). The DAC Working Party on Aid Evaluation, as well as other DAC subsidiary bodies, will draw lessons from the Forum for their future work-paths.

An expert seminar, *Aid effectiveness and selectivity: integrating multiple objectives into aid allocations*, held in March 2003, provided support for DAC members in their efforts to increase aid effectiveness by sharing analytical approaches and good practice on aid allocations.

Policy co-ordination

Effective aid in support of poverty reduction and the achievement of the MDGs needs to include strong support for pro-poor growth, as set out in the 2001 DAC *Guidelines on Poverty Reduction*. Further DAC work on promoting pro-poor growth has been initiated in the areas of agricultural and private sector development and trade capacity building. Investment and Information Communication Technologies (ICTs) are other important related areas envisaged for future DAC work, with the aim of developing good practice guidance to promote pro-poor growth through development co-operation in these areas and to identify linkages between them and broader work in the OECD. This work would be undertaken by the DAC Poverty Reduction Network, or successor body.

Improving development outcomes through a more systematic integration of the gender perspective into the mainstream of government activities is a continuing challenge. Further analytical work is needed to deepen and build on evidence gathered on the efficiency and effectiveness of various approaches, methodologies and instruments, *e.g.* gender-sensitive budgeting in national budgets and gender auditing to promote organisation learning. Further solid findings and lessons would be useful in order to both demonstrate and replicate successful approaches. This and work on gender indicators for monitoring the MDGs will be part of the future work of the DAC Working Party on Gender Equality, or successor body.

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Improving aid effectiveness in countries with poor governance, including those prone to conflict or in fragile situations, is a major policy and operational concern of DAC members. The results of the joint World Bank/DAC/EC/UNDP Workshop, held on 28-29 October 2002, point to the need for further assessment work to refine delivery content, methods and instruments for working in order to maximise aid effectiveness in such environments. A "Learning and Advisory Group on Difficult Partnerships" has been proposed, to be set up in collaboration with the World Bank under the aegis of the DAC Network on Good Governance and Capacity Building, or successor body, in close collaboration with the DAC Network on Conflict, Peace and Development Co-operation (see Section VII). Other key governance areas include enhancing co-ordinated donor approaches in support of capacity development, public sector reform, the rule of law and the fight against corruption.

The countries most unlikely to meet the MDGs are those in conflict. Aid effectiveness must take account of the costs, nationally and regionally, of countries sinking into conflict or becoming "failed states". The DAC Network on Conflict, Peace and Development Co-operation is developing a set of tools based on members' approaches to mainstreaming conflict analysis in their work, including the 2001 DAC Guidelines on *Helping Prevent Violent Conflict*,[5] and to developing more effective and coherent policy responses to conflict situations.

The Plan of Implementation of the World Summit on Sustainable Development highlights the urgent need to integrate sustainable development and poverty reduction strategies, including through Poverty Reduction Strategy Papers (PRSPs). To support this process, the DAC Working Party on Development Co-operation and Environment, or successor body, will be working on financing poverty reduction through environmental fiscal reforms and market-based instruments.

Used in the right way and adapted to local needs, Information and Communication Technology (ICT) has an enormous potential to transform societies and thus needs to be seen by donors as critical to the effective delivery of their aid. The joint OECD/UN/World Bank Forum, *Integrating ICT in Development Programmes*, on 4-5 March 2003, discussed how ICT can improve social and economic development and enhance aid effectiveness.

Policy coherence

Further work could be pursued to identify how policy coherence can contribute to increased aid effectiveness, working with different policy communities to obtain better results. The aim is to avoid policy incoherence, *i.e.* different policies pulling in different directions, and to identify synergies between development co-operation and other policy areas. Focus could be on trade (the Doha Development Agenda), investment (implementing the Monterrey Consensus) and agriculture. Future work could also include strengthening ODA/FDI linkages, such as promoting public-private partnerships. One crucial area for such partnerships in developing countries is support to water and sanitation services. Section IX discusses this issue.

5. See *www.oecd.org/dac/governance/conflict*

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Following the 2002 OECD Ministerial Council Meeting Statement, OECD *Action for a Shared Development Agenda*,[6] DCD work in collaboration with the OECD's internal Liaison Network on Policy Coherence will report on the development dimensions of OECD policies and their impact on developing countries and develop proposals to strengthen policy coherence for development in priority areas.

4. Conclusion

Enhancing the effectiveness of aid to promote sustainable development is an essential challenge to meet in order to achieve the Millennium Development Goals. Aid effectiveness is a vast subject comprising many cross-cutting issues which the DAC is increasingly endeavouring to cover in its programme of work. To move forward on aid effectiveness, synergies must be found between members' individual efforts to improve the effectiveness of their programmes and the collective aid effectiveness agenda that the Committee supports.

This opening section of the Report has outlined the range of issues linked to the aid effectiveness agenda. The remaining sections in Part I of the Report – *Managing for Development Results and Aid Effectiveness*, and *Harmonising Donor Practices for Effective Aid Delivery* – present the aid effectiveness agenda in the light of two important Committee products: the 2002 DAC *Development Partnership Forum* which focused in depth on the issue of aid effectiveness; and the DAC Task Force on Donor Practices' work on the harmonisation of donors' aid programmes.

Part II of the Report addresses in greater detail how the peer review process – at both the level of the OECD and the DAC – and the individual and collective efforts of DAC members can enhance the development effectiveness of aid, while Part III focuses on some specific areas where the effective use of aid is crucial – the health and water/sanitation sectors. Part IV, *The DAC at Work*, provides details on the work programmes of the individual DAC subsidiary bodies in 2001-2002, while the Statistical Annex provides essential statistical information showing how DAC members' aid is being used, and where it could be used more effectively.

6. See MCM news release at *www.oecd.org* [PAC/COM/NEWS(2002)58] and annex to the Chairman's Overview.

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II Managing for Development Results and Aid Effectiveness

What are the emerging lessons from donors on results-based approaches? How can these be made more effective? What opportunities are presented by initiatives that try to foster closer links between development performance and resource allocations? These are some of the issues confronting the international development community, donors and partners alike, issues which were examined at the 2002 DAC Development Partnership Forum on "Managing for Development Results and Aid Effectiveness". The main themes and outcomes of the Forum are presented in this section of the Report.

1. Introduction

The aim of the DAC *Development Partnership Forum*, held on 11-12 December 2002, was to help advance work on results management and aid effectiveness through sharing experiences of managing for results at the operational level, both from a donor and a partner perspective, and through identifying emerging lessons for management. The Forum built on DAC work, notably peer review findings and work by the DAC Working Party on Aid Evaluation. It also drew on the Roundtable held in Washington on 5-6 June 2002, on *Better Measuring, Monitoring and Managing for Results*, and on discussions in the Development Committee.

The specific purposes of the Forum were to:

- Consider results-oriented management approaches in the broader strategic context of the Millennium Development Goals (MDGs) and the increased priority given to aid effectiveness.

- Discuss experiences with managing for development results at the operational level, both from a partner and donor perspective, and identify the key lessons learned so far.

- Show linkages between management reform initiatives in the donor community and results-oriented public management reforms in partner countries.

- Identify the implications for development management of the above.

The Forum explored performance management practices, especially attempts by donors and partners to assess the results of their activities. In particular, the Forum considered the implications for two main aspects of development management, namely the experiences of donor agencies in becoming more results focused, and the experiences of public sector reforms at partner country level. The Forum also considered the implications of managing for results in both project-based and programme-based approaches such as sector-wide approaches (SWAPs).

This section presents the themes of the main sessions of the Forum: managing for results at the operational level; results-based management in public sector reform in developing countries; and the implications of results-based approaches for management.

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2. Strategic context

Development results and aid effectiveness have moved to the centre of the development debate.[1] Reasons for this include:

- The lingering effects of declining aid volumes in the 1990s accompanied by questions surrounding the accomplishments of almost a generation of development assistance in advancing development in poor countries, notably in Africa.

- Greater demand in OECD countries for public sector efficiency and effectiveness, coupled with domestic reforms towards results orientation in management of public entities overall affecting development co-operation.

- The prospect of substantially increased aid flows from most major donors, as announced in recent major international conferences, including Monterrey, if these funds can be used effectively and with credible demonstration of results. This is a potential important reversal of trends in aid volume seen during the 1990s.

A shared global development vision, based on a series of UN Summits in the 1990s, has therefore emerged for the first time, setting out more clearly the shared development agenda. The DAC's *Shaping the 21st Century: The Role of Development Co-operation* (OECD, 1996), set out some targets to inspire effective development co-operation. These targets later became the Millennium Development Goals against which development results can be monitored.

Public sector reforms are affecting both donors and partners. As donors are searching for better results on the ground, and the management systems to track them, partner countries are working on reforming their public sectors aimed at delivering results more effectively and efficiently to their publics. In partner countries, the governments' efforts at public sector reform are a response to the development needs of improving governance and ensuring the efficient and effective delivery of public services. These management concerns in donors and partners have also been associated with establishing processes to measure results.[2]

Country ownership and partnership in development policy have been re-asserted by certain institutional trends in the development process. These trends include increasing co-ordination of projects within sectors by government ministries, formal SWAPs, country-wide strategies and the formal Poverty Reduction Strategy Paper (PRSP) led by the Ministry of Finance. All of these institutional changes put more emphasis on

1. "Development effectiveness" is used here to refer to the attainment of desired development objectives by a developing country. Partner countries are principally responsible for their own development. Donors can only have a contributing effect to development outcomes since there are many factors besides aid influencing such outcomes. "Aid effectiveness" refers to the achievement of the objectives of an aid activity, programme or of a total ODA programme. Donors have a direct influence over aid effectiveness since they can decide on delivery instruments, modalities and the policies governing their aid programmes.
2. There have been several OECD public sector reform meetings focused on governing for results, including a meeting on Implementation Challenges in Results-Focused Management and Budgeting, held on 11-12 February 2002; an OECD-Germany High Level Symposium held in Berlin on 13-14 March 2002; and the OECD Public Management Committee meeting on 21-22 March 2002.

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demonstrating the contributions of stakeholders to outcomes at different levels. These approaches pose a challenge of attribution for donors.

The measurement of the results of development co-operation now presents a challenge for donors and partners. For their part, donors have found it difficult to measure the effectiveness of their aid, not least because of problems of attributing effects to different partners in a country-owned process. At the same time, the inadequacy of data in partner countries is stimulating greater efforts to develop and use statistical capacity.

3. Managing for results at the operational level

Aims underlying a results focus among donors

There has been a variety of driving forces behind the introduction of a results focus by donor countries. It often arises from a broader civil service reform or as a particular initiative by the Ministry of Finance.[3] Such initiatives can go beyond the boundaries of the donor country. According to the National Security Strategy of the United States, "the United States is committed to a comprehensive reform agenda for making the World Bank and other multilateral development banks more effective in improving the lives of the poor". The G7 Finance Ministers also referred to the need for a greater results focus in the multilateral development bank context in June 2002: "We urge the MDBs to continue to increase their collaboration and the effectiveness of their assistance, including through increased priority on improving governance in recipient countries, an enhanced focus on measurable results, and greater transparency in program decisions." The IDA 13 replenishment contains an agreement on specific arrangements to track results, and parts of the UN system, notably the UNDP, have launched results-based management initiatives as part of reform efforts to improve effectiveness.

The requirement to show results may have the following intended uses:

- *Accountability, evaluation and reporting.* To demonstrate results to authorities and the public.

- *Knowledge and learning.* To bring continuous improvements in agency performance according to donor concern.

- *Performance management.* To ensure operational staff share the policy vision, or to increase efficiency.

- *Resource allocation.* There is also an intention among some donors that allocations to countries, sectors, and instruments will respond to results, *i.e.* better performing activities will attract more support over time.

Systems for managing for results

To implement the above aims, some donors have established systems for

3. For a discussion of reforms in several OECD countries, see "In search of results: Performance Management Practices" (OECD, 1997), and more recent PUMA work including "Results-Focused Management and Budgeting in Government" (OECD, 2002).

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tracking the results of aid activities. Key principles of such systems include:

- Focus on outcomes and results rather than inputs, activities, and processes.
- Logic chain of causality from inputs and activities, through outputs, to outcomes.
- Identification of indicators and data collection.
- Mixture of donor performance data and contextual data.
- Increased attention to accountability and transparency.

Performance measurement requires monitoring and evaluation systems that go beyond inputs and activities, setting out results at various levels. For the most part, these results monitoring systems are in their infancy, and donors are still learning and adapting them.[4]

Emerging lessons and challenges for results management

Several recent DAC peer reviews have provided information about the present status of donor systems of managing for results. A review of donor practice with results-based management, carried out by the DAC Working Party on Aid Evaluation, focused on the experiences of several donors. The review's final report set out the current practice at different levels, drew several lessons and highlighted some remaining challenges for donors in implementing a results focus.[5]

There have been several initial positive effects. A main impact of a results focus is in the area of information systems and learning. Donors have set up systems that encourage their staff to learn how actions impact on the development context. Attention is also paid to monitoring and evaluation systems, not just as a separate activity which is the responsibility of a specialist evaluation unit, but one which is increasingly integrated into the whole management approach. For example, USAID's operational units undertake evaluations to inform design and implement decisions. Some donors see the need to increase their evaluation capacity by integrating all the evaluative functions to give better feedback on performance assessment. In this context, Germany's BMZ and Canada's CIDA have in recent years made a structural link between audit and evaluation to improve their performance assessment capabilities, and AusAID established a Quality Assurance Group in 1998. These models have increased donors' capacities to improve the relevance of their aid programmes and to report on their effectiveness to both political leaders and the public.

The report to the Working Party on Aid Evaluation highlighted the following emerging lessons:

- Leadership support for results-based reforms is important.
- Begin with pilot efforts to demonstrate effective practices.

4. Some donors are more advanced. USAID has had a results-based management system in place for a decade, and has been refining its system since 1998. Canada is also refining its well established system (see Box II-1).
5. Binnendijk, A. (2001), "Results-based management in donor agencies", DAC Working Party on Aid Evaluation meeting, 22-23 May 2001.

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- Keep the performance measurement system relatively simple and user friendly.
- Provide a wide variety of support mechanisms and institutionalise practices agency-wide by issuing clear guidance.
- Allow sufficient time and resources to build effective results-based management systems.
- Monitor both implementation progress and results achievement and complement performance monitoring with evaluations to ensure appropriate decisions.
- Ensure the use of performance information for management learning and decision making, as well as reporting and accountability.
- Anticipate and avoid the misuse of performance management systems.
- Give managers autonomy to manage for results.
- Build ownership by using participatory processes within the agency.

There is a need to enhance impact. Peer reviews and the study by the Working Party on Aid Evaluation show the need for some improvements to develop the systems before the other intended uses of results-oriented management can be fully realised across the donor community. The assessment of results needs to be integrated more actively into performance management, staff incentive structures, improvement of service quality, and the allocation of ODA resources. Other factors compete in management decision making in these areas.[6]

There are some remaining challenges for donors that have introduced a results focus to their operations. Three particular challenges are discussed below. Several donors have been taking steps to increase the relevance of their present systems, to integrate top-down and bottom-up approaches, and to reduce the burdens of their systems. Examples of the challenges being addressed can be seen in Box II-1.

Design of donor results frameworks

To assess the contribution of aid to overall development effectiveness, donors have set themselves an ambitious agenda to track results systematically (see Box II-2). In this respect, donors appear to be reconsidering whether the framework of results is capable of assessing the impacts of policies, resources, and organisation, and whether some redesign is necessary. For instance, management results frameworks tend to be designed from the bottom up, being based on previous project assessment methodologies, while discussions on aid effectiveness require a system designed from the highest level activities. CIDA has been addressing this challenge in its approach to its own results framework (see Box II-1). There are also particular challenges in tracking long-term capacity building programmes.

Integration of levels

While the results frameworks try to set out the logic models that link inputs through activities to outcomes, it is important that the causal logic is tested by the system of checking results. There are challenges in reaching the highest level outcomes

6. These other factors include pressures from political authorities or from decentralisation, uncritical continuation of historical trends and relationships, lack of attention to efficiency of delivery and aid untying, and continuing emphasis on inputs rather than outcomes.

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Box II-1.

Managing for results: Canada, the United States and the United Kingdom

Canada and the United States

The USAID system, driven by the requirements of the Performance and Results Act of 1993, addresses the main principles of a results-focused system. Based on its early experiences, USAID has been refining its systems since 1998. Results are expected for four pillars, and some management objectives. They are clearly specified, and the indicators of progress are also clearly defined. There is a requirement to set out a development hypothesis, which is the logic model linking the inputs to the process and the outputs and results. The systems for collecting the data are set out in detail and there are teams for each strategic objective. Results feed back into the agency's performance report, the Congressional Budget Justification, and the Strategic Plan.

The CIDA system has been driven by requirements from the Treasury Board to demonstrate results in the public sector. CIDA produced its framework for specifying results in 2001. There are four clearly defined results in each of the three areas (development results, enabling results and management results), and a very clear logic model working down to agency activities. Results are specified for different levels, and the indicators are similarly precise at each level. The system for collecting the data is clear, along with the responsibilities of the different actors in the system. Agency responsibility is set at the levels of inputs to outputs. The results are intended to influence resource allocation, performance, and all other aspects of the organisation's work.

Both CIDA and USAID recognise some common challenges. In CIDA, there are many different results and indicators, and in USAID many strategic objectives. Both agencies are taking action to reduce the burden of the tracking and to focus on the most significant results. Both recognise their lack of control over longer-term, higher-order outcomes. CIDA is now looking to show its contribution to achieving the MDGs, recognising these require collective action, which poses an "attribution problem". The agency expects to have indirect influence through its partnership strategy, involving a wide range of other Canadian actors. USAID sets its sights on the immediate and medium-term objectives, within a longer-term vision. Again, a wide range of actors is involved in a partnership to achieve these objectives.

In the United States, the government's *Millennium Challenge Account* (MCA) builds on the results-oriented approach. The rationale is to reward results-oriented beneficiaries by their performance on three criteria: ruling justly, investing in people, and economic freedom. The MCA will make aid disbursements conditional on the achievement of project/programme results. Partner countries will therefore compete for funds, by proving their eligibility for the MCA and by their sustained performance. The tracking of country performance is expected to make use of the USAID system described above.

United Kingdom

A key driving force behind the UK Government's performance-oriented management reforms is the Treasury's requirement for departments to prepare Public Service Agreements (PSAs). The National Audit Office (NAO) considers DFID an example of good practice among government departments. According to its 2002 report on DFID's performance management, DFID should maintain a focus on intended results, "looking to improve their alignment with the International Development Targets and Millennium Development Goals (MDGs) which DFID have endorsed". Linking DFID's performance to such high-order goals is inherently challenging, which is recognised by the NAO. DFID has recently made a determined effort to link its PSA for 2003-2006 to the MDGs, using country level indicators. The PSAs have been supplemented by detailed Service Delivery Agreements that show how DFID intends to meet these requirements.

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Box II-2.

Results orientation in the World Bank

The World Bank launched a major effort to increase its results orientation earlier this year and, following Development Committee endorsement in late September, has moved into the implementation phase. Its approach draws heavily on the international Roundtable, "*Better Measuring, Monitoring, and Managing for Development Results*", that the Bank and the other multilateral development banks sponsored in June 2002, in co-operation with the DAC. The conceptual framework underpinning the approach builds on the simple but powerful idea that development results can be improved by enhanced management focus on them. The framework brings together three strands of the development dialogue of recent years: country-led development and partnership, results-based management, and development effectiveness. Focusing on sustainable growth and poverty reduction, it puts a premium on country efforts to manage for results, as set out in national strategies such as the PRSP. This requires co-ordinated donor support for the enhancement of the knowledge base, statistical systems, and monitoring and evaluation capacity that countries need to do so effectively. The focus on country outcomes, including the MDGs and other priorities, has implications for the architecture of donor accountability and evaluation systems. In particular, it is desirable to increase the use of joint evaluations of donor programmes. These can complement assessments of individual agencies' performance, such as those carried out within the Bank by its Quality Assurance Group (QAG) and the independent Operations Evaluation Department (OED).

Central to the implementation of the enhanced results orientation within the Bank is the design and piloting of the so-called results-based Country Assistance Strategy (CAS), a distinguishing feature of which is its enhanced "evaluability" in terms of outcomes. This evaluability derives from the articulation of a clear CAS monitoring and evaluation framework and the introduction of self-assessment through a CAS Completion Report, as a basis for subsequent peer review and independent evaluation. Efforts are also underway to ensure that the monitoring and evaluation framework used in the CAS and the supporting lending and knowledge activities are effectively "joined-up", including a clear link to the country's own efforts to manage for results. Meanwhile, staff learning programmes and incentives are being reviewed to ensure their alignment with the Bank's enhanced results focus. Building on these efforts are the investments in corporate reporting on results on three levels: corporate strategy and budget documents, QAG operational reports (*e.g.* the Annual Report on Operational Performance and Results), and the IDA Results Measurement System.

associated with aid effectiveness or the MDGs. The United Kingdom has been attempting to address this issue through its own system (see Box II-1). In general, donors are making increasing efforts to:

- Ensure that the logic chain reaches as far as the MDGs.
- Evaluate the linkages in the logic chain.
- Address the problems associated with aggregating project-level assessments.
- Set out clear indicators for inputs, processes, outputs and outcomes throughout the system.
- Evaluate partnership relationships and country ownership in terms of the effectiveness of selectivity, informal dialogue, facilitation and political dynamics.
- Identify more transparent ways to bring together political judgement and technical results.

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Streamlining the system

To ensure that their systems are practicable and useful for managers, donors find that they need to consider the following improvements:

- *Focus on the results that matter and be selective*. It is not necessary to track every activity, only those likely to give significant results.
- *Simplify the evaluative procedures*. It is not necessary to test every chain in the causal logic linking activities to outcomes.
- *Undertake institutional change and staff training*. There are problems if a small group, demanding data from others, drives results management.
- *Consider joint monitoring and evaluation arrangements with other donors and the partner country*. A focus on individual donor activities will face major methodological challenges in situations where many donors are involved.

4. Results management in public sector reforms in developing countries

Public sector reforms in partner countries have been concerned during recent years with the development of government capacity to lead the development effort in their countries. Many of these public sector reforms have promoted a results focus in government agencies, with implications for internal management. The following paragraphs set out some of the implications of partner countries' public sector reforms and results focus.

Types of public sector reforms

Increasing numbers of partner countries have been involved in public sector reforms with several different dimensions. Many earlier reforms, often under pressure from structural adjustment and fiscal stabilisation, were concerned with administrative efficiency and involved retrenchment of civil servants. The present reforms, which may be included in a comprehensive approach, are concerned with three main issues:

- *Promotion of effective governance*, which encompasses a wide range of issues from election processes to local government decentralisation to anti-corruption strategies.
- *Enhancing the efficiency and effectiveness of public services*, notably health, education and agricultural extension, often in the context of different forms of sectoral co-ordination and involving various forms of public-private partnerships. (An example of such a reform in Tanzania is given in Box II-3.)
- *Improving government financial management and accountability mechanisms*, often associated with broader partnerships in SWAPs and PRSPs.

Emerging lessons and challenges for partner countries

The DAC Network on Good Governance and Capacity Development undertook a country engagement initiative[7] which began with a study of public sector reform experiences in anglophone Africa, with case studies in Ghana, Kenya, Tanzania, Uganda, and Zambia. The study set out a number of critical factors in the examples

7. Report on the London Meeting of the Donor Public Service Reform Working Group, 24-25 October 2002 [DCD/DAC/GOVNET(2002)2].

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Box II-3.

Public sector reform in Tanzania

The Public Sector Reform Programme is part of a broader reform including local government, public financial management, legal sector reforms, and sectoral reforms to improve social and economic services in Tanzania. It aims to improve performance management systems, restructure public and private sector participation, improve management of information, strengthen personnel management, and develop leadership and good governance.

The programme's operational focus is on the effective delivery of public services. This has involved the specification of expected outcomes at different levels, identification of enabling factors, and systems for monitoring the results of the reform programme.

Donors have been supporting this programme during different stages. A Joint Consultative Forum has been set up and some donors have also joined a Common Basket Fund with joint reporting and accounting requirements, and some support associated projects within the sector framework.

Source: Donor Working Group, September 2001.

of successes, constraints encountered, and lessons learned.

There have been several initial positive effects. Reform programmes have moved from narrow cost containment to focusing on service delivery within a comprehensive approach to public sector reform.

- In *Tanzania*, public sector reforms have been successful in controlling numbers, improving pay and enhancing basic systems. There has been good progress in capacity building. A number of agencies have been established, with a focus on service improvements.
- *Uganda* has also taken radical steps to improve pay and reduce numbers, and is now engaged in a comprehensive programme to improve its structures, introduce results-based management and new information systems. It is also setting up autonomous agencies.
- *Kenya* has a strategy for improving service delivery through enhanced performance. The strategy emphasises the role of the private sector and NGOs. New legislation is intended to improve financial accountability and auditing. There has been an overhaul of public procurement.
- In *Ghana*, the current phase of the reform includes a public financial management reform programme and a policy on public sector incomes. There are some demonstrable improvements in revenue collection and service efficiency.
- In *Zambia*, reforms have had their most positive impact at the sectoral level, where there are new arrangements for service provision. There is also a more supportive political environment and an engagement of stakeholders.

The study notes a number of emerging lessons and success factors including:

- A broadly favourable political environment, including efforts to promote

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democracy, poverty reduction and economic development, with continuing support at the highest levels.

- Clarity of vision and strategy by governments to institutionalise reform management. This should set the public sector reform programme in a comprehensive context of other government reforms in financial management, local government reform, etc.

- Effective management by government, including the ability to be flexible and to adapt to circumstances.

- Technical assistance which is supportive and promotes ownership.

- Effective collaboration with a range of stakeholders, including civil service managers, even through periods of retrenchment.

- Attention to capacity building by civil service managers who have to manage difficult adjustments.

- Public sector institutions should be structured around service delivery targets, and adopt a customer-oriented focus. Piloting of agencies in key service areas can be valuable.

- Success of a "quick wins" initiative, which is important in gathering support and building up confidence. As confidence grows, the ability to be more innovative is important.

- Sufficient resources to cover the costs of the programme, especially for retrenchment.

Several challenges also emerged in the study, even where there was overall success. Some of these provide a mirror image of the critical success factors noted above, but others include:

- Highly centralised decision making, which does not empower managers.

- Narrow vested interests within the public sector which intervene in the programme.

- Over-stretched capacity, including shortage of critical staff.

- Difficulty with setting out priorities and sequencing of reforms.

- Poor work cultures and incentives, and low morale related to low pay, making the reforms hard to implement.

- Tendency to create parallel systems to resolve the over-cautious attitude of donors to providing resources.

- Insufficient management autonomy.

- Difficulty in demonstrating impact, with weak monitoring and evaluation systems.

- Inadequate public information and education, especially to counter the early negative perceptions created by retrenchment.

Systems for measuring results in partner countries

Managing for results implies certain data requirements. However, in partner countries, surveys do not generally provide reliable data below the level of the largest province, thereby supplying insufficient coverage of administrative areas at the sub-national level. Data collection at country level may not adequately integrate all the various sources, although there are techniques that integrate surveys, census and administrative data to give reliable predictions of poverty at the village or small area level. These kinds of techniques require planning and a consistency of approach, which has not been the norm in most developing countries. Country level statistical data may lack credibility if the autonomy and neutrality of the

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government system is compromised. The role of civil society is important in these cases.

Three main considerations for improving the capacity of measurement systems to inform management decision making in partner countries are:

- *Data types.* Both qualitative and quantitative data are needed to assess short and long-term objectives, activities, processes, outputs, and outcomes. Data producers and users need to collaborate closely to ensure that the scarce statistical resources available are used to produce the priority information required.
- *Data quality and availability.* Consistent data collected over time are vital for assessing results and calibrating indicators of progress. There are many areas where basic data are lacking. The systems that produce the basic data underpinning the indicators of progress are under-performing in many partner countries and much of the data collected has been of an *ad hoc* nature, leading to data gaps and inconsistencies in time series. Investment in statistics has not been considered a priority by national governments. There is a need to build capacity in a strategic manner, to improve the production and use of data, and to integrate qualitative, administrative and survey data.
- *Data use and dissemination.* The publication and use of data can be extremely important for strengthening governance at different levels. The use of data in Uganda is often cited as a best practice example, since data on public expenditure is available to local people so that they can hold political leaders to account. In many other countries however, while data may be collected, there are often constraints on the analysis and presentation of the results, both to the potential professional users within government and to the wider public. These constraints may concern technical capacity and lack of human resources, as well as political constraints, with interference in the publication of uncomfortable results (either suppression or delay).

5. Implications for management

Agreeing results-oriented strategies to achieve the MDGs

It is necessary to sharpen the focus on development effectiveness and the contribution made by aid. Elements of international consensus have already been reached in the MDGs. These overarching goals resolve the challenge of specifying outcomes at the top of the logic chain. Such clarity on the overall outcomes helps sharpen the focus of donors and partners on the country's own development strategy.

Several donors are trying to make the MDGs more operational. Donors have endorsed the multi-faceted definition of poverty, and many partner countries are pursuing development strategies that are aligned with the MDGs. Nonetheless, it remains a challenge to internalise the concept, and to devise appropriate sub-strategies. Donors still face challenges in clearly defining their own comparative advantages and added value within a collective donor framework to achieve the MDGs, and in attributing impact to their efforts. Partner countries find it challenging to develop intermediate indicators linked to the MDGs and to gather the requisite data.

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Partnership strategies to support country ownership

Instruments to increase ownership and partnership need further development. There is widespread agreement that development policy should be country owned, and recognition that donors should aim to help strengthen leadership capacity at country level. Donors that favour project approaches have increasingly sought to co-ordinate their efforts within an overall sectoral strategy. Experience on the ground has been brought to bear on sector policy dialogue. Donors recognise that PRSPs and SWAPs have put greater emphasis on participation of civil society in policy formulation, and on co-ordination between donors and governments. There are unresolved debates about the role of budget support or other forms of basket funding in PRSP and SWAP frameworks. DAC discussions have also focused on improving aid delivery mechanisms within the policy reform environment.

Further dialogue is needed on how partners make policy choices and identify priorities. Country ownership and partnership need to be based on performance, both of the donor and partner, and of the interaction between the two. Donors, whether involved in projects or programmes, increasingly recognise that they must take account of the partner country's development management system, not just their bilateral partnership with the country. The dialogue needs to encompass a framework of results for operations at different levels, linking project outputs with sector results and country outcomes. This will allow donors to avoid micro-management and to be flexible on the choices made by partners within the agreed framework. The dialogue can also include the overall governance situation and trends, and the nature of conditionality employed by donors.[8] These issues are discussed in detail in Section III, *Harmonising Donor Practices for Effective Aid Delivery*.

The dialogue has to take account of capacity implications on the part of both parties. There needs to be country capacity for analysis and priority setting and donor capacity for policy discussions at the level of country and sector strategies. This has implications for donor support to countries and donor management organisation.

Donor co-ordination continues to be an issue for the DAC. Several studies[9] in recent years have pointed out that, at country level, donors can improve the effectiveness of their aid for partner countries. There is also a need to co-ordinate around the identification and monitoring of results.

8. Selection by donors in terms of "good and bad performers", another item within this partnership perspective, will be one of the issues for a separate workshop. The DAC and the World Bank have recently held a joint workshop on the subject of "difficult partnerships" where agreements on results frameworks is usually not feasible (see Section VII).
9. The DAC Task Force on Donor Practices has facilitated discussions on donor co-ordination, sector-wide approaches, and the harmonisation of donor practices in countries, and has also undertaken country studies (see Section III). The DAC has organised several discussions on donor co-ordination and partnership, and in 1999 jointly sponsored with UNDP and the World Bank a Partnership Forum: *From Aid Co-ordination to Development Partnership*. The UNDP presented an evaluation study of policy reform and co-ordination (Round Table Mechanism: An Interim Report). The World Bank also presented an evaluation study (World Bank Operations Evaluation Department, 1999, *The Drive to Partnership: Aid Co-ordination and the World Bank*).

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Managing for results in partnership

Donors and partners need to bridge the gap between their respective results systems for a better assessment of development effectiveness. There are several general considerations:

- *Types of results*. Donors and partners need to distinguish between various kinds of results. One possibility, following the CIDA framework, is to define three types of result:

  – *Development results* should specify the agreed development outcomes in a country. Acceptance of the MDGs as a frame of reference for reporting achievements appears to be increasingly likely, despite the inherent data challenges.

  – *Enabling results* should show how donors and partners take account of, and seek to influence, the development context.

  – *Management results* should show how the operational units in both the partners' and donors' systems aim to improve their performance and service quality.

- *Selection of results at different levels*. Partner countries have made some progress in specifying results at the activity and sector levels, but there are serious challenges when specifying and measuring results at the programme and national levels. In donor agencies, results management systems seek to assess the impact of policies and procedures at the different levels but, in practice, tend to give greater attention to the activity and sector levels. Several donors are trying to streamline their procedures to focus on the significant results in the logic chain, requiring a convergence with systems of results measurement in partner countries. Further joint work in partnership will be required.

- *Attributing outcomes to the stakeholders' performance*. The theory that links activities to outcomes becomes weaker higher up the logic chain. Recognising that outcomes are the result of collective action, and attribution to individual efforts are not feasible, there needs to be agreement on how to present and assess results on a collective basis. At the same time, such presentations of results need to be helpful in sustaining individual stakeholder support.

Measuring collective performance

The collection of performance data to meet donor requirements implies a different strategy to data collection for promoting country ownership of policy reform. The data collected are likely to be different in each case, but there is also a likely trade-off between the two, and it is necessary to consider how donor requirements may undermine principles of country ownership. There is also a risk that if donor needs are not integrated within a statistical and information strategy, then country systems will be overloaded.

Building country capacity requires human development of relevant individual skills for data collection and analysis and the institutional development of integrating a country's information systems. Box II-4 below outlines contributions from PARIS21.

Relatively little attention has been given to the possibility of partner country reviews of aid. The New Partnership for Africa's

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Box II-4.

PARIS21

The PARIS21* Consortium was established in 1999 as a partnership to promote results-based management and the use of statistics in developing countries. The partnership between policy makers, statisticians, and users of statistical information has so far promoted advocacy for better statistics and for their effective use in monitoring and developing policy. Work is required to sensitise statisticians to the new policy environment, and to ensure that the statistics that are available are accessible and targeted at policy makers.

The partnership aims to increase the importance of statistics in policy discussions and to encourage stakeholders to take a strategic, integrated approach to planning the statistical system. A virtuous cycle is envisaged, where the funders of statistics are provided with the statistics information they need, and so increase the resources available for their production, thus building a sustainable developing system. PARIS21 facilitates and stimulates country action to improve the ability to produce and use effectively the statistics and other information required for setting and monitoring policy. Other partners carry out the operational work in countries to provide the support needed to implement the improvements identified.

The work so far in task teams and regional and country workshops has included the sharing of best practices, advocacy materials, south-south co-operation, assessment of statistical capacity, and the promotion of a strategic approach to statistical management. Action has started in Africa and Latin America, and further work is programmed for those continents and for Asia, the Arab States, the Pacific, and the Caribbean. 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. Progress of PARIS21's work can be followed on its website at *www.paris21.org.*

* PARIS21: Partnership in Statistics for Development in the 21st Century, a Consortium hosted at OECD's Development Co-operation Directorate.

Development (NEPAD) is concerned with developing a peer review approach to countries' own governance and management, *i.e.* a "mutual review". This might be extended to consider the overall development performance, and the systems in place to produce the information needed for monitoring and evaluation. The NEPAD has requested work on the design of such a system from the Economic Commission for Africa and the OECD, and involving the Strategic Partnership with Africa (SPA).

It is also possible to consider more joint assessments and joint evaluations by donors of collective performance, given the increasing co-ordination of donor efforts in partner countries. The OECD has undertaken two joint assessments on Mali and Mozambique,[10] and is planning

10. OECD/DCD, Club du Sahel and UNDP, 1999 "Improving the effectiveness of aid systems: The case of Mali"; "DAC joint assessment of the aid programmes of Germany, the Netherlands and the United Kingdom in Mozambique", DAC *Journal* 2001, Vol. 2, No. 4, pp. III-1 to III-30. The OECD/DCD also participated in a World Bank sponsored review of donors' activities in Nepal during 2001.

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another (possibly Tanzania). The DAC Working Party on Aid Evaluation has undertaken some joint evaluations and is actively promoting further joint evaluations. Various instruments, including guidance on joint evaluations and systematic and standardised exchange of information on evaluation plans, have been developed to facilitate joint exercises. While some results have been achieved, further efforts are needed, recognising that partnerships cannot start in the evaluation phase but must build on collaboration in earlier phases of the programme cycle, including possible joint monitoring arrangements. Moving from an individual donor approach to a joint evaluation approach will stimulate fundamental changes in the way evaluation is currently conducted, and in the way evaluation results are demanded.

Results focus at partner country level

Within these different aspects of a results focus at the country level there are some key considerations for partners and donors. Development managers need to consider those policies, and delivery instruments that promote better partnership and country ownership. In particular:

- *Reform of governance structures and public sector management*, with an emphasis on improving outcomes, such as efficient and effective delivery of public services, can increase the benefits of development assistance.
- *Country ownership, broad participation and good donor partnerships* are essential elements of such policy reform.
- In their dialogue with partners, donors should seek to achieve the *optimal use of resources to attain agreed development results*, sustainability, replicability and diffusion of lessons learned.
- *Accountability and transparency* to the public in the partner country, as well as to taxpayers in the donor country, can be enhanced by a clear results focus of partner governments.
- *Public sector reforms* should include monitoring systems and measurement of results. Such systems will need to take account of the increasingly collective nature of the development management system in a country, affecting projects as well as programmes.
- *Donor co-ordination* can reduce the burden of aid procedures, but co-ordination has its own transaction costs. Some transactions costs, absorbed by partner governments, can also help build capacity.

6. Main conclusions and findings of the Forum

The Forum concluded that the search for better results on the ground is central to the evolving development agenda. In partner countries, citizens are demanding better public expenditure management, including of aid allocations, from their respective governments. In OECD countries, taxpayers are eager to get value for the money spent on development budgets. For the first time in over a decade, OECD donors committed themselves to increase aid volumes by up to USD 15 billion over the next few years. They made these commitments conditional on enhanced aid effectiveness through the achievement of concrete results.

The establishment of the Millennium Development Goals provides donor and partner countries with a common framework for results-oriented delivery of aid. At the Forum, a general convergence on

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the need to link MDGs to partner countries' development environments emerged. Identifying related targets at the country level will facilitate the co-ordination of donor and partner interventions and help mobilise participation of local stakeholders, both in government and civil society.

The Forum showed the momentum reached by the results agenda. Bilateral and multilateral donors are currently working towards improving their results management systems and new tools and procedures are being developed, such as the US Millennium Challenge Account (see Box II-1). Donors highlighted the relevance of placing country ownership at the centre of their management systems. The World Bank and many bilateral donors link their country assistance to country-owned poverty reduction strategies. UNDP is extending its MDG country reports to a growing number of partner countries as a basis for results-based management at country level.

A number of partner countries make results orientation central to their public sector reform programmes. In Uganda for instance, results-based budgeting is a cornerstone of the reform agenda. Chile has moved away from the traditional approach of incremental budgeting by implementing an advanced process for resource allocation. Tanzania is currently making budgeting and management at all government levels centre on the PRSP, which functions as the main target-setting document. The experience of Malaysia also demonstrates the benefits of planning for results in implementing performance-based reform of public agencies.

The variety of experiences in OECD and partner countries highlighted several common lessons:

- *Country-led development architecture.* Country ownership is essential to ensure aid effectiveness. Designing aid interventions to fit partners' priorities and features is important, particularly by using country-owned poverty reduction strategies and engaging in consultation with local stakeholders, from governments to civil society. The need to unburden partner countries from donors' often redundant and incoherent requirements was repeatedly recognised by Forum participants.

- *Aligning timescales.* There is a mismatch between the long-term dimensions of development and the shorter timeframe of measuring and managing for results. An agency's need to account for performance to its management board within the timescale of a programme has in the past led to a focus on inputs and short-term outputs. Showing development outcomes takes a longer time and needs a different focus on results.

- *Streamlining measurement.* There was general convergence on the need to simplify measurement approaches to facilitate joint reporting arrangements and common monitoring and evaluation procedures. Harmonisation might be facilitated by moving towards limited and generally accepted core sets of indicators related to the MDGs. Partner countries need to be involved in the choice of indicators to be used, with an eye to allowing consistent reporting formats for cross-country comparison. Such an approach should nonetheless avoid an over-simplification of the qualitative dimension of development by reducing the choice of indicators too much.

- *From attribution to contribution.* The Forum highlighted an emerging shift from concerns about donor attribution to a recognition of opportunities to contribute jointly to development. The trend in joint sector reviews is showing

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that donor interest in "visibility", typical of input orientation, is giving way to mutual accountability towards achieving common results.

• *Providing adequate incentives for results achievement.* Appropriate incentive systems are fundamental to implementing a results focus successfully. Several partner countries' experiences with public sector reform showed how a highly motivated civil service is central to performance-oriented management. Enhancing communication channels provides powerful incentives to improve performance. The accountability of agencies can be strengthened by involving civil society stakeholders in results planning and disclosing outcomes to the public.

• *Harmonisation.* Joint priorities can only be achieved through effective co-ordination between donors and partners. Harmonisation of donor practices is recognised today as essential to making ODA more effective, as is the need to make donor procedures compatible with partner systems. More transparency among donors, and between donors and partners is crucial to achieving development results efficiently and effectively.

The issue of harmonisation of aid procedures is discussed in greater depth in the following section of the Report.

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III Harmonising Donor Practices for Effective Aid Delivery

The Monterrey Conference in March 2002 highlighted the importance of building partnerships among donors and developing countries as a means of making more effective progress towards the Millennium Development Goals, and called on development co-operation agencies to intensify efforts to harmonise their operational procedures so as to reduce transaction costs and make ODA disbursement and delivery more flexible. This section of the Report examines how the DAC Task Force on Donor Practices is addressing these issues, in particular, by developing a framework for donor co-operation.

1. Introduction

The fundamental objective of the DAC Task Force on Donor Practices is to strengthen ownership through identifying and documenting donor practices which could cost-effectively reduce the burden on the capacities of partner countries to manage aid and lower transaction costs. This section of the Report presents an overview of the work by the Task Force. At the end of the section, excerpts are provided from the first of the six Good Practice Papers, A *Framework for Donor Co-operation*.

The management of different donor procedures bears a high cost for developing countries – especially the poorest and most aid dependent. For example, meeting multiple donor requirements employs a significant proportion of developing countries' administrative capacity; it impairs ownership over partners' own development plans and weakens capacity for effective public management. This is why the DAC set up a special task force to look at how aid can be delivered more effectively through simplifying and harmonising donor procedures.

The main purpose of the DAC Task Force on Donor Practices, established in December 2000 for a two-year period, was to elaborate a set of Good Practice Papers (GPPs) on how donors can enhance their operational procedures with a view to strengthening partner country ownership. In pursuing this goal it also sought to improve the overall effectiveness of aid and reduce the cost – for donors and recipients – of managing development assistance. In a spirit of mutual accountability, the Task Force associated a broad range of developing country partners representing various geographic regions and different levels of development. This consultation was carried out at different levels.

The Task Force invited sixteen developing countries,[1] representing different geographical areas and at different levels of development, to participate in the meetings that led to the elaboration of the GPPs.

1. The countries represented were: Bangladesh, Bolivia, Cambodia, Egypt, Senegal, Guatemala, Kenya, Kyrgyz Republic, Mali, Morocco, Mozambique, South Pacific Forum, Romania, Tanzania, Uganda, Viet Nam.

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2. The Needs Assessment Survey

At the developing country level, the Task Force commissioned an extensive consultative survey – the Needs Assessment Survey – which sought to identify the priorities and perspectives of developing countries on harmonisation of donor practices. Interviews were undertaken with government officials and practitioners within line ministries, project implementation units and relevant civil society organisations in eleven countries. The survey results informed the work programme of the Task Force.

The Task Force recognised that it was essential for its work to consult partner countries on their views on donor practices. This was achieved in two ways. First, representatives from the sixteen partner countries participated in the Task Force meetings. Second, as mentioned above, a Needs Assessment Survey was commissioned in eleven of these countries representing different geographic regions and levels of development.

The survey was designed to establish partner country views on two main questions:

- How can donors improve development assistance in ways that support country-owned and country-led development strategies?

- Which donor practices are most undermining the effectiveness of these strategies?

In order to establish these views, the consultants charged with carrying out the survey conducted more than 400 interviews with key officials, experts and donor staff.[2]

The survey was structured in two parts. The first examined partner country views of donor practices that place the highest burdens on partner countries. The second identified priority areas for improving donor practices.

The burdens on partner countries

The first objective of the survey was to identify donor practices that placed the highest burdens on partner countries in terms of ownership, aid transaction costs and aid effectiveness. To this end, each respondent was asked to name the three most important burdens with regard to effective aid delivery. The responses were then aggregated into seven categories that are presented in Table III-1.

The main finding substantiated by the survey was the sense that there is a significant lack of national ownership. This has been defined in the survey as a partner government's ability to design and manage its own development plans while relying on development assistance. The survey also confirmed what many people in the donor community already knew – managing different donor procedures is a major burden for partner countries. Both lack of ownership and the cost of un-coordinated donor practices are brought to bear on partner countries in different ways. The top three burdens are described below.

2. The list of countries is a subset of the sixteen countries associated with the Task Force. These countries were Bangladesh, Bolivia, Cambodia, Egypt, Mozambique, Romania, Senegal, Fiji, Samoa and Vanuatu, Tanzania, Uganda and Viet Nam.

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• *Donor driven priorities and systems.* This was the most frequently mentioned burden in all of the countries surveyed. It covers two related dimensions. The first concerns the pressure donors bring to bear on partners' development policies and strategies. The second refers to donor aid management systems that are designed to meet mainly donor requirements rather than to support national needs and priorities. One issue particularly highlighted in the survey was donor reliance on parallel management systems and "ring-fencing".

• *Difficulties with donor procedures.* This burden refers to the intractabilities encountered by partner countries when complying with specific donor procedures. Respondents highlighted procurement and technical assistance as the two main areas that challenged partner administrations. This category also includes problems associated with donors changing their systems, policies and staff.

• *Un-coordinated donor practices.* Many respondents put forward difficulties in understanding and fulfilling the multiple and diverse requirements of different donors. The problem is particularly acute when competing donor systems are making duplicative demands on partners' administrations. This is the case, for example, when different donors co-funding the same activity all require different reports at different dates to meet their own accountability requirements.

Key areas for improvements

The second part of the survey examined key areas where respondents felt reforms would contribute most to improving the effectiveness of development assistance. Responses were aggregated by category, and are listed in Table III-2.

The initiatives suggested by respondents were consistent with their perception of the main burdens. They reflect the need to strengthen national ownership and address the problem of the high transaction costs arising from multiple and un-coordinated donor practices. The first four of the suggested initiatives are described below.

Table III-1.

Burdens as ranked by respondents

Rank	Type of burden	Frequency of mention
1	Donor-driven priorities and systems	■■■■■■■■■■■■■■■■
2	Difficulties with donor procedures	■■■■■■■■■■■
3	Un-coordinated donor practices	■■■■■■■■
4	Excessive demands on time	■■■■■■■
5	Delays in disbursements	■■■■■■■
6	Lack of information	■■■■
7	Demands beyond national capacity	■■

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Table III-2.

Initiatives suggested for improving management

Rank	Initiative suggested	Frequency of mention
1	Simplify procedures and systems	■■■■■■■■■■■■■■■■■■■■
2	Harmonise procedures	■■■■■■■■■■■■■■■■■■■■
3	Align procedures on partner systems	■■■■■■■■■■■■■■■■■■■■
4	Share information	■■■■■■■■■■■■■■■■■■■■
5	Untie aid	■■■■■■■■■■■■■■■■■■■■
6	Respect national priorities and strategies	■■■■■■■■■■■■■■■■■■■■
7	Strengthen local capacity	■■■■■■■■■■■■■■■■■■■■
8	Use a co-ordination structure	■■■■■■■■■■■■■■■■■■■■
9	Budget support	■■■■■■■■■■■■■■■■■■■■
10	SWAPs	■■■■■■■■■■■■■■■■■■■■

• *Donors should simplify their procedures.* Simplifying donor procedures was mentioned, in almost all countries, as the most important initiative for reducing burdens. It offers partners and donors a number of advantages. It meets the objective of diminishing aid transaction costs while eluding the cost of negotiating common or harmonised procedures.

• *Donors should harmonise their procedures.* Different modalities for achieving better harmonisation were put forward, including the suggestions that donors should agree and adopt a common set of procedures, or one donor relying on another donor for specific tasks ("delegated co-operation").

• *Donors should align procedures on partner systems.* A specific modality for harmonising donor procedures is when donors align their procedures on those of the partner country. It was suggested that this should be seen as a medium-term process that may comprise a number of intermediate steps. The first step involves, for example, donors synchronising their procedures with partners' key policy cycles (*e.g.* the budget cycle). The concluding step is reached when donors fully rely on partner systems. This process requires close co-operation between the donor community and the partner country.

• *Donors should be more transparent.* It was noted that donors should increase the level of communication between themselves and with government. Donors and partner governments should share more regularly information on planned and ongoing activities, procedures, reports and evaluation results. This could improve the effectiveness of aid activities and also benefit co-ordination efforts while reducing duplication of activities.

The Good Practice Papers

There are a large number of areas where good practices can be promoted in order to enhance the effectiveness of aid. The focus areas of the Task Force were selected both for their importance and in

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recognition that other aspects were being treated elsewhere. For example, a separate programme of work is being undertaken by the DAC on procurement and there is close existing co-operation in the area of evaluation (see Section I).

The six specific Good Practice Papers are:

- A *Framework for Donor Co-operation* (see below).
- *Country Analytic Work and Preparation of Projects and Programmes*.
- *Measuring Performance in Public Financial Management*.
- *Reporting and Monitoring*.
- *Financial Reporting and Auditing*.
- *Delegated Co-operation*.

Formally approved by the DAC, these papers have benefited from extensive discussion with multilateral organisations and partner countries. They provide a model that could be applied to other areas, as necessary.

3. A Framework for Donor Co-operation

Individual donors do not work in isolation. Invariably they undertake operations that require involvement from a partner government and generally work in areas where other donors are also active. Effective working relations, based on mutual trust and respect, are vital. Experience shows that these must be built on explicit, shared objectives, and an institutional framework for co-ordination that reconciles different interests in a constructive way.

The Task Force devoted its first and key Good Practice Paper, A *Framework for Donor Co-operation*, to these issues as a good framework for aid co-ordination enables leadership by partner governments, simplifies working relationships and creates flexibility where it is missing. It also facilitates dialogue between donors and civil society and the private sector in a partner country.

A good framework for aid co-ordination spans donor-partner relations, intra-donor relations, and individual donor systems as follows:

- An overall framework for development assistance in a particular country which sets out a consensus between government and donors on objectives and strategy, and agreement on the forums, rules and timetables to manage dialogue between donors and government.
- Arrangements between different donors to enhance co-ordination and to simplify procedures where it is not possible to use partner government systems.
- Internal donor rules and culture that affect the ability to form effective partnerships with partner governments and other donors.

Guiding principles

In recent years donors have given renewed emphasis to the importance of their relationships with partner governments and, in particular, to placing nationally-designed country strategies at the heart of the development process. More recently, this trend has been strengthened by the development of nationally-owned poverty reduction strategies and similar approaches which emphasise the responsibility of

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Box III-1.

Guiding principles on providing co-ordinated aid

1. Donors should support country-owned, country-led poverty reduction strategies, or equivalent national frameworks, and base their programming on the needs and priorities identified in these.
2. Development assistance should be provided in ways that build, and do not inadvertently undermine, partner countries' sustainable capacity to develop, implement and account for these policies to their people and legislature.
3. Co-ordination of donor practices enhances the effectiveness of aid, particularly for aid dependent countries. Aid co-ordination should, whenever possible, be led by partner governments.
4. Reliance on partner government systems, where these provide reasonable assurance that co-operation resources are used for agreed purposes, is likely to enhance achievement of sustainable improvements in government performance.
5. Partner countries and donors have a shared interest in ensuring that public funds are used appropriately.
6. Donors should work closely with partner countries to address weaknesses in institutional capacity or other constraints that prevent reasonable assurance on use of co-operation resources.
7. The development of appropriate partner country systems will often be a medium-term process. Until donors can rely on these, they should simplify and harmonise their own procedures to reduce the burden placed on partner countries.
8. No single approach is suitable for all countries. The manner in which harmonisation is implemented needs to be adapted to local circumstances and institutional capacities.
9. Assistance to empower civil society and support effective organisations representing the private sector can also enhance improvements in partner government performance.

donors to make the exercise of this ownership effective. They also emphasise the need to change the nature of accountability so that donor requirements support national systems.

The principles underlying this new approach to partnership are set out in Box III-1. They reflect priorities identified in the DAC's 2001 *Guidelines on Poverty Reduction* and adopted by the international community in the Millennium Declaration and in the Monterrey Consensus. Donors' ability to adopt many of these guiding principles, and the good practices that follow from them, depends on the commitment and capacity of partner governments to improve donor co-ordination and aid effectiveness.

Good practices

Donor-partner relationships

Partner countries have legitimate interests in autonomy of action, and in transparency and predictability of aid flows. Donors have legitimate concerns regarding good management and the impact of their aid. This can create a tension

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between the good practices of promoting ownership and partnership with partner governments and the desire of donors to ensure that aid is used for its intended purposes and helps promote reform. An effective aid relationship requires a donor and partner government to build a working consensus on objectives and strategy. This is made easier when the latter has a definite strategy, clearly presented and implemented. Where government capacity is weak, a challenge for donors is in assisting partner countries to develop a nationally owned strategy. Poverty reduction strategies are increasingly the focus of strategic agreement, provided they link into the country's own planning and budgeting system.

An explicit and open country programme that draws on common analysis and takes account of partner government objectives can help to reduce the risk of inconsistency or duplication in donor support in a partner country. (See Box III-3.)

A further challenge for donors in building partnerships is to reach a clear agreement with partner governments on how a government's performance will be assessed and how this assessment will be used to determine aid flows. Transparency and predictability about aid flows enhance trust between donors and partner governments.

These challenges suggest the following good practices in creating an effective donor-partner relationship where a shared understanding of objectives and strategies exists.

• *Set out the objectives and operations of individual country programmes and make these widely available*. In developing these, they should:

– Consult partner governments on the consistency of the proposed operations with a partner government's poverty reduction strategy or equivalent national framework.

– Base the analysis of a country's development needs and potential on the partner government's own analysis in its PRSP or equivalent national framework.

– Share the key proposals for support with the partner government, other donors and civil society.

• *Multi-year programming of aid*. Donors, to the greatest extent possible, should programme their aid over a multi-year timeframe that is consistent with the financial planning horizon of the partner government, and transparent about the circumstances under which aid flows may vary. The combination of longer-term and more predictable finance enables partner governments to have more trust in the reliability of donor finance. This is needed to plan increases in service delivery capacity, and facilitates macroeconomic management.

• *Use common performance indicators*. Donors and partner governments should agree on performance indicators that are simple, measurable, prioritised and easily verifiable. Where donors are funding the same operations they should use the same performance indicators.

• *Build a common framework for aid co-operation*. Donors and partner governments should agree a framework for reviewing and monitoring their assistance and seek to incorporate it into multi-donor review and monitoring processes such as consultative forums and partner governments' review processes, as part of building

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Box III-2.

Donor-government partnerships in Uganda

Since 1997, the Government of Uganda (GoU) and donors and have co-ordinated efforts to improve aid effectiveness by focusing support through GoU's Poverty Eradication Action Plan (PEAP). The PEAP outlines GoU's overarching strategy for poverty eradication and, in Volume III, the shared commitment that support will only be sought and provided for programmes that are in the PEAP. Volume III also outlines preferred modalities for donors' support, with general or sector earmarked budget support identified as the desired method of aid disbursement. These principles are being made operational with the aim of putting common procedures in place by March 2003.

Implementation of the PEAP and donor co-ordination is facilitated by a Poverty Reduction Support Credit (PRSC). The PRSC addresses public sector cross-cutting issues, which are identified in biannual joint government-NGO-donor or sector reviews. The PRSC is a matrix of actions, with benchmarks and outputs, developed through a consultative process. Several agencies, and all those providing budget support, use the policy matrix as the framework for disbursements whilst monitoring PEAP implementation via the Medium-Term Expenditure Framework and the budgetary process. There is one annual government-donor review of progress against undertakings and PEAP indicators. Donors have therefore shared compatible benchmarks around which their budget support is mobilised.

While progress is still required in a number of areas (*e.g.* improved funding predictability and better co-ordination of analytic work), a number of the benefits of these arrangements are already apparent:

- Ugandan ownership of its poverty reduction and public expenditure programmes, strengthened budgetary institutions, and reduced transaction costs of external assistance.
- A multi-sectoral approach promoting co-ordination and collaboration, essential ingredients for institutional reform.
- A comprehensive approach addressing sector and system-wide problems in service delivery more effectively.

a common framework for aid co-ordination. (See Box III-2.)

- *Provide full information on aid flows.* Donors should provide partner governments with full information of aid flows. This should be done regularly and in a timely manner as it enables partner governments to integrate aid into macroeconomic and budgetary management and to publish details of aid received. (See Box III-3.)

- *Support leadership in aid co-ordination by partner governments*, in order to link aid to development planning and budgeting processes. Partner governments should lead the overall consultative institutions, including organising and chairing consultative groups, high level meetings, working groups and similar arrangements, and providing the secretariat. This requires adequate staffing, resources and appropriate location within the government structure. Where necessary, donors should be prepared to support the co-ordination process financially and technically. Donor support of partner government leadership should be undertaken in a way that enables donors to continue to consult civil society and representatives of the private sector

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Box III-3.

Joint programme for macro-financial support in Mozambique

The main donors providing direct budget support operate as a group (known as the G10), in support of a Joint Programme for Macro-Financial Support agreed in November 2000, and governed by an Aide Memoire signed between the Government of Mozambique (GoM) and the participating donors. The key features of this innovative arrangement are:

- The long-term objectives are explicitly stated.
- Regular dialogue takes place between GoM and donors on key areas set out in the Joint Programme Agreement (JPA). Quarterly meetings focus particularly on reviews of revenue and expenditure priorities, budget execution, and progress in implementing Mozambique's poverty reduction strategy (PARPA).
- Annual review of the programme in March/April is followed by provisional pledges of general budget support for the next calendar year, confirmed (assuming successful continuation of the programme) together with a quarterly disbursement schedule after approval of the State Budget in December.
- Common arrangements are used for disbursing the general budget support through a simple mechanism that provides untied, un-earmarked financing.
- Policy conditionality within the existing JPA requires GoM to implement the poverty reduction programme as described in its key planning documents such as the PARPA and the medium-term fiscal framework, and staying on track with its macroeconomic programme as set out in its Poverty Reduction Growth Facility (PRGF) agreed with the IMF. At present, donors are free to add policy conditions outside the main agreement, though the aim is to achieve a common donor position on what conditions should apply, and how they should be assessed.
- World Bank and IMF attend meetings as observers.

Both GoM and the donors regard these arrangements as successful. Dealing with the donors as a group has reduced the burden of meetings and simplified dialogue, while greater clarity on the amount and timing of donor disbursements has been welcomed. GoM would like this to go further, with multi-year commitments, and with improved predictability by ensuring a more consistent and explicit approach to conditionality.

of the partner country on aid partnership issues.

Particular issues arise when donors channel funds through partner government systems and disbursement of these funds is linked to government performance. There is a spectrum of such donor operations ranging from certain types of projects managed by partner governments to the provision of un-earmarked budget support. They have a number of characteristics that make partner governments potentially more vulnerable to any lack of coherence in their provision – they are provided directly to a partner government's budget, can be subject to a high degree of policy conditionality and individual *tranches* can be significant in relation to the budget. In the case of budget support, either general or sector-earmarked, these characteristics make it desirable that a common framework for the provision of budget support be agreed between a partner government and those donors providing such support. Such a framework provides greater clarity and

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transparency in the mutual expectations of donors and partner governments. This enables partner governments to plan with more certainty to use these resources to enhance country performance and facilitate macroeconomic management. Important elements of such a common framework for budget support are set out below.

• A *common conditionality framework*. Donors should agree a common conditionality framework drawn from a partner's poverty reduction strategy or equivalent national framework that provides a menu from which donors draw in their individual operations. Donors should limit their conditionality to this common framework. The aim is to prevent the proliferation of conditions imposed by individual donors. (See Box III-2.)

• *Multi-year funding commitments*. Donors, where possible, should make multi-year funding commitments (subject to performance) to enable the partner government to plan its medium-term macro-economic and fiscal projections.

• *Compatibility of commitments and disbursements with partner government cycles*. Donors should time commitments that are compatible with a partner government's budget cycle and time disbursements flexibly to enhance a partner government's macroeconomic management.

• *Budget support review integrated into partner government review processes*. Donors should incorporate review of their budget support into partner government-led processes for reviewing its own poverty reduction strategy or equivalent national framework (in the case of general budget support), or sectoral programmes (in the case of sector budget support). (See Box III-2.)

• *An open process for managing any concerns*. Donors and partner governments willingly engage in collective and transparent forms of dialogue on concerns that either party may have in terms of commitments.

• *Clear rules for any suspension of aid*. Donors should suspend within-year support only in exceptional circumstances that are clearly defined.

Donor-donor relationships

Multiple inconsistent practices by donors impose burdens on partners. Where it is not possible to use partner country systems, donors can ease this burden by adopting common systems and procedures or joint working arrangements that include shared decision making. Such harmonisation can lead to stronger, more sustainable forms of aid co-ordination, provided care is taken to consult fully with partner countries so that donor harmonisation is in their interests.

Donors work together in partner countries in various ways. Some of these joint working arrangements, such as joint monitoring teams and joint high level meetings, directly reduce administrative burdens on partner countries. Others, such as lead donor arrangements for particular sectors and donor co-ordination bodies, can create the potential for lower burdens on partners of administering aid.

Good practices for achieving these benefits of joint working, where donors participate in the same project or programme, are set out below.

• *Consult with partner governments*. Donors should consult with the partner government to seek ways of reducing administrative burdens.

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Box III-4.

Examples of joint working in India and Viet Nam

India's District Primary Education Programme

The District Primary Education Programme (DPEP) seeks to benefit more than 50% of India's primary school age children. It is co-financed by the provinces and a consortium of donors (World Bank, EC, DFID, Netherlands, UNICEF), whose support flows through the budget of the Government of India (GoI). DPEP sets clearly defined sector goals, and brings together all donors to work with the government to bring out systemic changes in primary education. Detailed "perspective plans" are drawn up and appraised jointly by GoI and the donor agencies. Sector-wide goals are set and systemic changes supported. Joint review missions are held every six months, led alternately by the GoI and an individual donor. Periodic studies are identified and undertaken by specific agencies. Reporting follows agreed formats.

Viet Nam's Poverty Working Group

There are several examples of joint working by donors in Viet Nam. The Poverty Working Group – a government body with donor and NGO members – produced a joint Poverty Assessment Report, *Vietnam: Attacking Poverty* (2000), which led to joint donor work in supporting the government in designing and implementing its Comprehensive Poverty Reduction and Growth Strategy. This reduced the government's transaction costs in managing aid and working with donors.

• *Coherent communication with the partner government*. Donors should communicate in a coherent manner with a partner government, resolving differences of view on policy to the minimum desired by the partner government to enable it to make informed choices. As stated above, inconsistent messages from donors impose a cost on partner governments. Resolution of these differences reduces these costs but should respect the desire of a partner government for consideration of policy choices. Donors and partner governments may achieve greater coherence through a lead donor representing all donors engaged in the sector or cross-cutting issue. (See Box III-4.)

• *Share information*. Information on relevant donor operations in a sector (including consultancies, project proposals, reports) should be made available to other donors and the partner government. (See Box III-4.)

• *Explicit agreement on roles*. Agreements should set out the respective roles, consultation mechanisms and behaviours expected of each donor in a multi-donor activity where the benefits from an explicit understanding outweigh the costs of any negotiation.

Burdens on partners can be reduced by standardising systems and procedures provided that the new procedures are simpler. Where possible, the systems and procedures of partner countries should be used. Progress to date has been greater in practical small-scale efforts, responding to the country context rather than seeking to impose a uniform approach globally.

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Box III-5.

Adopting common procedures: Cambodia and Viet Nam

Cambodia

A series of donor reviews in 2001 led to the establishment of a Memorandum of Understanding and Action Plan between the World Bank, the Cambodian Ministry of Economy and Finance (MEF) and the Asian Development Bank (AsDB). The parties agreed on a way of working jointly on portfolio reviews, and priorities and time-bound actions to improve project implementation and quality. Actions agreed included the use of common standard operating manuals for project implementation and project financial management; the use of a common set of portfolio performance indicators to be monitored regularly; and the timing of regular reviews. This "co-ordinated programme of support" between the MEF, World Bank and AsDB was agreed at a Portfolio Review Meeting in December 2001.

Viet Nam

In 2001, the Government of Vietnam (GoV) issued decrees on the management and utilisation of ODA resources that changed the procedures and regulations governing all stages, from project identification to monitoring and evaluation. They also clarified the responsibilities of the various Vietnamese agencies involved in the ODA process. In support of this GoV initiative, the World Bank, the AsDB and Japan Bank for International Co-operation (JBIC) agreed a joint statement in May 2002 to harmonise areas of procurement, financial management, environmental and resettlement issues. Implementation of this agreement aims to strengthen GoV's aid absorption capacity and streamline the aid implementation process.

Good practices for developing common systems and procedures are set out in below.

• *Consult with partner governments.* Donors with common interests should work together in partner countries to develop common procedures in consultation with partner governments and where the benefits warrant the costs of negotiation. This allows for more active involvement of partner countries and for joint development of country and donor systems rather than the continued development of donor systems as a separate activity. (See Box III-4.) Donors should make explicit agreements with other donors on collaboration, but no more formally than necessary. Common donor procedures should not be pursued where costs of negotiation outweigh benefits of their adoption.

• *Share examples of common procedures.* Donors share country-specific examples of common procedures to enable identification of lessons that can be applied more widely. Such examples can contribute to ongoing review of systems and procedures in international forums, drawing together good practices from countries and regions into approaches and standards that can be applied more widely.

• *Adopt global common procedures only in certain circumstances.* Negotiation of common procedures at a global level is only appropriate where this approach does not undermine the adoption of partner government systems and where the benefits

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of standardisation warrant the costs of negotiation. Harmonisation is likely to be most effective when it is around partner country systems. Initiatives to standardise a particular procedure amongst a group of donors should take account of the potential impact on their ability to respond flexibly to the different circumstances in partner countries. The cost of negotiating standardisation varies between procedures – for some they may be higher than the likely benefits from greater simplification.

Individual donor systems

Donors' internal systems and procedures can be complex and inflexible and work against collaborative, country-owned approaches. There is scope to make these procedures simpler and more flexible while introducing incentives for staff that emphasise working more closely with partners and in a manner that increases partner capacity. A number of good practices can help make this change.

- *Create top level advocates of harmonisation* responsible for promoting harmonisation and partnership at a high level in their organisations, by assigning senior staff to these tasks.

- *Encourage initiatives in partnership and joint working by country offices*, particularly where they enable country office staff to avoid spreading themselves too thinly (geographically or by sector).

- *Decentralise decision-making* to country-based staff thus enhancing the potential for partner country-specific partnership working.

- *Ensure programme managers' awareness of the degree of flexibility*. Donors ensure that programme managers are aware of the flexibility permitted in applying internal procedures.

- *Manage staff to create the right environment for them to behave collaboratively and flexibly*. Donors should manage the turnover of staff in country and regional offices, in terms of the frequency, sequencing and the briefing of new staff, in order to maintain institutional knowledge and continuity in partnerships. Donors should emphasise the interpersonal skills required for effective partnerships in selecting, training and evaluating staff. Donors should remove any inappropriate pressures on staff to demonstrate achievement where this might create a sense of rivalry that inhibits information sharing.

- *Set transparent performance standards*. Donors should set transparent performance standards for themselves in consultation with partners (*e.g.* in turnaround times for disbursements, approvals and meeting deadlines for providing aid information to government aid co-ordinators).

- *Be open to assessments of aid management performance*. Donors should be willing to participate in assessments of performance in aid management in order to create transparent incentives towards good practice.

- *Review procedural requirements regularly* so that programme managers are able to be flexible, and adopt simple procedures, consistent with their legal framework. (See Box III-6.)

- *Review legal framework*. Where legal frameworks are felt to limit joint working by a donor, the potential benefits of joint working should encourage donors to review the legal framework under which they operate.

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Box III-6.

Reviewing the constraints to more flexible working

In 2002, the Canadian International Development Agency (CIDA) established an internal Working Group on Programme-Based Approaches (PBAWG) to consider operational constraints to participation in programme-based approaches, such as contractual, legal and financial considerations. The group examined the adequacy of CIDA's current authorities to engage in budget support and other new programme approaches. The PBAWG:

- Prepared a comparative analysis of other bilateral donors' policies and practices (*e.g.* fiduciary risk assessment, basis and timing of payment, cash flow requirements, etc.).
- Prepared a comparative analysis of multi-donor initiatives where a joint Memorandum of Understanding exists.
- Is identifying characteristics of transfer payments (*e.g.* accounting and reporting requirements) needed for the support of programme approaches).

The group recognised that CIDA would have to modify its internal terms and conditions to allow for payments to be made on the basis of achievement of performance objectives, rather than reimbursement of expenditures and advanced payments, as it did hitherto. In late 2002, CIDA was seeking new financial authorities from the Canadian Treasury Board Secretariat, including an increase to the threshold for advances and a decrease in the frequency of accounting and reporting by a partner government.

• *Ensure coherence between the various agencies of an individual donor.* Where a donor is represented in a partner country by more than one executing agency, it should integrate the operations of each of these agencies into a single coherent strategy or business plan. These agencies should be as flexible as possible within external constraints in adopting common procedures in a specific country where this reduces the burden on the partner country. Roles and responsibilities of each agency should be clear and shared with the partner government and other key stakeholders.

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Part II

DONOR EFFORTS

IV Peer Review: A Tool for Co-operation and Change

The implementation of the Monterrey Consensus will require accountable partnership efforts with peer review approaches among donors playing a decisive role. Peer review creates a catalyst for performance enhancement which can be far-reaching and open-ended. This section of the Report first analyses the peer review concept and mechanisms in place throughout the OECD, and focuses in the second part on the peer review process within the Development Assistance Committee.

1. An OECD working method

This section[1] examines the practice of peer review and the effect of peer pressure in the context of international organisations, particularly the OECD. It outlines the main features of these two concepts and attempts to establish a model based on the different peer review mechanisms used at OECD. The second part of this section provides an analysis of the peer review process in the DAC.

The concept of peer review

Peer review can be described as the systematic examination and assessment of the performance of a State by other States, with the ultimate goal of helping the reviewed State improve its policy making, adopt best practices, and comply with established standards and principles. The examination is conducted on a non-adversarial basis, and it relies heavily on mutual trust among the States involved in the review, as well as their shared confidence in the process. When peer review is undertaken in the framework of an international organisation – as is usually the case – the Secretariat of the organisation also plays an important role in supporting and stimulating the process. With these elements in place, peer review tends to create, through this reciprocal evaluation process, a system of mutual accountability.

An individual country peer review could relate to economics, governance, education, health, environment, energy or other policies and practices. Within one or more of those subject areas, a State may be examined against a wide range of standards and criteria, such as conformity with policy guidelines, or implementation of legally binding principles. Peer review can also be carried out thematically, where several countries are examined at the same time with respect to a particular theme. Peer review with regard to an individual State or carried out thematically is

1. The first part of Section IV is based on excerpts from a study prepared by Fabrizio Pagani of the OECD's Directorate for Legal Affairs. For the complete study, see F. Pagani, *Peer Review. An OECD Tool for Co-operation and Change, Analysis of an OECD Working Method*, Paris, 2003 (also at *www.oecd.org/legal*).

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typically carried out on a regular basis, with each review exercise resulting in a report that assesses accomplishments, spells out shortfalls and makes recommendations.

Other mechanisms for monitoring and ensuring compliance with internationally agreed policies and norms may be distinguished from peer review, as follows:

- *Judicial proceedings*. Unlike judicial proceedings, the final outcome of peer review is not a binding act or a legal judgement by a superior body. In practice, peer review may play some of the role of a dispute settlement mechanism, by encouraging dialogue among States that helps to clarify their positions and interests. However, it is not intended to serve as a procedure for resolving differences and peer review never implies a punitive decision or sanctions.
- *Fact-finding missions*. Independent bodies, such as commissions of experts from international organisations, carry out on-site fact-finding missions exclusively to investigate specific events or to establish facts. Peer review, on the other hand, is not always conducted on-site, and it generally goes beyond fact-finding to include an assessment of the performance of the State. Fact-finding can be a part of the peer review process.
- *Reporting and data collection*. There are several systems in place for periodic reporting by States to independent bodies, who then analyse the submitted reports. By contrast, peer review is characterised by dialogue and interactive investigation, which can comprise the recourse to questionnaires, and it usually involves no formal reporting by the examined State.

A related concept: peer pressure

The effectiveness of peer review relies on the influence and persuasion exercised by the peers during the process. This "peer pressure" usually relies on a combination of formal recommendations and informal dialogue by the peer countries; public scrutiny, comparisons, and, in some cases, even ranking among countries; and the impact of all the above on domestic public opinion, national administrations and policy makers. The impact will be greatest when the outcome of the peer review is made available to the public, as is usually the case at the OECD. Public scrutiny often arises from media involvement.

Peer pressure does not take the form of legally binding acts, as sanctions or other enforcement mechanisms. Instead, it is a means of soft persuasion which can become an important driving force to stimulate the State to change, achieve goals and meet standards.

Peer pressure is particularly effective when it is possible to provide both qualitative and quantitative assessments of performance. The quantitative assessment might take the form of a ranking of countries according to their performance, and the drawing of real scoreboards reflecting such rankings. Another system is the "naming and shaming" technique, which singles out poor performers. However, these methods are appropriate and produce positive results only when the "rules of the game" are clear and the countries accept them. In other cases, this type of approach could risk shifting the exercise from an open debate to a diplomatic quarrel to gain position on the scoreboard.

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Peer review in international organisations

While peer review as a working method is most closely associated with the OECD, several other intergovernmental organisations and international programmes make use of this technique as well.

Within UN bodies and specialised agencies, States use peer review to monitor and assess national policies in various sectors, from environment to investment. The IMF Country Surveillance mechanism also has some aspects in common with peer review.

Peer review has also been developed within the World Trade Organisation (WTO) under the Trade Policy Review Mechanism. The WTO system monitors trade policy and practice in the member States. A designated WTO body then meets to review the policy statements presented by the member under review and a report prepared by the Secretariat. This examination is led by two reviewing countries. The procedure concludes with the Final Remarks of the Chair, which are published together with the policy statement of the country under review, the report of the Secretariat and the minutes of the meeting.

In the European Union framework, peer review is used in several areas. For example, the Directorate General for Employment and Social Affairs of the European Commission has developed peer review for national labour market policies to identify good practices and assess their transferability.

Peer review within the OECD

There is no other international organisation in which the practice of peer review has been so extensively developed as the OECD, where it has been facilitated by the homogeneous membership and the high degree of trust shared among the member countries. The OECD has used this method since its creation and peer review has, over the years, characterised the work of the Organisation in most of its policy areas.

Within the Organisation, peer review is carried out in several substantive areas and there is no standardised peer review mechanism. However, all peer reviews contain the following structural elements, which are described further below:

- A basis for proceeding.
- An agreed set of principles, standards and criteria against which the country performance is to be reviewed.
- Designated actors to carry out the peer review.
- A set of procedures leading to the final result of the peer review.

The basis

Peer review within the OECD may proceed on the following bases:

- *Decision by or request to an* OECD *subsidiary body*. Subsidiary bodies of the Organisation can decide to undertake peer reviews which are within their scope of activities. Subsidiary bodies may also carry out one-time peer review exercises at the request of the country to be reviewed.
- *Council/Ministerial Council*. For far-reaching programmes of review, a decision at Council level is sometimes necessary and, in certain cases, the decision follows

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directly from the Ministerial Council Meeting. The competent subsidiary bodies then implement the programmes. The review on regulatory reform, for instance, which is based on a 1997 Ministerial request and successive Council decisions, is carried out by a number of subsidiary bodies including the Ad Hoc Multidisciplinary Group on Regulatory Reform, the Public Management Committee and its Regulatory Management and Reform Working Party.

• *International norms.* Provisions in treaties or in other legally binding instruments can be the basis for peer review mandates. One of the first systems of mutual review was established by the OECD Codes of Liberalisation of Capital Movements and Current Invisible Operations, which have a binding status on all OECD members. Another example is the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which provides, in its Article 12, that "Parties shall co-operate in carrying out a programme of systematic follow-up to monitor and promote the full implementation of this Convention". This provision has been the basis for the establishment of a rigorous process of multilateral surveillance, including peer review, to foster the effectiveness of the Convention and its related instruments.

The principles, criteria and standards

The performance of the reviewed State can be assessed against principles, criteria and standards which widely differ in character and scope. These may include:

• *Policy recommendations and guidelines.* The assessment of the performance of a country in its implementation of policy recommendations and guidelines is the most common form of peer review. This peer review can also include an examination of the consistency and coherence with respect to the country's own policies. It is carried out in many of the Organisation's activity areas, including economic policy, education, environment, energy, regulatory reform and development assistance.

• *Specific indicators and benchmarks.* Indicators and benchmarks provide specific and often numerical targets to achieve, and they are more susceptible than policy guidelines to being assessed according to quantitative measures. Indicators and benchmarks are used, for instance, in the environmental performance review, and in the regulatory reform and development assistance reviews.

• *Legally-binding principles.* Peer review can also be a mechanism to monitor compliance with international norms. For example, the OECD Committee on Capital Movements and Invisible Transactions assesses, through a peer review mechanism, the performance of each member in the application of the Codes of Liberalisation and examines its reservations or derogation, in order to progressively limit their scope. In the framework of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the Working Group on Bribery assesses the integration of the principles of the Convention into the national legislation of the States, and it also evaluates their implementation and enforcement.This review creates a sophisticated mechanism for monitoring compliance with the Convention, and it is widely regarded as an interesting model for monitoring and improving compliance with other international legal obligations. Finally, peer review can also be conducted to assess a country's compliance with rules contained in its own national legislation or in non-OECD international instruments to which the country has adhered.

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Within the same peer review, the assessment can be conducted against all these different measures. For instance, in the Working Party on Environmental Performance, the environmental performance of the countries is reviewed against objectives set out in policy guidelines – such as the OECD Environmental Strategy for the First Decade of the 21st Century – and it is also reviewed against benchmarks and national and international legislation and regulations.

When a peer review programme reaches a second round of reviews, it is quite common to refer to the conclusions adopted in the previous review of the country. The recommendations and the outstanding issues noted in the earlier report become a very important part of the measures against which to assess the progress of the country, and to highlight trends and fluctuations. This process allows also the creation of a shared knowledge base benefiting all countries via the identification of best practices or policies.

The actors

Peer review is the combination of the activity of several actors: the collective body within which the review is undertaken; the reviewed country; the examiner countries; and the Organisation Secretariat.

• *The collective body.* Peer reviews are undertaken in the framework of the activities of a subsidiary body of the Organisation, such as a Committee or a Working Party. The frequency of the reviews depends on the programme of work of the body, and it can range from the 6-7 year cycle for the Environmental Performance Reviews to the 12-18 month cycle of the Economic and Development Review Committee.

• *The reviewed country.* Usually all countries which are members of the body are subject to the peer review. Certain peer reviews are considered an obligation of membership. Moreover, in some cases, officials of the country may have an interest in peer review, as a means of stimulating reform in their national policies and practices. Participation implies the duty to co-operate with the examiners and the Secretariat by, among other things: making documents and data available, responding to questions and requests for self-assessment, facilitating contacts and hosting on-site visits. The individuals responsible for participating on behalf of the reviewed country could include civil servants from ministries and agencies and at different levels of government. On several occasions, OECD has also reviewed the performances of non-member countries, at their request or with their agreement. On occasion, the reviewed country contributes to the financing of the review.

• *The examiner countries.* Peer review implies by definition that officials in the relevant policy field from other countries (peers) will be involved in the evaluation process. Generally, the choice of examiners is based on a system of rotation among the member States, although the particular knowledge of a country relevant to the review may be taken into account. The role of the examiners is to represent the collective body in the early stages of the process and to provide guidance in the collective debate itself. Hence their task includes the examination of documentation, participation in discussions with the reviewed country and the Secretariat, and a lead speaker role in the debate in the collective body. In some cases, the examiners also participate in missions to the country. While individual examiners generally carry out

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the reviews in their official capacity as representatives of their State, certain reviews require the participation of examiners in their personal capacity. In either case, however, examiners have the duty to be objective and fair, and free from any influence of national interest that would undermine the credibility of the peer review mechanism.

• *The Secretariat*. The Organisation Secretariat has the role of supporting the whole review process by producing documentation and analysis, organising meetings and missions, stimulating discussion, upholding quality standards, and maintaining continuity as the keeper of the historical memory of the process. The independence, transparency, accuracy and the analytical quality of work of the Secretariat are essential to the effectiveness of the peer review process. The intensity of the interaction between the examiners and the Secretariat and the degree of involvement of the examiners vary widely. In certain cases, the Secretariat works very closely with the examiners, and the division of labour between them is not always well defined. However, normally the most labour-intensive part of the work is carried out by the Secretariat, which may also have the most expertise in the substantive area of the review.

The procedures

The procedures of each peer review are outlined in documents adopted by the responsible subsidiary body. The level of procedural detail provided can vary widely, with certain reviews relying more on well-established practice than on formally adopted rules of procedure.

Although each peer review has its own procedure, it is possible to identify a common pattern, consisting of three phases:

• *The preparatory phase*. The first phase of the review often consists of background analysis and of some form of self-evaluation by the country under review. This phase includes work on documentation and data as well as a questionnaire prepared by the Secretariat. The questionnaire, which can be a sophisticated instrument, is sent to the country for responses by the competent authorities or as an agenda for a dialogue in the next phase.

• *The consultation phase*. The examiners and the Secretariat conduct the consultation with a division of responsibility which depends very much on the practice of the body and the topic under review. During this phase, the Secretariat and the examiners maintain close contact with the competent authorities of the reviewed country, and in some cases, they carry out on-site visits. The examiners and the Secretariat are also free to consult with interest groups, civil society and academics. At the end of this phase, the Secretariat prepares a draft of the final report, which usually follows a standardised model comprising an analytical section, where the country performance is examined in detail and individual concerns are expressed, and an evaluation or summary section setting forth the conclusions and recommendations. The Secretariat, in most peer review processes, but not always, shares the report in draft with the examiners and with the reviewed country and may make adjustments it considers justified before the draft is submitted to the members of the body responsible for the review.

• *The assessment phase*. The draft report is discussed in the plenary meeting of the body responsible for the

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review. The examiners lead the discussion, but the whole body is encouraged to participate extensively. Following discussions, and in some cases negotiations, among the members of the body, including the reviewed State, the final report is adopted, or just noted, by the whole body. Generally, approval of the final report is by consensus, unless the procedures of the particular peer review specify otherwise. In some cases, the procedures may call for the final report to state the differences among the participants. In some cases, non-governmental organisations also have the opportunity to influence the discussion by submitting papers and documents. As already mentioned, the final report and particularly its recommendations form an important basis for follow-up monitoring of the performance of the State and, ultimately, for a subsequent peer review. Often, the final report is followed by a press release, which summarises the main issues for the media, and press events or dissemination seminars are organised to publicise the findings of the review.

The functions of peer review

Peer review can be used in a broad range of areas, including those not covered by OECD peer review exercises – for example, human rights and democratic governance. In each of these fields, peer review, directly or indirectly, can serve the following purposes:

• *Policy dialogue*. During the peer review process, countries systematically exchange information, attitudes and views on policy decisions and their application. This dialogue can be the basis for further co-operation, through, for example, the adoption of new policy guidelines, recommendations or even the negotiation of legal undertakings.

• *Transparency*. The reviewed country has the chance, in the course of a peer review, to present and clarify national rules, practices and procedures and explain their rationale. As a result, the Secretariat is usually able to develop documentation and, in certain cases, a database which remains at the disposal of the member countries, and which is often also made available to the public and published on the Organisation website. In the case of the Anti-Bribery Convention, for example, all the country implementation reports adopted at the end of the peer review process are published on the OECD website. The combination of these two levels of enhanced transparency – toward peer countries and toward public opinion – contributes to the effectiveness of the peer review and the related peer pressure.

• *Capacity building*. Peer review is a mutual learning process in which best practices are exchanged. The process can therefore serve as an important capacity building instrument – not only for the country under review, but also for countries participating in the process as examiners, or simply as members of the responsible collective body. For example, certain methodologies commonly used in peer review – such as benchmarking or recourse to quantitative indicators in assessing compliance with policies – are unfamiliar to some officials and even to some public administrations before they participate in the peer review, and the exercise therefore represents an important learning opportunity.

• *Compliance*. An important function of peer review is to monitor and enhance compliance by countries with internationally

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agreed policies, standards, and principles. However, unlike a traditional legal enforcement mechanism, peer review works as a sort of "soft enforcement" system, resulting in non-coercive final reports and recommendations rather than binding coercive acts, such as sanctions. In many contexts, the soft law nature of peer review can prove better suited to encouraging and enhancing compliance than a traditional enforcement mechanism. For example, unlike a legal enforcement body, examiners in a peer review have the flexibility to take into account a country's policy objectives, and to look at its performance in a historical and political context. Peer review can therefore assess and encourage trends toward compliance even among relatively poorly performing countries, while noting negative trends in countries that may presently have a higher performance record. Peer review can also tend to enhance compliance by helping to clarify differences in policy positions among countries, thereby leading to the resolution of those differences.

When can peer review and peer pressure be effective?

The effectiveness of peer review depends on the combination of a number of factors, which may be summarised as follows:

• *Value sharing*. One precondition for an effective peer review is convergence among the participating countries on the standards or criteria against which to evaluate performance. A strong common understanding on these will prevent uncertainty or backtracking during the process.

• *Adequate level of commitment*. Peer review can function properly only if there is an adequate level of commitment by the participating countries in terms of both human and financial resources. Thus, the participating countries must not only place adequate financial means at the disposal of the Secretariat; they must also be fully engaged in the process at different times as examiners, as active members of the collective body, and as subjects of the examination.

• *Mutual trust*. Since peer review is, by its nature, a co-operative, non-adversarial process, mutual trust is an important basis for its success. While the peer review process itself can contribute to confidence building, a large degree of trust and value sharing among the participants should be present from the beginning to facilitate, among other things, the disclosure of data, information and documentation which are essential to the process.

• *Credibility*. The credibility of the peer review process is essential to its effectiveness, and to its added value in comparison with governmental reports or consultants' certifications. There is a strong linkage between the credibility of the process and its capacity to influence. To assure this credibility, the approach that the examiners – with the help of the Secretariat – take in the review must be objective, fair and consistent. In the same way, the Secretariat must guarantee independence, transparency and quality of work. Credibility can be undermined if the process is flawed by such factors as unqualified examiners, bias stemming from national interests, or inadequate standards or criteria against which to undertake the review. However, the main threat to the credibility of the process is the possibility of attempts by the reviewed State to unduly influence the

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final outcome. The involvement of the reviewed State in the process and its ownership of the outcome of the peer review is the best guarantee that it will ultimately endorse the final report and implement its recommendations. However the State's involvement should not go so far as to endanger the fairness and the objectivity of the review. For example, the State under review should not be permitted to veto the adoption of all or part of the final report.

With each of these factors in place, peer review can serve as a stimulus to incremental change and improvement. Through the accompanying effect of peer pressure – including both persuasion by other countries and the stimulus of domestic public opinion – peer review can create a catalyst for performance enhancement which can be far-reaching and open-ended.

2. The peer review process in the Development Assistance Committee[2]

The Development Assistance Committee constitutes the forum where bilateral donors come together to exchange experience and to address issues of common interest or concern. Its overarching objective is the continuous improvement of member efforts in all areas of development assistance, through the exchange of best practices and the promotion of co-ordination and collaboration among members. In this respect, DAC peer reviews are above all a tool for co-operation and change.

In order to promote the process of learning, the DAC periodically (every 3-4 years on average) undertakes reviews and assessments of all member development co-operation systems. This is done with the intent of promoting continually improved development co-operation practices in a complex and rapidly changing environment. Recommendations and suggestions for improvement are followed up to ensure that lessons are translated into improvements in the practices of DAC member development co-operation programmes and policies.

The main objectives of the peer reviews are to:

- Monitor DAC members' development co-operation policies and programmes, and assess their effectiveness, inputs, outputs and results against the goals and policies agreed in the DAC as well as nationally established objectives.
- Assist in improving individual and collective aid performance in both qualitative and quantitative terms.
- Provide comparative reporting and credible analysis for wider publics in OECD countries and the international community.
- Identify best practices, share experience, and foster co-ordination.

Use of peers

The Secretariat, in consultation with the DAC, designates two of its members as examiners for each review. They may be delegates, although it is also common to assign staff from headquarters or field

2. The text which follows describes the peer review process as it has operated in the DAC to date. Following the Client Survey of Peer Reviews (described in the next section of the report), modifications to this process are likely to be made.

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offices. Examiners are an integral part of the review team, together with members of the Secretariat, and the DAC Chairman. They are considered representatives of the DAC as a whole, assigned both to contribute to, and to learn from, the peer review process. In this regard, they are expected to play an active role during all stages of the process: planning; field visits; missions to the capital; contributing to the peer review reports, issues paper for the review meeting and the Chairman's press release. Finally, they lead discussions at the peer review meeting itself.

Timeframe

On average, the whole peer review process takes approximately six months, from the early planning and research stage to the peer review meeting at OECD headquarters. The large number of actors involved throughout the process and the logistical challenges this entails place limits on the extent to which pre-set, estimated timeframes are followed. Due to these constraints, the timeframes outlined in this note for each activity are necessarily only indicative, and there may be modifications on the sequencing or timing of events depending on the circumstances surrounding each review.

The process

For examiners and the reviewed member representatives, the peer review process involves seven distinct stages: *i*) Preparation; *ii*) Visits to the field; *iii*) Mission to the capital; *iv*) Peer review meeting; *v*) Editorial session; *vi*) Publication; *vii*) Follow-up. In addition, there is interaction on a continuous basis between examiners, the reviewed country, and the Secretariat during this period. The standard sequence of events for each peer review is recapitulated in Table IV-1.

Preparation

Once a country is designated for review and the date of the review meeting is set, the relevant authorities are notified. The Secretariat selects the examiners, and a meeting is arranged between the examining team and representatives of the examined country to plan arrangements.

The country under review is requested to submit all relevant documentation to the Secretariat, which should be made available in one of the OECD official languages (French or English). In addition, all DAC members submit a country memorandum on a yearly basis, usually around mid-July. Members are free to submit their annual report in place of the memorandum, provided it follows the format agreed upon by the DAC for the memorandum.

Field visits

Purpose of the field visit. The purpose of the field visit is to gain an understanding of the way in which policies are implemented in the field. These short field missions are not intended to assess, in a comprehensive way, the relevance and effectiveness of the country programme of the reviewed DAC member, nor to evaluate individual projects. Rather than trying to grasp the problems of the country being visited and the ways in which the reviewed member tries to find specific solutions, the review team focuses on generic or system issues that are representative of the reviewed member's development co-operation and which may be applicable elsewhere.

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Table IV-1.

DAC *peer review processes*

Timeframe	6 months	5/4 months	4/3 months	0	1 day
Process	**Preparation**	**Field mission(s)**	**Visit to the capital**	**Peer review meeting**	**Editorial session**
Documentation	*i)* Memorandum	*i)* Questionnaires *ii)* Field Mission Report	*i)* Questionnaire	*i)* Memorandum *ii)* Main Findings *iii)* Main Report *iv)* Field Mission Reports *v)* Press Release	*i)* Main Findings *ii)* Press Release *iii)* Main Report
DAC Chairman's role				Chair of peer review meeting Responsible for press release process	
Secretariat's role	Select examiners Meet with examiners	Draft questionnaires Lead field mission Draft field mission reports	Draft questionnaires Lead mission to capital	Support examiners	Review and consider proposed amendments
Examiners' role		Review, comment, draft questionnaire and field mission reports Participate in mission	Review and comment on questionnaires Participate in mission	Lead discussions based on Main Findings and Recommendations	Review and consider proposed amendments
Examined members' role	Submit relevant documentation	Select location for field visit Prepare agenda Organise meetings with relevant parties		Respond to issues/ questions raised by examiners and other DAC members	Present factual information for amendments/ additions to Main Findings and Main Report

Notes on timing of documentation:

i) **Memorandum:** Submitted yearly by all DAC members, around mid-July.
ii) **Questionnaires** (for both field visit and visit to capital): Sent to relevant interlocutors approximately 4 to 8 weeks before visits.
iii) **Field Mission Reports:** Drafted approximately 6-8 weeks after field visit.
iv) **Main Report** (including Main Findings and Recommendations): Submitted on Olis approximately 3-4 weeks before the peer review meeting.
v) **Press Release:** Released on the day of the review or the following day on the responsibility of the DAC Chairman.

Frequency. There are now normally one or two field visits for each review, often comprising two members of the Secretariat and one or more examiners. At least one field visit is typically scheduled before the mission to headquarters so as to give examiners the opportunity to use findings and observations from the field visits as inputs in the mission to the capital.

Timeframe. Usually taking approximately a week, the field visit schedule includes meetings with a wide range of local actors, including partner government officials, beneficiaries, civil society representatives and other major donors to that country. Often, a report of the field visit, with its findings, is prepared by one or more of the review team members and is generally circulated separately, or is included as an annex to the published peer review report. In the case where two field missions occur, they are usually conducted in different regions and are structured so as to reflect the overall content of the aid programme under examination.

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Sequence of events

• *Country selection and funding*. In consultation with the Secretariat, the reviewed member selects the country to be visited for the review, taking into consideration the extent to which the chosen country is representative of their overall development co-operation programme as well as other relevant issues. The reviewed member provides funding for the field visit.

• *Documentation*. Once a country is selected for the field visit, the reviewed member is requested to provide examiners and the Secretariat with relevant information about their co-operation programmes in that country, such as country strategies, country agreements, regular reports, evaluation reports, financial report summaries, etc. The country under review attempts to ensure that all relevant documentation is translated into either English or French.

• *Questionnaire*. A questionnaire is sent to the reviewed country approximately one month in advance of the visit, and provides the reviewed member with the issues of priority for the field visit. The questionnaire is drafted by the Secretariat. It is then circulated to examiners involved to allow for comments and inputs to be made before it is sent on to the reviewed member. A formal letter is sent to the reviewed country's representative along with the questionnaire, briefly explaining the process and requesting meetings with various relevant actors in the field, such as staff in the field, beneficiaries, local staff, civil society representatives, etc.

• *Agenda*. The questionnaire functions as a guideline for areas of priority and interest to the review team and consequently determines the general schedule of events and arrangements made by the reviewed member in the field. A draft agenda/programme should be shared with the review team well in advance of the scheduled visit, in order to allow for inputs from the Secretariat and examiners and for possible adjustments to the agenda.

• *Field visit*. The reviewed member's field office is responsible for organising practical arrangements during the field visit, including scheduling meetings with all relevant actors, visits to project sites, hotel reservations, transportation, etc.

Participation and co-ordination. In preparation for the field visit, the review team may hold a preparatory meeting, where the role of each member is discussed. The specific roles and level of involvement of examiners during field missions will be decided on an *ad hoc* basis in collaboration with the Secretariat, based on a variety of considerations such as expertise in specific areas, time constraints, etc. Examiners may be asked to cover a specific theme/area, and be assigned corresponding questions. At the end of the field visit, findings are discussed among the review team. Examiners play an important role in this process and their active input is encouraged. Preliminary findings are also shared with the reviewed member and provide an opportunity for discussion on both the positive aspects as well as challenges in the programme. Such interaction and open sharing of findings is an integral part of the peer review process and constitutes an important part of the dynamic learning element of the exercise.

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Visit to the capital of the member under review

Purpose of the mission to the capital. The visit to the capital constitutes the main fact-finding mission of the review team. The mission to the capital seeks to cover all relevant areas of the reviewed member's programme, and involves interviews/meetings with a wide range of functional units within the aid ministry/agency. Meetings with parliamentarians are also usual, as are sessions with NGO umbrella groups. Academics and research initiatives sometimes provide invaluable information and critiques.

There is usually one mission to the capital, but two missions may be required in some cases. Normally led by the Director or Deputy Director, the missions usually include 2-3 other Secretariat staff and 1-2 representatives from each examiner, and last 4-5 days. Opening and closing sessions are commonly held with the head of agency and there is usually a meeting with the Development Co-operation or Foreign Affairs Minister.

Sequence of events

• *Documentation.* As with the field visits, all relevant documentation should be provided in advance of the mission, in English or French.

• *Questionnaire.* The mission to the capital is prepared on the basis of a series of questions sent by the Secretariat to the capital. The questionnaire for the visit to the capital is drafted by the Secretariat. Examiners are consulted and given the opportunity to provide inputs before it is sent out.

• *Agenda.* The questionnaire provides an indication of areas and issues of priority to the review team, and should be used as a guide to planning the agenda for the visit. The agenda/programme for the visit to the capital should be shared with the review team in sufficient time to allow for inputs and possible adjustments.

• *Preparatory meetings.* In preparation for the mission to the capital, Secretariat staff and examiners may meet to discuss general issues of concern and the organisation of the mission, and if necessary, assign specific roles for each member of the review team.

• *Capital visit.* The reviewed member's headquarters is responsible for all practical arrangements during the visit to the capital, including scheduling meetings with the relevant actors, hotel reservations, transportation, etc.

Participation and co-ordination. At the end of the visit to the capital, preliminary findings are discussed among the review team and presented to the reviewed member's representatives at a closing "wrap-up" session, providing an opportunity for discussion and input from the DAC member being reviewed.

The peer review meeting in Paris

Overview. The review process culminates in the peer review meeting at OECD headquarters in Paris, where the review team's findings are presented and the DAC prepares recommendations to the member under review. The meeting lasts one day, with an editorial session taking place in the morning of the following day. Written questions for the reviewed member are included in the draft Main Findings and Recommendations and DAC Delegates are given an opportunity to raise other questions during the review meeting. The draft Secretariat report, the reports on the field

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visits and the draft press release are also discussed.

Preparation. The Secretariat holds a preparatory meeting with examiners and the DAC Chairman shortly before the review, often the day before. The purpose of this meeting is to address general practical questions in connection with the review meeting, and each examiner is assigned a set of questions to introduce.

The DAC *Chairman*. The DAC Chairman leads the peer review meeting.

Examiners. The examiners are responsible for presenting the questions and issues outlined in the Main Findings and Recommendations to the reviewed member. The examiners must be committed to preparing for the review by closely studying the documentation and organising input from their capitals and field offices, as the basis for active participation in the several rounds of questions and responses.

Secretariat. The Secretariat is part of the review team, and provides support to the examiners in charge of presenting the questions to the reviewed member.

Reviewed member. The delegation of the reviewed member is normally led at the head or deputy head of ministry/agency level, with other relevant staff present, including their DAC delegate. The reviewed member informs the Secretariat and the examiners of its representatives for the review before the meeting. Traditionally, the reviewed member hosts a lunch with the DAC Chairman, examiners and the Secretariat on the day of the review where the press release is discussed.

Drafting. The Secretariat is responsible for drafting the peer review report (with its two sections), the field visit report(s), the Main Findings and Recommendations and the DAC Chairman's press release. In some cases, examiners have written the field report, and examiners regularly contribute comments on specific issues in the form of boxes in the reports. Examiners also provide substantial inputs during the development of the Main Findings and Recommendations, which outlines the issues to be presented to the reviewed member at the meeting. Ideally, examiners take a leading role during preparations of the Main Findings and Recommendations.

Before being made available on the OECD On Line Information Service (3-4 weeks ahead of the peer review meeting), a preliminary draft of the Secretariat report is circulated, first to examiners (1 week), then to the capital of the reviewed member for factual checking (1 week), and to the Head of the Peer Review Division and the Director of the Development Co-operation Directorate for final approval.

Editorial session

After the peer review meeting, an editorial session is held, usually the following morning, in order to incorporate any comments from the DAC meeting into the Main Findings and Recommendations. Necessary consequential corrections to the Secretariat report are also made. The editorial session is attended by the examiners, the reviewed member representatives, and the Secretariat.

The editorial session is not an opportunity to negotiate the text with the Secretariat and the examiners. Changes in any of the documents should be kept to factual issues. Any other suggested changes will be considered but not necessarily adopted. For purposes of transparency, any change in language or disagreement

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with conclusions or recommendations suggested by the examiners should be raised in the peer review meeting itself in order to ensure that only issues that seem legitimate to other members will be considered.

Publication

The final report is issued as part of the DAC Journal and can be published separately (pre-print). The DAC Journal is released every three months. Pre-prints are produced on order.

Follow-up

Following the review meeting in Paris, perhaps six to eighteen months after, the DAC Chairman, occasionally accompanied by representatives of the Secretariat, may pay a visit to the capital of the reviewed member. The purpose of this follow-up visit is to discuss adoption of the recommendations made at the time of the peer review meeting. The reviewed member hosts the visit, and presents relevant information on follow-up activities taken, or planned, as a consequence of the peer review.

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At the Conference on Financing for International Development, held in Monterrey in March 2002, DAC members committed to increasing their ODA in order to achieve the Millennium Development Goals and eradicate poverty. Since the conference, a number of DAC members have made further announcements of increases to their development co-operation budgets. If these announcements are realised, the DAC total ODA/GNI ratio is estimated to rise from 0.22% in 2001 to 0.26% in 2006. On the policy coherence front, following the 2001 Recommendation to untie ODA to the least developed countries, DAC members, without exception, have taken action to implement its provisions. Their efforts to implement the Recommendation and to enhance policy coherence are also presented in this section.

1. ODA trends in 2001

Net official development assistance (ODA) from DAC members in 2001 was USD 52.3 billion, up just 0.5% from 2000 in real terms and stable at 0.22% as a proportion of DAC members' combined gross national income (see Table V-1 and Chart V-1). The decrease in current dollar terms from USD 53.7 billion in 2000 results from falls in the exchange rates of some currencies against the United States dollar.

Increases from the United States and most EU member States compensated for a decline in Japan's ODA. The United States increased its ODA to USD 11.4 billion and became the world's largest aid donor for the first time since 1992, when it was overtaken by Japan's ODA boom. Its overall aid effort improved from 0.10 to 0.11% of GNI. The next largest donors in 2001 were Japan (USD 9.8 billion), and then Germany, the United Kingdom, France and the Netherlands within an EU total of USD 26 billion.

Denmark, Luxembourg, the Netherlands, Norway and Sweden continued to be the only countries to meet the United Nations target for ODA of 0.7% of gross national income.

Other notable features in 2001 included:

- Fifteen of the twenty-two DAC member countries reported a rise in ODA in real terms, including eleven EU member states. Spain, Austria and Ireland showed the most significant increases in real terms.

- The United States' increase in 2001 was due mainly to two factors. First, a USD 600 million disbursement to Pakistan for economic support in the aftermath of 11 September. Second, an additional USD 500 million from improved coverage of food aid compared to previous years' reporting.

- Japan's ODA fell by USD 3.7 billion, 17% in real terms. A key factor accounting for this was a 12.7% depreciation of the yen, from 108 yen to the dollar in 2000 to 122 in 2001. Other factors included the timing of Japan's disbursements to multilateral organisations and loan repayments from Asian countries that have recovered from the Asian financial crisis.

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Table V-1.

Net official development assistance from DAC members in 2000 and 2001

	2001		2000		Per cent change 2000 to 2001 in real terms[1]
	ODA (USD million current)	ODA/GNI (%)	ODA (USD million current)	ODA/GNI (%)	
Australia	873	0.25	987	0.27	–4.0
Austria	533	0.29	423	0.23	27.3
Belgium	867	0.37	820	0.36	6.9
Canada	1 533	0.22	1 744	0.25	–9.4
Denmark	1 634	1.03	1 664	1.06	–1.6
Finland	389	0.32	371	0.31	5.7
France	4 198	0.32	4 105	0.32	3.6
Germany	4 990	0.27	5 030	0.27	0.8
Greece	202	0.17	226	0.20	–10.0
Ireland	287	0.33	235	0.30	20.4
Italy	1 627	0.15	1 376	0.13	18.6
Japan	9 847	0.23	13 508	0.28	–16.6
Luxembourg	141	0.82	123	0.71	16.1
Netherlands	3 172	0.82	3 135	0.84	–0.5
New Zealand	112	0.25	113	0.25	1.6
Norway	1 346	0.83	1 264	0.80	6.8
Portugal	268	0.25	271	0.26	–2.5
Spain	1 737	0.30	1 195	0.22	43.9
Sweden	1 666	0.81	1 799	0.80	2.4
Switzerland	908	0.34	890	0.34	0.1
United Kingdom	4 579	0.32	4 501	0.32	4.4
United States	11 429	0.11	9 955	0.10	12.4
TOTAL DAC	**52 336**	**0.22**	**53 734**	**0.22**	**0.5**
Average country effort		0.40		0.39	
Memo items:					
1. EC	5 961		4 912		22.1
2. EU countries combined	26 290	0.33	25 273	0.32	5.5
3. G7 countries	38 202	0.18	40 219	0.19	–1.3
4. Non-G7 countries	14 134	0.47	13 515	0.45	6.0

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

DAC member countries account for at least 95% of world-wide ODA. ODA from non-DAC donors rose slightly again in 2001 to USD 1.18 billion, regaining – in current dollars – its 1997 level. Increases by Arab countries and all non-DAC OECD members except Turkey (whose ODA fell in current dollars due to devaluation), offset a halving – in current dollars – of Israel's ODA.

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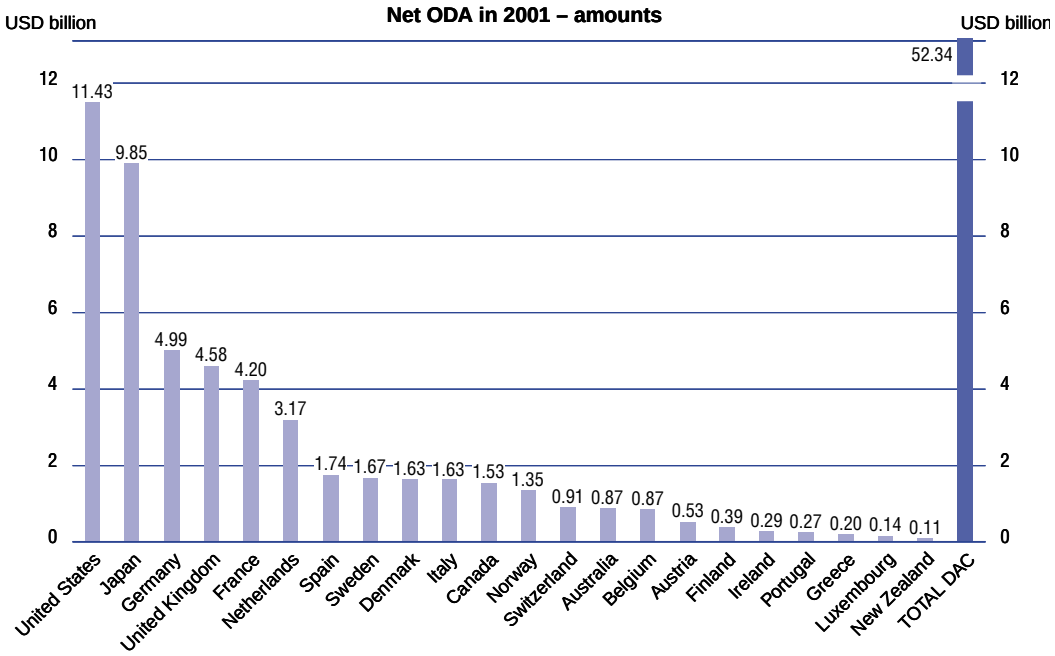
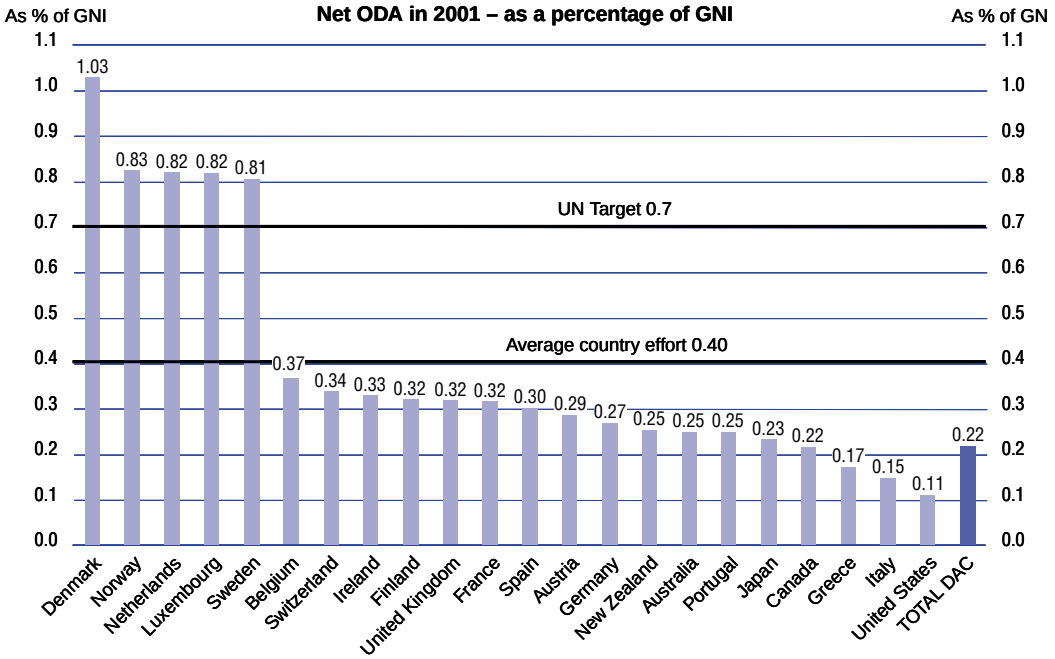
Chart V-1. **Net ODA from DAC countries in 2001**





Source: OECD.

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2. ODA outlook after Monterrey

At the Conference on Financing for International Development, held in Monterrey in March 2002, DAC members committed to increasing their ODA in order to achieve the Millennium Development Goals (MDGs) and eradicate poverty. Since the conference, a number of DAC members have made further announcements of increases to their development co-operation budgets. If these announcements, which are subject to budget approval processes, are fully realised, the DAC total ODA/GNI ratio is estimated to rise to 0.26% in 2006, with some extra USD 15 billion of ODA compared to 2001 (at 2001 prices and exchange rates).

The major announcements were:

- At the European Union Council Meeting in Barcelona, and reaffirmed by the EC President at Monterrey, EU members committed to increase their collective ODA to 0.39% of GNI by 2006 as a step towards reaching the 0.7% target. Within this, all members would strive to attain at least 0.33% by 2006, with other members above that level maintaining or improving their levels of aid. Some EU members have made announcements to this effect as detailed later in this chapter.

- At Monterrey, the United States reiterated its intention to raise its core development assistance by USD 5 billion annually (almost a 50% increase) by 2006. These new funds will go into a Millennium Challenge Account (Box II-1 of the Report provides further details on the MCA), devoted to projects in nations that govern justly, invest in their people and encourage economic freedom. Subject to Congressional approval, the proposed increase for the MCA will begin in 2004 and reach full effect by 2006.

- Other DAC members have made statements prior or subsequent to Monterrey. These include Canada to double its aid by 2010, Norway to increase to 1% by 2005, and Switzerland to increase to 0.4% by 2010. On the other hand, Japan has announced reductions in its ODA budget in fiscal years 2002 and 2003 as part of necessary fiscal consolidation.

3. Untying ODA to the least developed countries

The DAC Recommendation on Untying Official Development Assistance to the Least Developed Countries[1] entered into force on 1 January 2002. The large majority of DAC members have untied all categories of LDC ODA covered by the Recommendation.[2] Furthermore, DAC members, without exception, have taken action to implement the operational provisions of Recommendation in areas such as its coverage, effort sharing and transparency.

A number of members (Finland, France, Germany, Ireland, the Netherlands, Norway, Switzerland, and the United Kingdom) have also untied ODA beyond the requirements of the Recommendation (*e.g.* commitments below the thresholds, free-standing and

1. The Technical Notes provide a list of countries classified as least developed (see the DAC List of Aid Recipients).
2. The following categories of ODA to the LDCs are covered in the Recommendation: balance of payments and structural adjustment support; debt forgiveness; sector and multi-sector programmes assistance; investment project aid; import and commodity support; commercial services contracts, and ODA to NGOs for procurement-related activities.

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investment related technical co-operation, food aid and/or ODA beyond the LDC group of countries).

In a few cases (Belgium, Canada and Denmark), full implementation of the coverage provisions is awaiting the final conclusion of the co-ordination process among the various implementing agencies. At the adoption of the Recommendation, the European Commission indicated, *inter alia*, that "it will implement the spirit and the objectives of the DAC Recommendation, while complying with the policies and procedures defined at the Community level and in the partnership agreements". In November 2002, the Commission submitted to the European Council and to the European Parliament a Communication[3] proposing the full untying of Community aid, subject to the agreement of the recipient country and reciprocity with other donors.

A second annual progress report dealing with all aspects of implementation of the Recommendation will be presented to the DAC High Level Meeting in April 2003.

Ex ante notification

The Recommendation sets out procedures for transparency and monitoring compliance. E*x ante* notifications of untied aid offers on a public Bulletin Board[4] are a central element of these provisions.

Effort sharing

Promoting a reasonable balance of effort among members in implementing the untying initiative is an integral part of the Recommendation. The issue of effort sharing arises from the interplay of two factors – the coverage of the Recommendation (not all ODA categories are covered) and variations in volume, structure and geographical orientations of DAC members' aid programmes (*e.g.* differences in the share of a donor's ODA allocated to the LDC group of countries). The result of this, coupled with the degree of untying prior to the Recommendation, means that some DAC members have more to do than others in implementing the Recommendation.

The effort-sharing provisions of the Recommendation thus cover both the untying effort and broader dimensions of the aid effort (*e.g.* ODA volume, ODA/GNI ratios). These provisions are being addressed, in the first instance, through setting out members' pre-Recommendation positions on these indicators in a "Reference Indicators Matrix". This will provide the basis for identifying and assessing possible supplementary actions by DAC members to promote greater effort sharing. Such efforts are being reviewed through the regular DAC peer reviews of members' development co-operation policies.

Food aid

Food aid is neither formally included nor excluded from the coverage of the Recommendation, but it is covered by its broader provisions which invite members to consider the possibilities of untying categories of ODA not formally included in its coverage. In order to further explore the issues related to untying food aid and the linkages with discussions in other relevant forums, analytical work will be undertaken on the developmental

3. Commission Communication "Untying: Enhancing the effectiveness of aid" (COM/2002/0639).
4. See *http://webdomino1.oecd.org/dcd/UntiedCWS.nsf*

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quality of food aid and the effects of tying/untying.

Technical co-operation

Free-standing technical co-operation is excluded from the coverage of the Recommendation, as members wished to maintain a degree of national involvement (via technical co-operation activities) in their development co-operation programmes. The coverage of technical co-operation related to follow-on investment projects (investment-related technical co-operation – IRTC) is optional. An issue with IRTC is whether this form of technical co-operation influences the outcome of the bidding process for untied follow-on capital investment projects. The recent agreement among the Participants[5] on the similar issue of linkage between consultancy services and follow-on investment projects offers guidance to DAC members on the types of IRTC of relevance to the implementation of the Recommendation.

Procurement

Promoting partner country responsibility for conducting aid-related procurement is an important objective of the Recommendation, as its benefits will be greater when aid procurement is owned and run by developing countries.

The principles and broad directions of a programme of work to achieve this objective have been agreed by the DAC and also received the active support of the World Bank, the Regional Development Banks and the WTO. A joint DAC-World Bank programme of work has been defined to address ways and means to mainstream procurement as a strategic aid management function, identify and meet capacity building needs to professionalise procurement systems around which donors can harmonise their procurement procedures. This work is founded on ownership and partnership principles, and thus involves a wide group of stakeholders (developing countries, multilateral donors, the private sector and civil society). The programme was launched on 22 January 2003 at a joint DAC-World Bank Roundtable involving all stakeholders. The Roundtable addressed four major themes which are crucial for building sound procurement systems in developing countries: mainstreaming, capacity building, benchmarking/standards and monitoring. The different themes will be pursued at two levels: strategic notes setting out main principles, instruments and modalities, and specific initiatives between donors and partner countries on these themes to provide field-tested lessons of experience.

4. Notes on individual DAC members

Notes on DAC members are presented in alphabetical order and include a box on those members reviewed in 2002 (Greece, Spain, the European Community, the United States and Canada.). The data on overall ODA refer to 2001, but data on aid distribution use the average from 2000-2001 for gross ODA. Box V-1 on the Client Survey Study of Peer Reviews, carried out in mid-2002, outlines how peer reviews are now responding to members' needs in a systematic and client-focused way.

5. Participants to the Arrangement of Officially Supported Export Credits have developed a set of disciplines aimed at eliminating trade distortions though aid financing.

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Box V-1.

Client Survey Study of DAC Peer Reviews

Background

The proposal for a client survey was welcomed by the DAC Senior Level Meeting in December 2001. The overarching goal of the client survey study was to help make peer reviews more relevant to members' needs. The specific purpose of the survey was to investigate members' views on the strengths, weaknesses and challenges of the peer reviews in a systematic and client-focused way. An Informal sub-group on peer reviews of the Working Party on Aid Evaluation* selected an independent consultant to conduct the study. Following consultations with almost all DAC Delegates and the Secretariat, the consultant developed a detailed questionnaire on the basis of which in-depth interviews were conducted with key persons in 21 member capitals (out of 23) involved in peer reviews.

The client study outlines the views, assessments, and suggestions synthesised in the report and reflects members' views and needs rather than the judgements of an external observer whose opinions members may or may not share. The survey was not a formal evaluation of the peer reviews according to standard evaluation criteria but a methodologically sound survey of members' views and needs as the main stakeholders.

Peer reviews constitute a comprehensive review of members' aid policies and practices on the basis of standards commonly agreed by DAC members and involving other members as peer examiners. (See also Section IV of the Report.) The survey showed that members see a clear need for the peer reviews which have an impact on their aid policies and practices. But improvements are needed in a number of areas. The ones most frequently highlighted in the survey refer to:

- *Experience-sharing and collective learning.* The majority of members interviewed stressed the need for greater and more systematic efforts to synthesise and document lessons learnt and good practices.
- *Methodology.* Although the standards applied in peer reviews are regarded as appropriate the majority of members, they appear to be insufficient in two respects. First, the standards need to be more outcome-oriented, and second, they need to be made clearer, with more measurable indicators, benchmarks and checklists.
- *Thematic coverage.* While most members were satisfied with both the coverage of the last review of their country and the current "menu" of main issues of the reviews, they would like more weight to be given to issues such as policy coherence, implementation (as opposed to stated policies), sector approaches and aid outcomes.

A number of suggestions were also made regarding improvements to peer review process, including a common format for field visits, intensifying follow-up (at mid-term between reviews) and developing more specific recommendations (see Table IV-1).

Follow-up

Last, but not least, as with any development co-operation activity, the impact of peer reviews depends not only on the inputs made (*i.e.* the quality of the reviews in terms of methodology, thematic coverage, specific recommendations, etc.), but also, and ultimately in a decisive way, on the use made of them by DAC members. The survey has shown that members use the reviews in different ways, ranging from limited use to intensive and visible use as a tool in domestic discussions on the aid programme.

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Box V-1.

Client Survey Study of DAC Peer Reviews *(cont.)*

The 2002 DAC Senior Level Meeting in December 2002 gave broad endorsement to the Client Survey findings and to follow-up by the DAC.

During 2003 a number of changes are planned with respect to peer reviews, most notably the introduction of regular methodology discussions in the DAC covering both substantive and process aspects of peer reviews. These discussions should take place semi-annually and draw on inputs from the Secretariat and DAC members themselves.

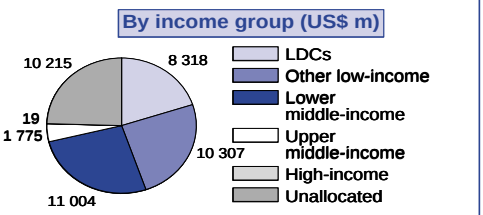
* Following the request by the DAC for closer collaboration on peer reviews and evaluation, an informal subgroup on peer reviews of volunteer members of the Working Party on Aid Evaluation was created. The core group consisted of Germany, Denmark, France, the Netherlands, Norway, Sweden, the United Kingdom, and the Secretariat. WP-EV members from Canada, Italy, Japan and the United States also participated in some of the meetings.

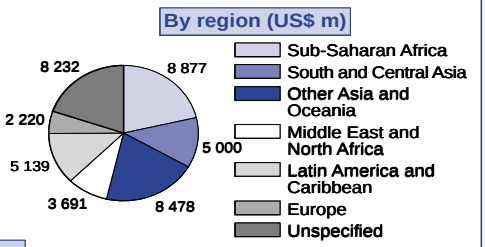
TOTAL DAC COUNTRIES

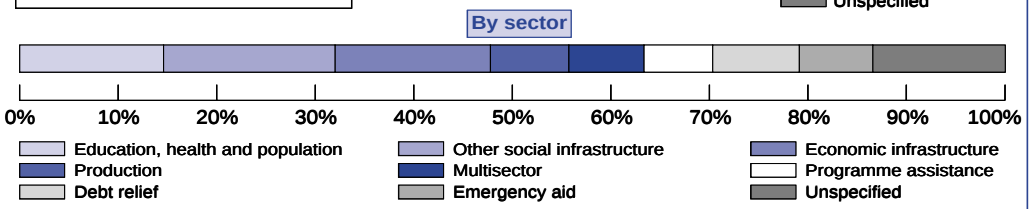
Gross bilateral ODA, 2000-2001 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	53 734	52 336	–2.6%
Constant (2000 US$ m)	53 734	54 000	0.5%
ODA/GNI	0.22%	0.22%	
Bilateral share	67%	67%	
Net Official Aid (OA)			
Current (US$ m)	6 853	5 574	–18.7%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 China	1 782
2 Indonesia	1 750
3 India	1 442
4 Egypt	1 379
5 Russia (OA)	1 172
6 Viet Nam	1 057
7 Thailand	1 003
8 Philippines	940
9 Tanzania	878
10 Pakistan	859







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AUSTRALIA

Australian ODA disbursements in 2001 totalled USD 873 million. This represented 0.25% of Australia's GNI, as compared to 0.27% in 2000, due to the strong growth of the economy. In 2002, Australia developed a new policy framework, *Australian Aid: Investing in Growth, Stability and Prosperity*, which reaffirms poverty reduction as the central integrating factor of Australia's aid programme.

Partnership approaches. Australia's bilateral aid is guided by strategies developed with partner countries that are consistent with their broader development plans. To heighten responsiveness to changing local circumstances and promote stronger dialogue and interaction with partners, Australia has begun devolving activity and contract management to offices in partner countries. Australia also works towards strengthening donor co-ordination and engages on a regular basis with civil society and private sector groups.

Poverty reduction policies. AusAID, the Australian aid agency, conducts poverty analyses as a critical element of the country programme strategies which guide Australia's bilateral aid programming decisions. Australia places special emphasis on good governance as the basis for successful poverty reduction and development.

Policy coherence. Given the security and other transboundary challenges facing its region, Australia considers strong coherence between its aid, foreign and trade policies to be essential. Australia supports further trade liberalisation in areas of particular interest to developing countries, especially agriculture.

Performance measurement. Australia has committed significant resources to enhance performance measurement and the feedback of lessons learnt. As well as improving the gathering and analysis of activity-level information, AusAID continues to strengthen the focus of programmes and its ability to assess achievements. A new "Knowledge Warehouse" has been launched that aims to give staff better access to key lessons and policy documents. AusAID's overall Performance Information Framework is being revised to improve the gathering and reporting of information, for both internal management and external stakeholders.

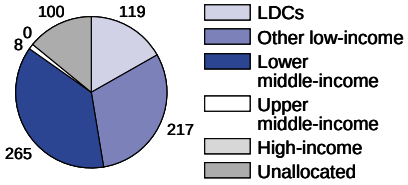
AUSTRALIA

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

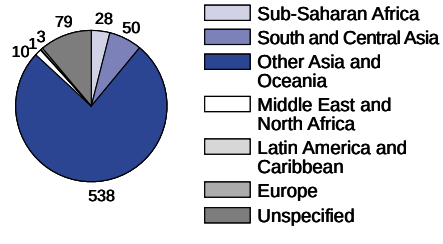
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	987	873	–11.6%
Constant (2000 US$ m)	987	948	–4.0%
In Australian Dollars (million)	1 704	1 689	–0.9%
ODA/GNI	0.27%	0.25%	
Bilateral share	77%	76%	
Net Official Aid (OA)			
Current (US$ m)	8	5	–35.7%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Papua New Guinea	178
2 Indonesia	66
3 East Timor	60
4 Viet Nam	37
5 Philippines	34
6 China	29
7 Cambodia	21
8 Bangladesh	18
9 Solomon Islands	16
10 Thailand	13

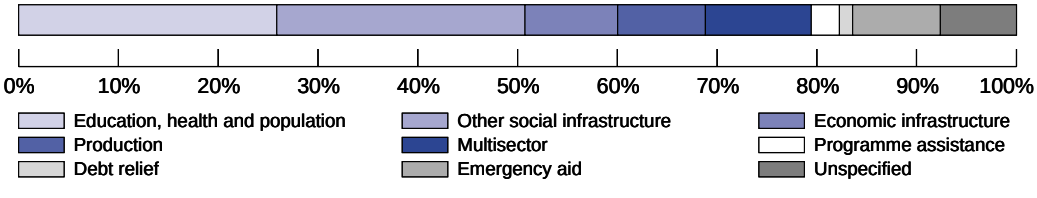
By income group (US$ m)



By region (US$ m)



By sector



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AUSTRIA

In 2001, Austria's ODA increased 27% in real terms from 2000 and reached USD 533 million. Its ODA/GNI ratio also rose to 0.29%, ranking thirteenth of all DAC countries, compared to eighteenth in 2000.

Partnership approaches. Austria's direct co-operation with partner country governments has been rising. It supports decentralisation processes and engages in sector policies and priorities. Funding for NGOs has declined.

Poverty reduction policies. Austria accords priority to selecting the poorest countries, especially needy regions and disadvantaged target groups. Austria considers that economic growth alone is insufficient to raise the living standards of the poor, and that equitable income distribution is needed. Therefore, Austria carries out targeted actions designed to reach the poor directly.

Policy coherence. Austria is yet to officially endorse the need for coherence between non-aid policies that affect developing countries and development policy. However, regarding synergies within development co-operation, a new law was established incorporating goals and principles for development co-operation as a guideline for all federal administrative bodies. The law aims at an overall, coherent Austrian development policy, with the Federal Ministry for Foreign Affairs being responsible for co-ordination.

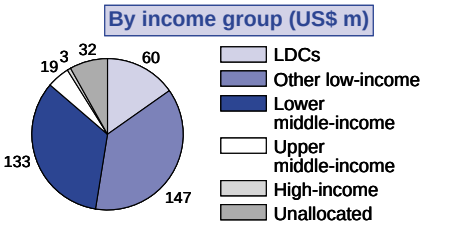
Performance measurement. Austria is committed to the Millennium Development Goals; incorporating them into its entire aid programme and collaborating with other bilateral and multilateral donors to realise them remain challenges. Austria's evaluation system could be substantially augmented in terms of financing, human resources, and management.

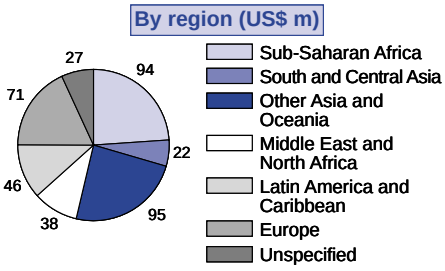
AUSTRIA

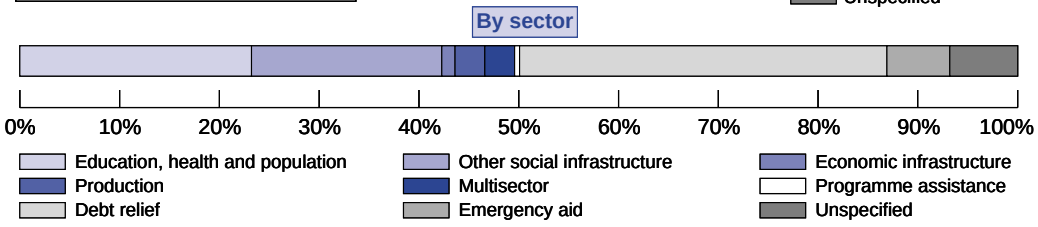
Gross bilateral ODA, 2000-2001 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	423	533	25.9%
Constant (2000 US$ m)	423	539	27.3%
In Euro (million)	459	595	29.6%
ODA/GNI	0.23%	0.29%	
Bilateral share	61%	64%	
Net Official Aid (OA)			
Current (US$ m)	187	212	13.2%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Poland (OA)	122
2 Indonesia	58
3 Cameroon	31
4 Bolivia	30
5 F.R. of Yugoslavia	25
6 Egypt	24
7 China	21
8 Bosnia and Herzegovina	18
9 Turkey	12
10 Ghana	10







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BELGIUM

In 2001, Belgian aid increased to USD 867 million, equivalent to 0.37% of GNI. This represented a slight rise compared to 2000 (0.36%). Of funds allocated geographically, three-quarters are allocated to the least developed and low-income countries, and 60% to sub-Saharan Africa.

Partnership approaches. Belgium encourages empowerment, or capacity building for the poorest, to promote their inclusion into democratic structures. This requires a focus on the participation of the beneficiaries in the design and implementation of development programmes, which also ensures coherence between the policies of the country and the donor, with each donor accepting the need to reduce its own visibility in the partnership.

Poverty reduction policies. Belgium sees combating poverty as central in its efforts to work towards sustainable development. Poverty is viewed as an unfair balance of power and rights, and thus poverty reduction as a question of redistribution of power, with Belgium placing a special emphasis on conflict regions.

Policy coherence. Belgium recently reactivated an inter-ministerial working party aimed at promoting synergy between the federal ministries responsible for formulating policy affecting developing countries. A major challenge lies ahead in the proposed devolution to the regions of responsibility for bilateral aid, which could result in a greater dispersal of ODA and a lack of overall political coherence.

Performance measurement. A framework is being developed that will integrate an internal evaluation phase into all of Belgium's development co-operation activities, and an external assessor was recently appointed to perform independent evaluations.

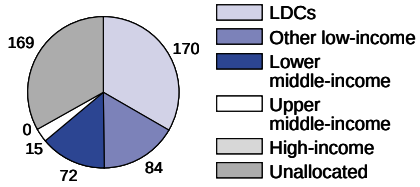
BELGIUM

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

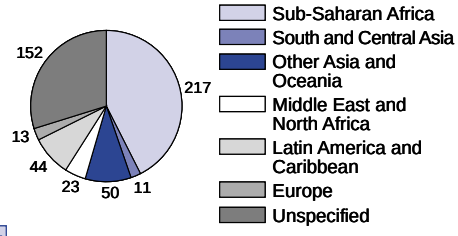
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	820	867	5.8%
Constant (2000 US$ m)	820	876	6.9%
In Euro (million)	889	968	8.9%
ODA/GNI	0.36%	0.37%	
Bilateral share	58%	58%	
Net Official Aid (OA)			
Current (US$ m)	74	88	19.1%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Congo, Dem. Rep.	35
2 Viet Nam	24
3 Cameroon	21
4 Rwanda	14
5 Tanzania	13
6 Niger	12
7 Ethiopia	11
8 Bolivia	9
9 Burkina Faso	9
10 Côte d'Ivoire	9

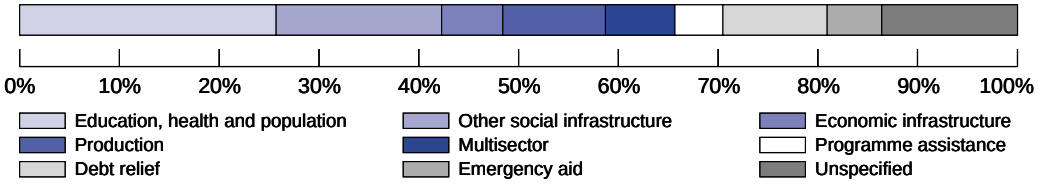
By income group (US$ m)



By region (US$ m)



By sector



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CANADA

In 2001, Canada's ODA declined in real terms by 9.4% (to USD 1.5 billion), while the ODA/GNI ratio slipped from 0.25% to 0.22%, after a decade that saw aid volumes decrease by nearly 30%. In early 2002 a commitment was made to double ODA by 2010. Of ODA that is geographically allocated, two-thirds goes to least developed and low-income countries.

Partnership approaches. The Canadian International Development Agency (CIDA) contributes to international efforts assisting developing countries with their poverty reduction strategies, and has other features such as a Partnership Branch, with the mandate of establishing mutually beneficial co-operation between organisations in Canada and their counterparts in developing countries.

Poverty reduction policies. Canada considers poverty reduction as one of the central goals for supporting sustainable development. CIDA allocates a large portion of its ODA to basic social needs, with extra resources invested in the areas of basic education, health and nutrition, HIV/AIDS and child protection. Gender equality and environment are cross-cutting themes.

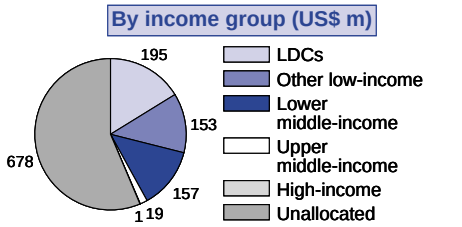
Policy coherence. Many federal departments undertake aid activities, and carry out inter-departmental co-ordination as needs arise. While a comprehensive strategy has yet to be devised, issues such as market access and aid untying have been included in a policy statement entitled "Strengthening Aid Effectiveness".

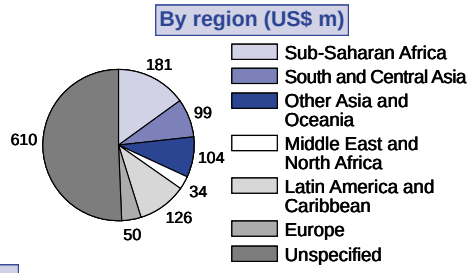
Performance measurement. The Performance Review Branch is responsible for performance assessment within CIDA, and utilises results-based management, evaluation and internal audit as its three distinct review functions.

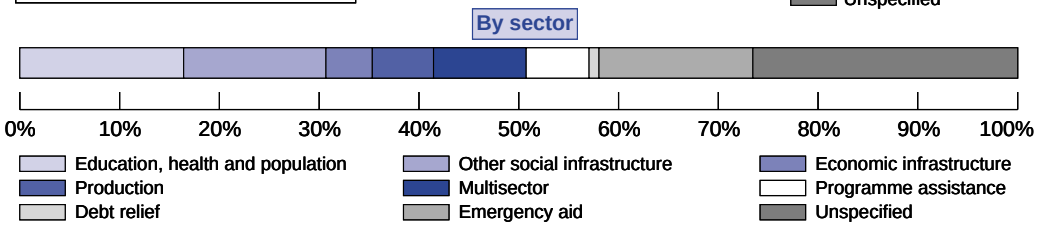
CANADA *Gross bilateral ODA, 2000-2001 average, unless otherwise shown*

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	1 744	1 533	–12.1%
Constant (2000 US$ m)	1 744	1 580	–9.4%
In Canadian Dollars (million)	2 589	2 373	–8.3%
ODA/GNI	0.25%	0.22%	
Bilateral share	67%	78%	
Net Official Aid (OA)			
Current (US$ m)	165	152	–7.8%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Poland (OA)	117
2 Bangladesh	34
3 China	27
4 States Ex-Yugoslavia Unsp.	25
5 India	23
6 Indonesia	23
7 Russia (OA)	17
8 Ukraine (OA)	16
9 Haiti	16
10 Ghana	14







Source: OECD.

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Box V-2.

DAC Peer Review of Canada, 15 November 2002

Examiners: Netherlands and Italy

A noteworthy aspect of the Peer Review of Canada was the participation as observers by representatives of the Economic Commission for Africa (ECA), at the request of Canada. This initiative was a useful step to assist the ECA in developing the capacity to support the African Peer Review Process put in train by NEPAD.

Canada has recently made some impressive commitments including an 8% annual ODA increase until the end of the decade. Canada has also recently taken steps to open its markets further, as well as untie ODA to LDCs. Its 1995 foreign policy statement, "Canada in the World", which is the overall reference point for the country's development co-operation policy, is being updated. During the Review, the DAC recommended that the following issues be taken into consideration:

- Integrate the central role of poverty reduction and its linkages with programme priorities and with non-aid foreign policy objectives.
- Implement Canada's recently announced intention to focus the additional aid resources on a limited number of recipient countries with the aim of achieving greater impact.
- Shift towards programme-based approaches with greater local ownership where the policy and management environment are conducive, and to focus on fewer sectors in a selected number of recipient countries.
- In line with the changes taking place in Canada's approach to development co-operation, CIDA has been broadening and deepening its organisational change process. In this context, the DAC recommended:
  - Revive an annual report to the public by CIDA and launch a report on Canada's overall ODA effort. These could enhance transparency and accountability as well as help build public confidence in the results achieved through development co-operation.
  - Make results-based management more strategic and selective in identifying the significant results to be measured. This could better generate key management information and track CIDA's contribution to collective donor efforts to help achieve the MDGs.
  - Clarify the respective roles of staff in headquarters, embassies and Programme Support Units and delegate more authority to the field, especially since CIDA is moving towards programme-type approaches.

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DENMARK

Denmark's ODA/GNI ratio remained the highest of all DAC members in 2001 at 1.03%, reflecting a volume of USD 1.63 billion. The current government has abandoned the 1% ODA/GNI target, while remaining committed to at least 0.7%. Danish geographically-allocated assistance is primarily directed to the least developed countries (51%) and other low-income countries (33%), mainly in sub-Saharan Africa (52%).

Partnership approaches. Denmark's policy *Partnership* 2000 affords local partners substantial opportunities to influence strategy formulation. Denmark played a pioneering role in supporting sector programmes to encourage partnership among foreign donors and beneficiaries at the country level.

Poverty reduction policies. Poverty reduction is the overarching goal of Danish assistance. Programming focus is on sectors with particular relevance to the poor, with strong recognition for gender issues. Denmark supports country-led poverty reduction strategies, in collaboration with other donors.

Policy coherence. The same regional departments within the Ministry of Foreign Affairs have dealt with development co-operation, foreign policy, and general economic relations since 1991. Denmark also considers donor co-ordination to be important for efficient aid delivery. It agrees with untying aid to the least developed countries, but also insists on the principle of "effort sharing" in untying among all donors.

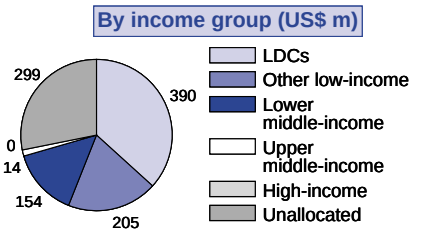
Performance measurement. Denmark supports the Millennium Development Goals as a means to focus attention on impacts. Furthermore, Denmark recognises that the current, widely shared interest in poverty reduction strategies, sector programmes and results orientation, suggests the need for joint evaluations of combined donor efforts.

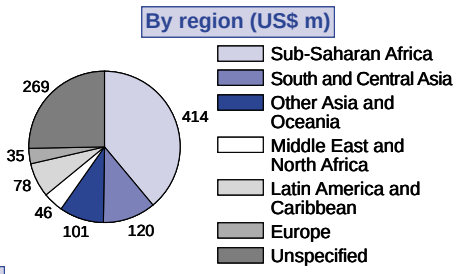
DENMARK

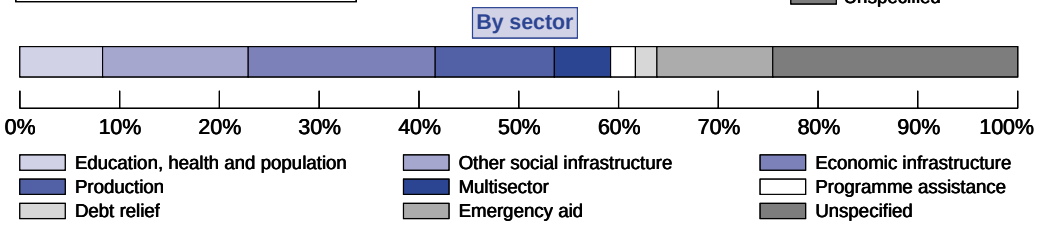
Gross bilateral ODA, 2000-2001 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	1 664	1 634	–1.8%
Constant (2000 US$ m)	1 664	1 638	–1.6%
In Danish Kroner (million)	13 460	13 600	1.0%
ODA/GNI	1.06%	1.03%	
Bilateral share	62%	63%	
Net Official Aid (OA)			
Current (US$ m)	189	181	–4.5%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Tanzania	68
2 Uganda	60
3 Viet Nam	51
4 Mozambique	48
5 Ghana	39
6 Bangladesh	38
7 Egypt	34
8 Nicaragua	28
9 Burkina Faso	27
10 Nepal	26







Source: OECD.

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EUROPEAN COMMUNITY

In 2001, the European Community's ODA volume was USD 5.96 billion, an increase in real terms over 2000 of 22.1%.

Partnership approaches. The EC signed the Cotonou partnership agreement with ACP countries in June 2000. The Community seeks partnership with other development actors; it collaborates with the World Bank and IMF on selected PRSP.

Poverty reduction is the overarching goal of the Community's development co-operation. The EC made significant progress in strengthening the poverty focus of its programmes, taking concrete measures to support the achievement of the MDGs. In 2001, the EC made fundamental reforms in the management of external assistance, improving the speed, quality, impact and visibility of its programmes.

Policy coherence between EU development policy and other European policies was also strengthened. The EU's broad range of policies provides a unique opportunity to apply an effective and efficient mix of co-operation instruments. The Commission established Country and Regional Strategy Papers using the framework agreed in Council in November 2000. The "Everything but Arms" initiative has been a major success for policy coherence.

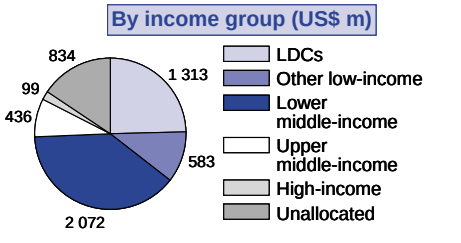
Performance measurement. The Commission has made substantial progress since January 2001 with organisational and management reforms of its development and humanitarian aid system. On 1 January 2001, the EuropeAid Co-operation Office was created. Decentralisation to the Delegations of the Commission is a key element in the reforms of the management of external aid. To help measure its contribution against the MDGs and other policy objectives, the EC is developing – with its members – a system of indicators for monitoring country performance.

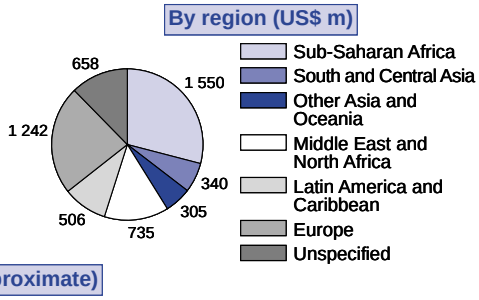
EC

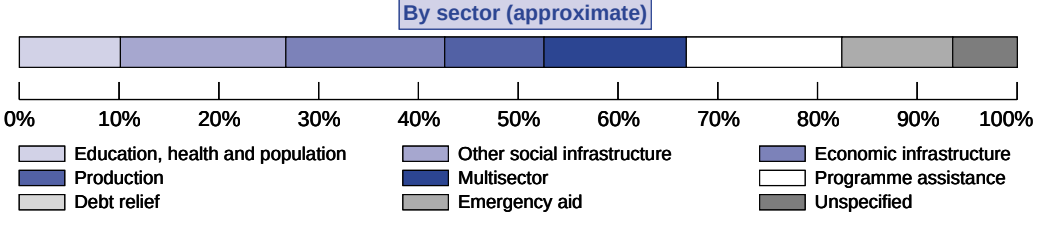
Gross bilateral ODA, 2000-2001 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	4 912	5 961	21.4%
Constant (2000 US$ m)	4 912	5 997	22.1%
In Euro (million)	5 330	6 656	24.9%
Net Official Aid (OA)			
Current (US$ m)	2 808	2 689	–4.2%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Poland (OA)	691
2 F.R. of Yugoslavia	543
3 Romania (OA)	384
4 Czech Republic (OA)	372
5 Hungary (OA)	286
6 Turkey	192
7 Bosnia and Herzegovina	175
8 Tunisia	151
9 Morocco	142
10 Bulgaria (OA)	135







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Box V-3.

DAC Peer Review of the European Community, 6 June 2002

Examiners: Canada and Norway

The European Community is a large donor with global reach and specific capabilities through its regional partnership agreements, linking trade and political aspects with development co-operation. The European Community has increased its ODA for two consecutive years. It rose by 13% in real terms to USD 4.91 billion in 2000 and by 22% to USD 5.9 billion in 2001. A broad range of European Union (EU) external relations activities support countries' efforts to gain accession to the EU, help maintain stability in neighbouring regions, and provide development assistance. The European Commission plays a co-ordinating role with its member States, encouraging them to raise the average of their ODA from 0.32% of GNI in 2000 to 0.39% by 2006. The European Community has substantially improved its development policies and strategies since the last review in 1998, and remains committed to implementing all the elements of its reforms in the coming years.

The DAC welcomed the European Commission's ambitious reforms that aim to improve its capacity to fulfil its primary aim to reduce poverty through the European Community aid programme. The DAC also welcomed the efforts of the EC to raise ODA within the EU as a whole. The DAC commended the work done by the European Community to enhance its development policy framework since the 1998 DAC Review by setting out six priority areas to achieve the principal aim of poverty reduction throughout the Community's global aid programme. The DAC made the following recommendations:

- Further to the positive steps already taken on policy coherence, the EC should improve the coherence of a broad range of Community policies with its development objectives, which would have clear benefits for the world's poor.
- While the efforts in development policy and management reform have been commendable, the Commission should further promote its comparative advantage, increase its visibility in the field, and focus on measurable results in its regional and country programmes.
- There are major challenges ahead for the European Community in translating its poverty reduction aim into more effective ODA country allocations.
- The European Community should improve the developmental impact of sectoral allocations, taking account of cross-cutting objectives of governance, gender equality, and environment within the context of the primary aim of poverty reduction. There is a need to adjust ODA allocations in line with these priorities, recognising the importance for European Community policy of increased economic growth, through trade and development linkages, including support for the private sector, and social sector development, taking account of country ownership.

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FINLAND

Finland's ODA in 2001 increased 5.7% in real terms from 2000 to reach USD 389 million. Its ODA/GNI ratio also increased slightly to 0.32%, ranking ninth among DAC member countries.

Partnership approaches. Bilateral development co-operation is limited to long-term partner countries where Finland can exercise dialogue, premised upon commitments agreed with the partner country government. Finland participates in the formulation and implementation of sectoral programmes and poverty reduction strategies.

Poverty reduction constitutes the main objective of Finnish development co-operation. Programmes implemented in long-term partner countries undergo special scrutiny from the poverty perspective. Co-operation is carried out particularly in the areas of human rights, good governance, democracy, culture, trade as well as sustainable development and environment. The promotion of gender equality also plays a central role.

Policy coherence. Finland strives for coherence in foreign and security policy, trade policy and development co-operation. The basis of discussion is the Millennium Development Goals. In terms of synergies within development co-operation, efforts are made to ensure that bilateral, multilateral and EU co-operation are more uniform and complementary. Finland also emphasises transparency, co-ordination, division of labour, and the need to harmonise aid management among different donors.

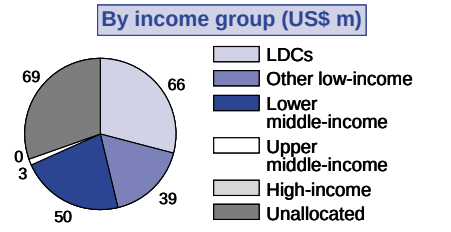
Performance measurement. Evaluations focus on individual projects, various instruments, and country programmes. Joint donor programmes require combined evaluation efforts and capacity building of the partner countries. Finland regards the MDGs as fundamental in assessing performance.

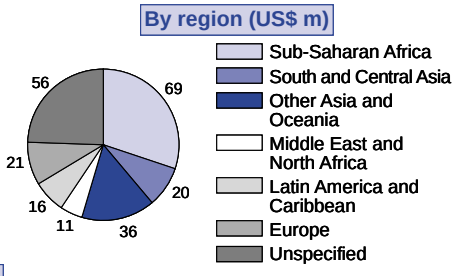
FINLAND

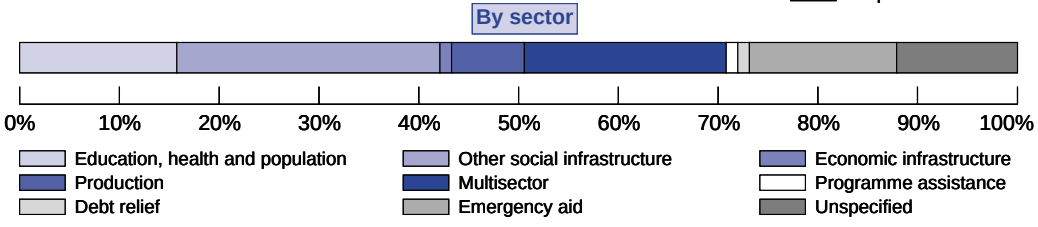
Gross bilateral ODA, 2000-2001 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	371	389	4.9%
Constant (2000 US$ m)	371	392	5.7%
In Euro (million)	402	434	7.9%
ODA/GNI	0.31%	0.32%	
Bilateral share	59%	58%	
Net Official Aid (OA)			
Current (US$ m)	58	61	4.5%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Russia (OA)	13
2 Tanzania	13
3 F.R. of Yugoslavia	12
4 Mozambique	11
5 China	10
6 Nicaragua	7
7 Afghanistan	7
8 Namibia	7
9 Viet Nam	5
10 Kenya	5







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FRANCE

French ODA in 2001 rose by 3.6% in real terms to USD 4.2 billion, staying at 0.32% in terms of the ODA/GNI ratio. There was, though, a marked contrast between bilateral aid, down 7%, and multilateral aid, up 27%. French aid focuses mainly on African countries. In 2002, France made a commitment to increase its ODA as a share of GNI to 0.50% by 2007 and 0.70% by 2012.

Partnership approaches. The 1998 reform of the aid system put partnership at the centre of development policy. France attaches special importance to development in Africa and supports the New Partnership for Africa's Development (NEPAD).

Poverty reduction policies. Commitment to poverty reduction is increasingly gaining in importance and has been reaffirmed on several occasions by the two ministries responsible, namely Foreign Affairs and the Economy, Finance and Industry. It constitutes the main thrust of the overall strategic framework. Resources available through bilateral debt relief will fund contracts for debt reduction and development (C2D), which focus on primary education and professional training, primary health care and the fight against major epidemics, equipment and infrastructure for local communities, local development and natural resource management. France is increasing its support to country-led poverty reduction strategies, including through debt relief.

Policy coherence. The coherence of France's co-operation priorities is the responsibility of the Interministerial Committee for International Co-operation and Development (CICID), on which all ministries whose actions have an impact on development are represented. Following the CICID meeting on 14 February 2002, discussions were launched to harmonise French aid procedures with those of other donors, in line with the commitments made by France in various international forums. The DAC Recommendation on Untying ODA to the Least Developed Countries has been in force since January 2002. The French Development Agency (AFD) has untied all its operations in countries in the "priority solidarity area", including the technical assistance associated with investment projects.

Performance measurement. A number of actions are underway to reinforce the overall quality of evaluation and thus to improve the performance and effectiveness of its aid programme.

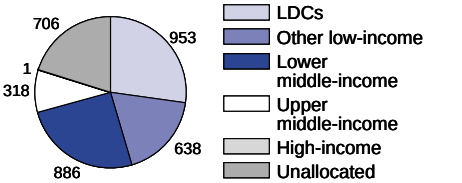
FRANCE

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

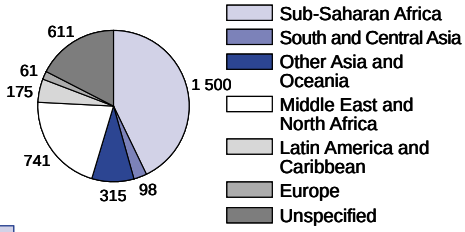
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	4 105	4 198	2.3%
Constant (2000 US$ m)	4 105	4 253	3.6%
In Euro (million)	4 454	4 688	5.2%
ODA/GNI	0.32%	0.32%	
Bilateral share	69%	62%	
Net Official Aid (OA)			
Current (US$ m)	1 657	1 334	–19.5%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 French Polynesia (OA)	410
2 New Caledonia (OA)	340
3 Egypt	244
4 Morocco	212
5 Poland (OA)	197
6 Côte d'Ivoire	195
7 Senegal	160
8 Cameroon	125
9 Tunisia	119
10 Mayotte	112

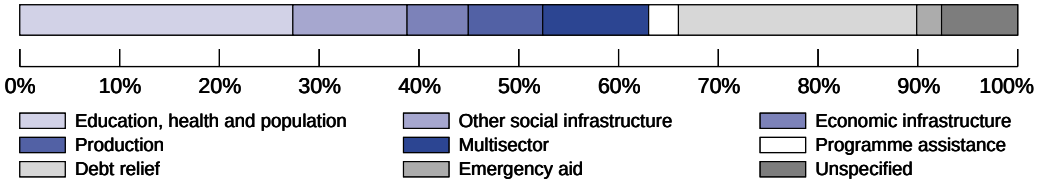
By income group (US$ m)



By region (US$ m)



By sector



Source: OECD.

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GERMANY

Germany's ODA increased by 0.8% to USD 4.99 billion in 2001. The ODA/GNI ratio remained at 0.27%. Following the Monterrey Conference, Germany has made a commitment to reach an ODA/GNI ratio of 0.33% by 2006.

Partnership approaches. The coalition treaty for the new German government from October 2002 outlines the programmatic framework for Germany's development co-operation, in line with the Millennium Declaration, the Monterrey and Johannesburg Conferences.

Poverty reduction policies. In April 2001, the Federal Cabinet approved the *Programme of Action* 2015 *on Poverty Reduction*, outlining Germany's contribution towards the goal of halving extreme poverty worldwide. A first implementation report was published in September 2002.

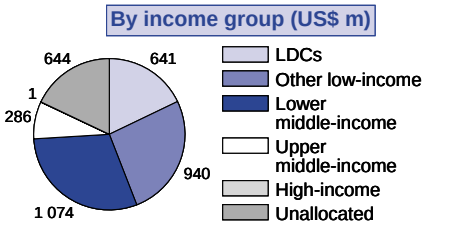
Policy coherence. Germany's *Global Structural Policy* aims to improve the coherence of all policies, with the main orientations on reducing poverty, securing peace, and shaping globalisation justly. Active co-ordination with the European Community is important for ensuring policy coherence so Germany has been keen to curb the European Community's agricultural subsidies, widely considered to lack coherence with development co-operation policy.

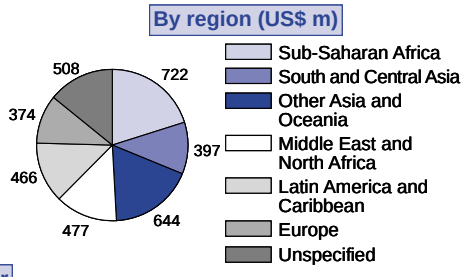
Performance management. Germany's development co-operation will strengthen its focus on results. The *Programme of Action* established priorities. There are results-oriented frameworks for financial and technical co-operation, so the reports from KfW and GTZ compare aims with outputs and outcomes. At a meeting in July 2002, as a follow-up to the 2001 German Peer Review, the Federal Ministry for Economic Co-operation and Development and the Federal Foreign Office discussed how co-ordination in the field might be improved further.

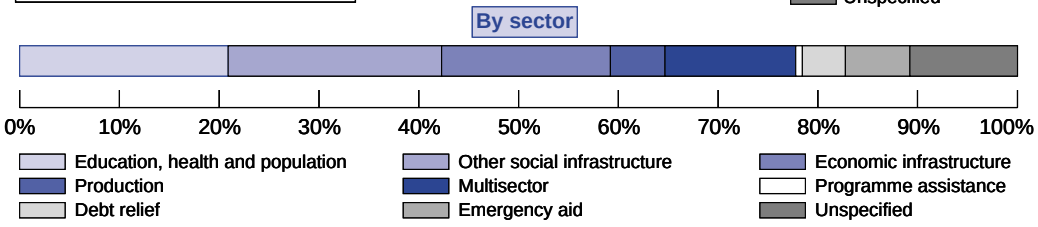
GERMANY *Gross bilateral ODA, 2000-2001 average, unless otherwise shown*

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	5 030	4 990	–0.8%
Constant (2000 US$ m)	5 030	5 069	0.8%
In Euro (million)	5 458	5 571	2.1%
ODA/GNI	0.27%	0.27%	
Bilateral share	53%	57%	
Net Official Aid (OA)			
Current (US$ m)	647	687	6.1%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 China	300
2 India	140
3 Indonesia	132
4 Turkey	118
5 Egypt	97
6 F.R. of Yugoslavia	88
7 Jordan	87
8 Peru	71
9 Bolivia	69
10 Russia (OA)	64







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GREECE

Greece's net ODA disbursements totalled USD 202 million in 2001, 0.17% of its GNI. In 2000, Greece's ODA had reached USD 226 million, resulting in a ODA/GNI ratio of 0.20%. Greece continued the process of consolidating management of its aid programme in the Ministry of Foreign Affairs during 2002, following the change in ministry responsibilities announced in October 2001.

Partnership approaches. Greek development co-operation is based on a partnership approach, with development the responsibility of recipient partners while foreign aid responds to partners' needs, as elaborated in development strategies formulated locally with involvement by a broad cross-section of society. Greece aims to encourage and support the principles of local ownership and local capacity building by concluding medium-term partnership agreements with its main partners that integrate Greek development assistance into local plans for development.

Poverty reduction policies. Greece acknowledges that poverty reduction must become the central focus of development policy. As from 2002, Greece's aid activities have been focusing more on poverty reduction and the achievement of the MDGs. Greece intends to increase gradually its ODA to least-developed countries, particularly Afghanistan.

Policy coherence. Greece recognises that sustainable development in poor countries requires avoiding policies that undermine other efforts to promote their development. Greece is making efforts to minimise such incoherence and is working to establish and develop the necessary mechanisms and procedures to promote greater policy coherence for development.

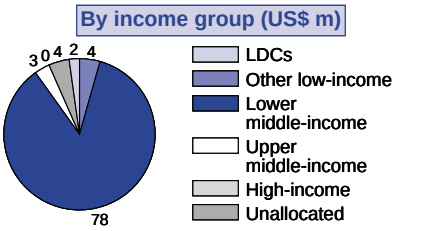
Performance measurement. To improve the performance and effectiveness of its aid programme, Greece is expanding its information base for decision making. An example of this was the evaluation conducted in 2001 of the policies and implementation of Greek development assistance over the period 1997-2000.

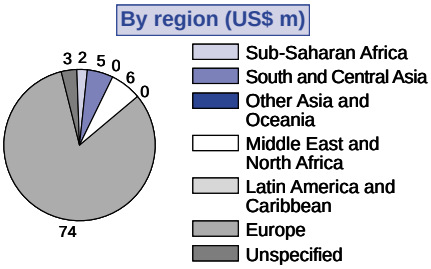
GREECE

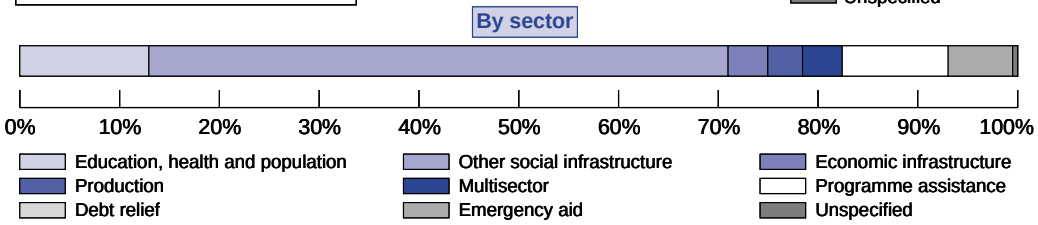
Gross bilateral ODA, 2000-2001 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	226	202	–10.8%
Constant (2000 US$ m)	226	203	–10.0%
In Drachmas (million)	82 593	76 684	–7.2%
ODA/GNI	0.20%	0.17%	
Bilateral share	44%	41%	
Net Official Aid (OA)			
Current (US$ m)	12	9	–28.8%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 F.R. of Yugoslavia	49
2 Albania	12
3 Bosnia and Herzegovina	8
4 Armenia	2
5 Palestinian Adm. Areas	2
6 FYR Macedonia	2
7 Romania (OA)	2
8 Bulgaria (OA)	2
9 Lebanon	2
10 Turkey	1







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Box V-4.

DAC Peer Review of Greece, 12 March 2002

Examiners: Finland and Spain

Greece has an important contribution to make to co-ordinated, international efforts to support sustainable development and reduce poverty in its multicultural, neighbouring regions. In August 1996, and with membership of the DAC in view, the Greek government launched a five-year programme to develop a substantive bilateral aid programme, committing USD 400 million for this purpose over the period 1997-2001. Guided by the government's first medium-term programme for development co-operation, Greece established units with special responsibilities for aid within the Ministry of National Economy and the Ministry of Foreign Affairs (known as "Hellenic Aid"), formed committees to manage specific aspects of the bilateral aid programme and mobilised an impressive number of other ministries, government agencies and civil society organisations to implement official aid activities.

Greece responded to the dramatic events since 1997 in Albania, Bosnia, Kosovo and FYROM with substantial emergency relief and humanitarian assistance, implemented mostly by the Hellenic Armed Forces. As these emergencies recede, Greece is allocating the funding to longer-term development activities targeting basic sources of poverty. This is requiring active planning for a rapid and major scaling up of selected ministries' and agencies' development activities, backed up by steps to assure aid quality and effectiveness as these programmes expand.

The DAC welcomed Greece as its twenty-third member in December 1999. The Committee's first peer review of Greece was timely because it coincided with a change in ministry responsibilities for development co-operation, with leadership being unified under Hellenic Aid, and took place as a new five-year programme for 2002-2007 was being prepared. To support Greece's endeavours to build on achievements to date and raise ambitions for the next phase of expansion, the DAC recommended that Greece:

- Set out an overall statement of the broad goals of its development co-operation and develop an assessment framework to support decision making and budget allocations across the aid system.
- Ensure that new organisational structures promote efficient and effective achievement of development co-operation goals and objectives.
- Work to operationalise, in priority regions for Greece, the new policy on poverty reduction, gender equality and the environment.
- Build up a core of development co-operation staff to manage and implement the aid programme, including during postings to main partner countries.
- Adopt a more integrated and programmatic approach to country programming and budgeting, backed up by annual high-level consultations dedicated to development co-operation matters.
- Conduct a review of Greece's substantial tertiary scholarships schemes and increase support for basic social services.
- Pursue a more strategic and integrated approach to multilateral assistance and work to bring bilateral and multilateral channels closer together.
- Complete the establishment of monitoring and evaluation systems and increase efforts to inform parliamentarians and the public of results achieved.
- Make a high level commitment to policy coherence for development as a government-wide objective and adapt existing structures to foster more systematic addressing of policy coherence issues.

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IRELAND

Ireland's ODA continued to expand in 2001 to reach USD 287 million, a 20% increase in real terms over its level in 2000. Expressed as a share of GNI, Ireland's ODA rose from 0.30% in 2000 to 0.33% in 2001. Ireland is committed to further increasing its ODA to reach the United Nations target of 0.7% by 2007 and has set an interim target of 0.45% by the end of 2002. The recommendations made by the Ireland Aid Review Committee on the future role and management of the Irish aid programme were accepted by the government in 2002.

Partnership approaches. Partnership is one of the key principles underpinning Ireland's expanding aid programme. Partnership extends to recipient countries, the international development community and NGOs, both at home and abroad.

Poverty reduction policies. Poverty reduction remains the overarching objective for the Ireland Aid programme. Ireland Aid aims to ensure that all its activities are planned with reference to the impact they are likely to have on reducing poverty and measured on a continuing basis against this objective.

Policy coherence. The requirement of policy coherence for development is a starting point for an effective development policy. Its application, however, sometimes imposes difficult policy choices. Ireland endeavours to ensure that the development perspective is clearly highlighted and accorded full weight in decision making in all situations of competing priorities.

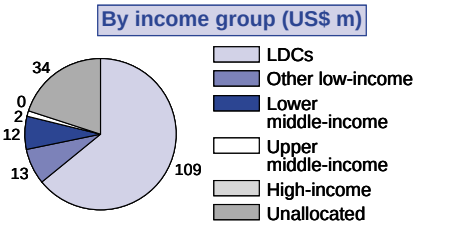
Performance measurement. Ireland Aid is working to enhance its results orientation and improve its capacity to measure the practical impact of its interventions on an on-going basis. Public accountability will also be strengthened through regular reports on the programme's impact on reducing poverty and its contribution towards achieving the Millennium Development Goals.

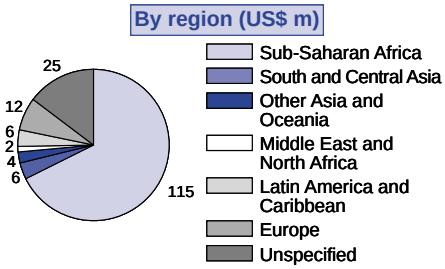
IRELAND

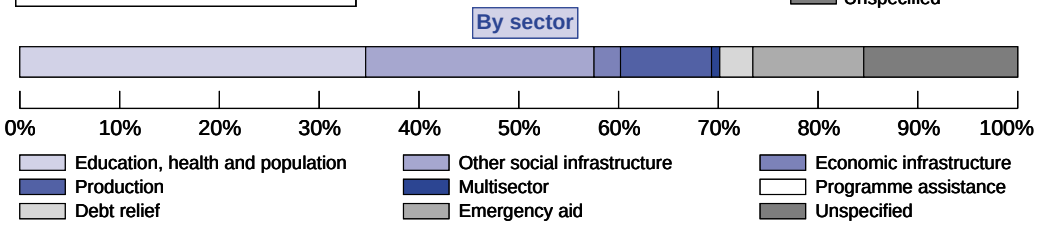
Gross bilateral ODA, 2000-2001 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	235	287	22.0%
Constant (2000 US$ m)	235	283	20.4%
In Euro (million)	255	320	25.6%
ODA/GNI	0.30%	0.33%	
Bilateral share	66%	64%	
Net Official Aid (OA)			
Current (US$ m)	0	0.16	

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Ethiopia	21
2 Uganda	18
3 Mozambique	17
4 Tanzania	16
5 Zambia	10
6 Lesotho	9
7 South Africa	4
8 Kenya	4
9 Afghanistan	3
10 Bosnia and Herzegovina	2







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ITALY

Italy's ODA volume increased in 2001 to a total USD 1.63 billion, representing an ODA/GNI ratio of 0.15%. Italian geographically allocated bilateral assistance is most strongly directed to the least developed countries (44%), particularly in sub-Saharan Africa (46%).

Partnership approaches. Development co-operation policy focuses on joint action between recipient countries and Italian partners (government, private sector, NGOs, and universities). To implement partnerships in the recipient countries more effectively, Italy is producing country-level strategies and setting up new field offices, but is hampered by a lack of staff and organisational support, as well as operational flexibility.

Poverty reduction policies. Poverty reduction is the overarching goal of Italian development co-operation. Italy outlined the approach and contents of its poverty reduction initiative around the Millennium Development Goals. The initiative uses both direct allocation of resources and debt swaps to support nationally owned poverty reduction strategies in partner countries, with a special focus on selected sectors (health, food security, education, private sector support, micro-credit, trade).

Policy coherence. The ministries of Foreign Affairs, Foreign Trade and Treasury maintain regular contact and co-ordinate on *ad hoc* policy issues as they arise. Guidelines in numerous policy areas are periodically issued through a Steering Committee of Development Co-operation that includes these ministries.

Performance measurement. The Evaluation Group is directly accountable to the Director-General. Several actions are now underway to reinforce the quality and utility of evaluation feedback in the broader system, including improved evaluation planning and operational guidance. The recently adopted Monitoring and Evaluation Handbook is an example of innovation in this area.

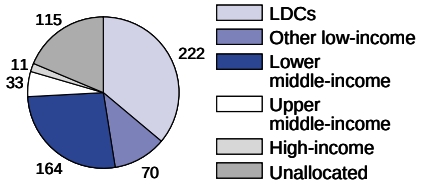
ITALY

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

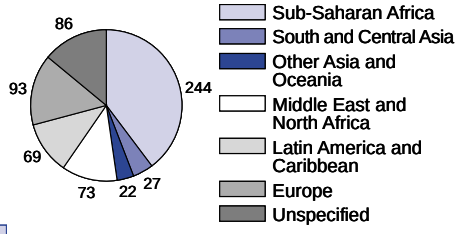
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	1 376	1 627	18.2%
Constant (2000 US$ m)	1 376	1 632	18.6%
In Euro (million)	1 493	1 817	21.6%
ODA/GNI	0.13%	0.15%	
Bilateral share	27%	27%	
Net Official Aid (OA)			
Current (US$ m)	406	281	–30.7%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Russia (OA)	96
2 Uganda	44
3 Eritrea	38
4 F.R. of Yugoslavia	26
5 Tunisia	23
6 Ethiopia	20
7 Albania	20
8 Bosnia and Herzegovina	19
9 Honduras	16
10 Somalia	16

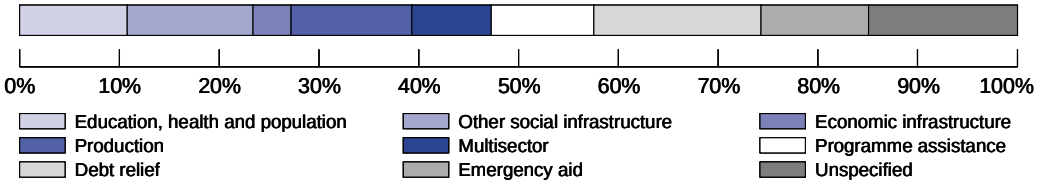
By income group (US$ m)



By region (US$ m)



By sector



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JAPAN

In 2001, Japan relinquished its position as the largest bilateral donor to the United States, after having led continuously since 1993. Its ODA volume at USD 9.8 billion still constituted almost a fifth of total DAC ODA. Its ODA/GNI ratio was 0.23%, ranking eighteenth of 22 DAC member countries. It has, however, announced further reductions in its ODA budget for fiscal years 2002 and 2003.

Partnership approaches. Japan launched the Initiative for Development in East Asia (IDEA), under which ASEAN countries plus Japan, China, and South Korea reviewed successful regional experiences. The assessments included positive roles played by ODA and highlighted aspects to be shared with the rest of the developing world.

Poverty reduction policies. Japan developed a strategy for basic education entitled "*Basic Education for Growth Initiative* (BEGIN)" and committed ODA of around USD 2 billion over the next five years for education in low-income countries. Japan is also helping to provide access to safe drinking water and sanitation, including by launching the "Clean Water for People" initiative jointly with the United States on the occasion of the Johannesburg Summit in September.

Policy coherence. Recognising the important role of trade in poverty reduction, Japan offers duty and quota-free access to almost all industrial products from LDCs. Recently, the government has proposed the expansion of coverage starting April 2003.

Performance measurement. The Japanese government is undertaking ODA reform with active participation from the public, which is demanding a more transparent, efficient, and effective ODA system. In this respect, the evaluation system is being revised. This is also part of a government-wide mandate on evaluation, based on the 2001 Guidelines of Government Policy Evaluation Act.

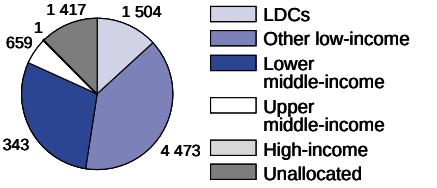
JAPAN

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

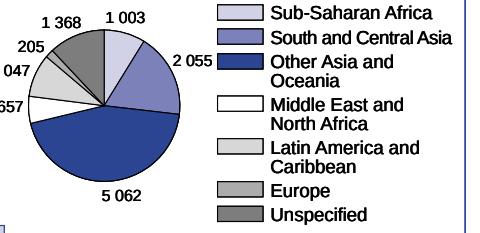
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	13 508	9 847	–27.1%
Constant (2000 US$ m)	13 508	11 260	–16.6%
In Yen (billion)	1 456	1 196	–17.8%
ODA/GNI	0.28%	0.23%	
Bilateral share	72%	76%	
Net Official Aid (OA)			
Current (US$ m)	–54	84	256.2%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 China	1 138
2 Indonesia	1 004
3 Thailand	901
4 India	747
5 Viet Nam	699
6 Philippines	697
7 Bangladesh	356
8 Sri Lanka	263
9 Tanzania	250
10 Pakistan	246

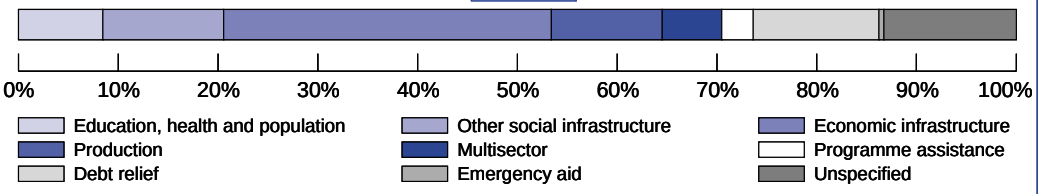
By income group (US$ m)



By region (US$ m)



By sector



Source: OECD.

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LUXEMBOURG

In 2001, Luxembourg's ODA amounted to 0.82% of GNI, an increase of 16% in real terms compared to 2000. Luxembourg is therefore continuing to move closer to the 1% threshold it aims to reach by the middle of the decade. Its ODA went mainly to least developed and low-income countries.

Partnership approaches. Aid programmes are implemented in ten priority countries on the basis of indicative co-operation programmes aimed at matching Luxembourg's aid more closely to the development priorities of partner countries, enhancing transparency and predictability and improving management. Co-operation on the ground has been stepped up with the opening of offices in Senegal and Cape Verde. Multilateral co-operation is increasingly developed through "multi-bi" initiatives in priority countries (15% of ODA in 2001).

Poverty reduction policies. Poverty reduction and sustainable development are key objectives in Luxembourg's aid programme. Luxembourg has subscribed to the Millennium Development Goals and its programmes place special emphasis on primary education and basic health care.

Policy coherence. Luxembourg is committed to policy coherence and is promoting a globalisation process with a human face. Most of Luxembourg's aid is already untied and project implementation relies greatly on local contractors.

Performance measurement. An "evaluation and audit" unit has been set up for all government aid initiatives, including those involving Luxembourg NGOs receiving government support.

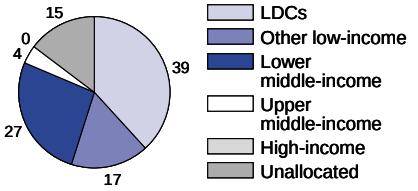
LUXEMBOURG

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

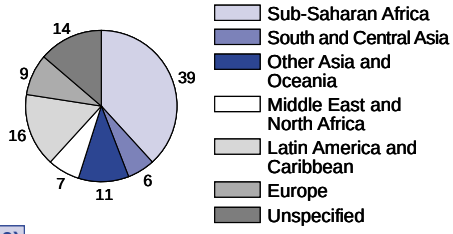
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	123	141	14.4%
Constant (2000 US$ m)	123	143	16.1%
In Euro (million)	133	157	17.8%
ODA/GNI	0.71%	0.82%	
Bilateral share	80%	75%	
Net Official Aid (OA)			
Current (US$ m)	7	9	32.7%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 F.R. of Yugoslavia	7
2 Cape Verde	7
3 Nicaragua	7
4 Burkina Faso	6
5 El Salvador	5
6 Viet Nam	5
7 Mali	4
8 Namibia	4
9 Laos	4
10 Niger	3

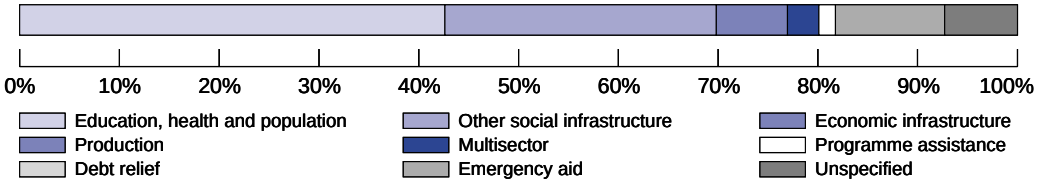
By income group (US$ m)



By region (US$ m)



By sector (2000)



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THE NETHERLANDS

The Netherlands' ODA volume remained fairly stable in 2001 at USD 3.17 billion, representing an ODA/GNI ratio of 0.82%. Dutch geographically allocated bilateral ODA was strongly directed towards the least developed countries (40%) and other low-income countries (32%). Sub-Saharan Africa remained a geographic priority with 43% of bilateral ODA.

Partnership approaches. Partnership with relevant actors is a major feature of Dutch programmes. The Netherlands currently uses a list of 23 "partnership" and 28 "thematic" countries to better focus its aid. This list was the subject of extensive public and parliamentary debate. Sector approaches emphasise ownership by the recipient country and are also used in identifying areas for national capacity strengthening. The Netherlands favours the use of budget support wherever there is effective local capacity to manage. A strong decentralised presence permits co-ordinated implementation with other donors. Harmonisation of donor practices is a high priority for the Netherlands.

Poverty reduction policies. Poverty reduction is the overarching objective of Dutch foreign policy in general and development co-operation in particular. The PRSP framework is seen as a primary implementation mechanism, guiding Dutch strategy, assisting in implementing programmes, providing a basis for monitoring and evaluation, and serving as a primary forum for policy dialogue.

Policy coherence. The Cabinet actively engages coherence issues within the government and approves all instructions for international meetings. The ministry has now established a policy coherence unit to ensure more systematic identification and treatment of issues. The Netherlands uses international forums to address coherence issues.

Performance measurement. The Dutch Policy and Operations Evaluation Department supports comprehensive evaluation guidelines. Nevertheless, the creation of an integrated monitoring and evaluation system that involves feedback for learning and decision making at all administrative levels remains a conceptual and technical challenge. Within the ministry, a new unit is setting up an improved monitoring system that is expected to be fully operational by 2003.

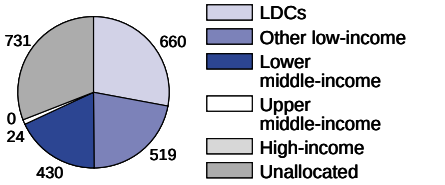
NETHERLANDS

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

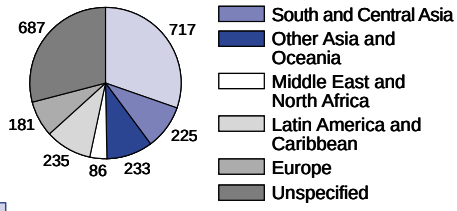
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	3 135	3 172	1.2%
Constant (2000 US$ m)	3 135	3 118	–0.5%
In Euro (million)	3 402	3 542	4.1%
ODA/GNI	0.84%	0.82%	
Bilateral share	72%	70%	
Net Official Aid (OA)			
Current (US$ m)	306	214	–30.2%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Indonesia	132
2 Netherlands Antilles (OA)	113
3 Tanzania	86
4 India	76
5 Mozambique	74
6 Ghana	73
7 F.R. of Yugoslavia	62
8 Bolivia	53
9 Bosnia and Herzegovina	48
10 Uganda	42

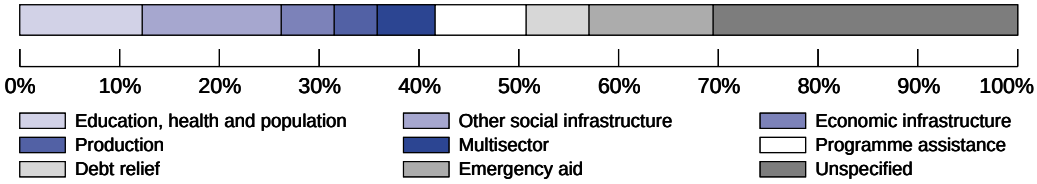
By income group (US$ m)



By region (US$ m)



By sector



Source: OECD.

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NEW ZEALAND

New Zealand's net ODA rose slightly in real terms to USD 112 million in 2001 while its ODA/GNI ratio remained at 0.25%. On 1 July 2002, New Zealand established a new Agency for International Development (NZAID) as a semi-autonomous body within the Ministry of Foreign Affairs and Trade.

Partnership approaches. NZAID's new Policy Framework reconfirms an earlier focus on partner-led poverty reduction and moves to more formally integrate national development strategies into New Zealand's programming process. NZAID is also moving towards greater provision of budgetary support and assistance via trust fund mechanisms, particularly in Polynesia. Partnership underpins NZAID's relationships with NGOs and other non-government actors.

Poverty reduction policies. The central focus of NZAID is the elimination of poverty. Contributing to the achievement of the Millennium Development Goals is a key concern while gender rights and the environment are mainstreamed throughout activities. Regional and international interventions aim to ensure that proper account is taken of the poverty which prevails in the Pacific region and that adequate provision for the region is made in apportioning and delivering services.

Policy coherence. Fostering good governance and promoting economic growth through sound macroeconomic, public sector and trade policies in developing countries in the Asia-Pacific region remains an important objective for New Zealand. Growing instability in the Asia-Pacific region has underlined the need to develop whole-of-government strategies to address the development, security, economic and political challenges facing the region.

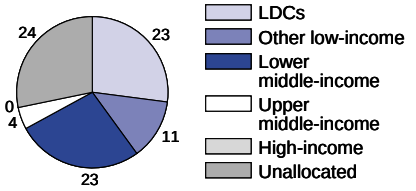
Performance measurement. New Zealand is in the process of strengthening the monitoring and evaluation of its development activities. Extra resources will be made available to boost in-house risk management capacity and enhance quality assurance. New evaluation tools, including assessments, will also be developed under an overarching Monitoring and Evaluation Strategy and a complementary Assessment Framework.

NEW ZEALAND *Gross bilateral ODA, 2000-2001 average, unless otherwise shown*

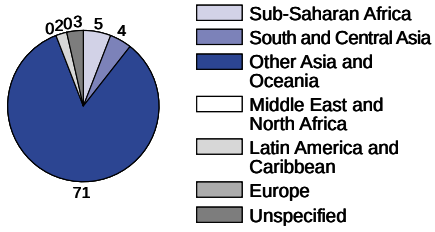
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	113	112	–1.4%
Constant (2000 US$ m)	113	115	1.6%
In NZL Dollars (million)	250	266	6.5%
ODA/GNI	0.25%	0.25%	
Bilateral share	75%	76%	
Net Official Aid (OA)			
Current (US$ m)	0.29	0.25	–13.8%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Papua New Guinea	7
2 Solomon Islands	6
3 Samoa	4
4 Vanuatu	4
5 Tonga	4
6 Tokelau	4
7 Indonesia	3
8 Niue	3
9 Cook Islands	2
10 Fiji	2

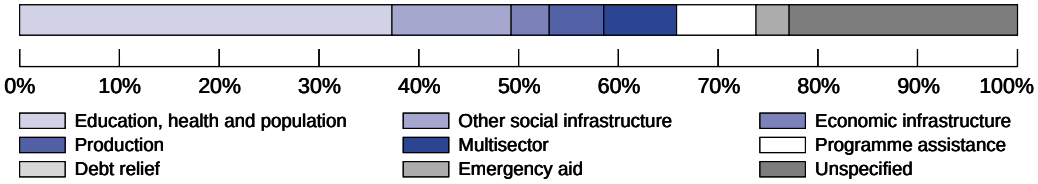
By income group (US$ m)



By region (US$ m)



By sector



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NORWAY

In 2001, Norwegian ODA increased by 6.8% in real terms to USD 1.35 billion and the ODA/GNI ratio increased to 0.83%. Norway plans to reach 1% of GNI by 2005. Norwegian ODA is focused on twelve priority countries, all among the least-developed. In general, Norwegian development assistance benefits low-income and least developed countries.

Partnership approaches. Norway supports the work that is being done in the DAC and in other forums to reduce the number of development activities and co-ordinate and harmonise conditions and reporting routines stemming from the proliferation of donor activities in partner countries. Norway is seeking opportunities for division of labour with other donors regarding activities in partner countries and is already engaged in these kinds of partnerships in some countries.

Poverty reduction policies. Combating poverty is the main objective of Norwegian development policies, implying realising the social, economic and humanitarian rights of the poor. Achievement of the Millennium Development Goals is central to the Norwegian development strategy. National Poverty Strategies are generally seen to support the realisation of the MDGs as relevant on a national level. In the Norwegian Action Plan for Combating Poverty (2002) it is stated that Norwegian contributions to the fight against poverty will be based on such strategies. This is in recognition of the fact that all development assistance effort must be in line with national priorities to be sustainable.

Policy coherence. Policies in developed countries can work contrary to development assistance in combating poverty. The Norwegian government has consequently decided to examine its policies in selected areas relevant to poverty situations in developing countries. The purpose is to assess the potential for alignment and improvements of these policies for poverty reduction.

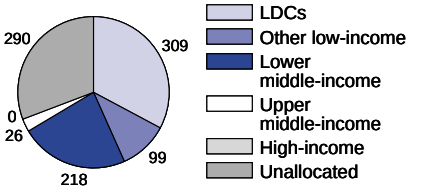
Performance measurement. Norway acknowledges the importance of improving the effectiveness of development activities through strong monitoring and evaluation systems.

NORWAY *Gross bilateral ODA, 2000-2001 average, unless otherwise shown*

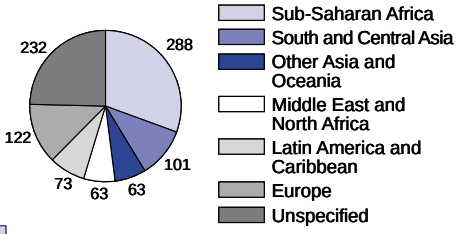
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	1 264	1 346	6.5%
Constant (2000 US$ m)	1 264	1 350	6.8%
In Norwegian Kroner (million)	11 115	12 104	8.9%
ODA/GNI	0.80%	0.83%	
Bilateral share	74%	70%	
Net Official Aid (OA)			
Current (US$ m)	27	32	18.2%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 F.R. of Yugoslavia	54
2 Mozambique	35
3 Tanzania	35
4 Palestinian Adm. Areas	33
5 Afghanistan	26
6 Bosnia and Herzegovina	24
7 Zambia	23
8 Uganda	20
9 Ethiopia	20
10 Bangladesh	19

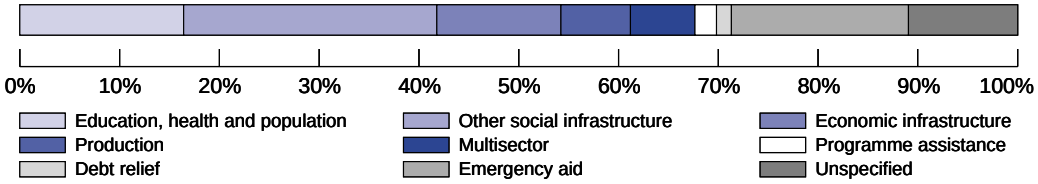
By income group (US$ m)



By region (US$ m)



By sector



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PORTUGAL

Portugal's ODA in 2001 totalled USD 268 million. As an EU member, the Portuguese government is making an effort to reach the ODA/GNI ratio target of 0.33%, although the ODA/GNI ratio fell slightly to 0.25% in 2001 from 0.26% in 2000.

Partnership approaches. Portugal relies on priorities of recipient countries or works jointly in identifying their needs, taking into account the specificity of Portuguese co-operation. Portugal designs an Indicative Co-operation Programme with the recipient country on a tri-annual basis.

Poverty reduction. Portugal focuses on the former colonies, all of which are LDCs except East Timor. Poverty reduction is one of the main priorities and a cross-cutting issue in Portuguese co-operation. Portugal is committed to support PRSPs and participates in the HIPC Initiative. There is a particular focus on education, health, and agriculture, with a view to greater self-sufficiency and food security. At the same time, the country's contribution to basic social services represents a small part in its ODA.

Policy coherence. Various co-ordination mechanisms have been established, such as the Council of Ministers for Co-operation and Inter-ministerial Committee for Co-operation to facilitate synergies within development co-operation to ensure better coherence of non-aid policies with development co-operation policy.

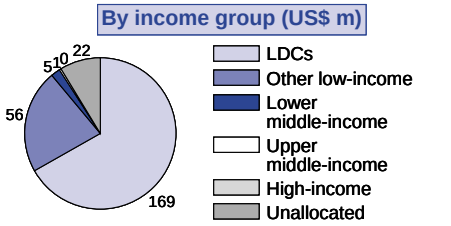
Performance measurement. Improvements in the evaluation system have been made through increased external and independent evaluations and development of methodological materials.

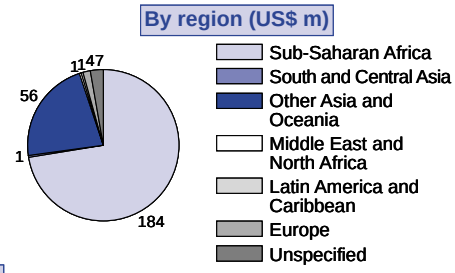
PORTUGAL

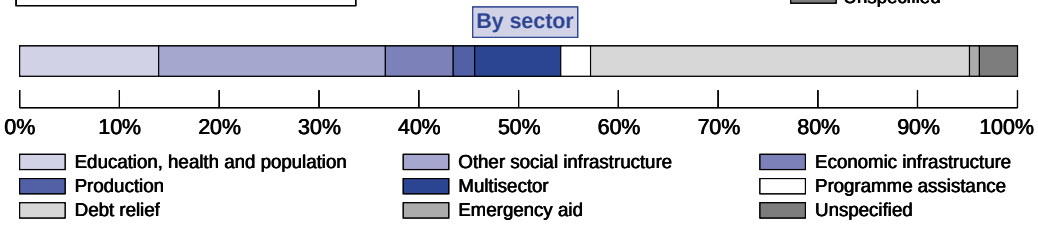
Gross bilateral ODA, 2000-2001 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	271	268	–0.8%
Constant (2000 US$ m)	271	264	–2.5%
In Euro (million)	294	300	2.1%
ODA/GNI	0.26%	0.25%	
Bilateral share	66%	68%	
Net Official Aid (OA)			
Current (US$ m)	27	28	4.7%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Mozambique	106
2 East Timor	55
3 Cape Verde	23
4 Guinea-Bissau	14
5 Angola	13
6 São Tomé and Principe	12
7 FYR Macedonia	3
8 Bosnia and Herzegovina	1
9 Brazil	1
10 Palestinian Adm. Areas	1







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SPAIN

In 2001, Spanish ODA increased by 44% in real terms to reach 0.30% of GNI. This was mainly due to debt cancellation of USD 374 million for Nicaragua. Excluding this operation, to give an indication of the underlying trend, ODA would nevertheless have increased by 13%, reaching 0.23% of GNI. A large proportion of Spanish ODA is allocated to Latin American countries, resulting in focus on lower middle-income countries (42%) and low-income countries (42%).

Partnership approaches. With the adoption of the Master Plan for the Spanish Co-operation (2001-2004), Spain maintains efforts to improve the quality of its interventions, including the preparation of regional and country strategies as well as sector policies. Development co-operation relies on a broad support base and the resources mobilised by the Autonomous and Local Administrations as well as NGOs continue to increase.

Poverty reduction policies. The Master Plan confirms poverty reduction and achievement of other MDGs as the main purpose of Spanish development co-operation. In 2001, a large share of activities funded by Spanish ODA was focused on poverty reduction, with emphasis being placed on education and water supply and treatment. Other priorities included activities related to government and civil society, agriculture and micro-finance.

Policy coherence. A broader development approach has been endorsed and other issues affecting development are under consideration, in particular immigration issues.

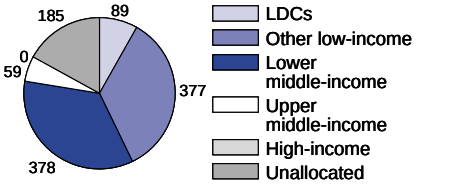
Performance measurement. The Master Plan provides for the development of evaluation mechanisms and performance indicators.

SPAIN *Gross bilateral ODA, 2000-2001 average, unless otherwise shown*

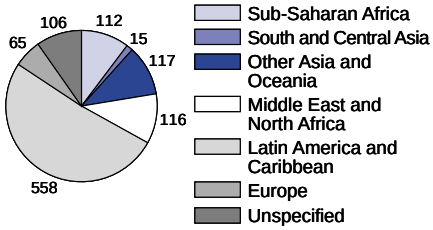
Net ODA	2000	2001	Change 1999/2000
Current (US$ m)	1 195	1 737	45.4%
Constant (2000 US$ m)	1 195	1 720	43.9%
In Euro (million)	1 296	1 940	49.6%
ODA/GNI	0.22%	0.30%	
Bilateral share	60%	66%	
Net Official Aid (OA)			
Current (US$ m)	12	14	19.6%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Nicaragua	210
2 Indonesia	54
3 Morocco	49
4 China	44
5 Bolivia	35
6 El Salvador	34
7 Honduras	34
8 Bosnia and Herzegovina	30
9 Ecuador	28
10 Peru	27

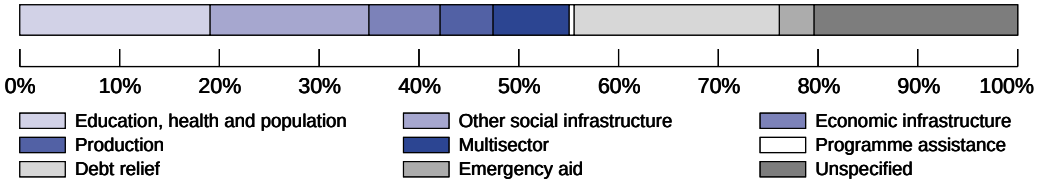
By income group (US$ m)



By region (US$ m)



By sector



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Box V-5.

DAC Peer Review of Spain, 9 April 2002

Examiners: Ireland and United Kingdom

Spain recently adopted a comprehensive binding law on International Development Co-operation and a multi-year Master Plan, which was designed with the purpose of enhancing consistency and co-ordination within its diverse aid system, and which sets an example for DAC members with similar structures. A significant achievement of the new policy is that it establishes poverty reduction as the overarching goal in development co-operation, and, in so doing, focuses on basic social needs, while mainstreaming gender and environment. Spain has development co-operation programmes in 29 countries, with a high concentration of aid flowing to Latin America. Decentralised co-operation through autonomous regions and local authorities is a notable feature of Spanish development co-operation and accounted for 25% of bilateral ODA.

While welcoming its poverty-oriented reforms, the DAC recommended that Spain take advantage of strong economic growth in recent years to reach its commitment of an ODA/GNI ratio of 0.33% by 2006. In addition, the DAC noted that a number of management and implementation issues would need to be refined in the new policy to enhance aid effectiveness, and recommended that Spain:

- Ensure that assistance to middle-income countries is effectively targeted on poverty reduction, increase resource allocation to basic social services, ensure that the Scholarship and Cultural Programmes reinforce the overarching goal of poverty reduction.
- Clarify the policies on loans *vs.* grants, taking into account debt sustainability of recipient countries and country income levels.
- Establish a more results-oriented approach to programming and implementation to inform lesson-learning and consider integrating the MDGs and indicators as a framework for assessing performance.
- Take into account enhanced policy coherence for development by encouraging a wider public debate and strengthening the analytical capacity of the Ministry of Foreign Affairs (MFA) in areas which have an impact on developing countries (*e.g.* trade, agriculture and fisheries).
- Assign the MFA a clearer leading role in providing directions to other ministries and actors to further increase synergies, particularly with respect to decentralised co-operation.
- Increase partner countries' responsibility in aid management, improve the links between individual projects and country-led poverty reduction strategies and move towards working on sector approaches with other donors.
- Ensure that NGO activities co-financed by the national and regional governments are consistent with country and sector strategies of Spanish development co-operation.
- Continue to develop and strengthen monitoring and evaluation across the Spanish aid system.

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SWEDEN

At USD 1 666 million, Sweden's net ODA in 2001 represented 0.81% of its GNI. The new Swedish government has planned increases in the ODA budget between 2002 and 2004 and aims to reach 1% of GNI by 2006, if public finances permit. The Parliamentary Commission on Sweden's Policy for Global Development delivered its report in March 2002. The government will present a new White Paper to Parliament in 2003, based on the Commission's recommendations.

Partnership approaches. Sweden is committed to the partnership approach, participating actively in sector-wide approaches and continuously working to develop new methods to improve donor co-ordination and aid effectiveness.

Poverty reduction policies. The Parliamentary Commission reconfirmed that reducing poverty should remain the overall aim of Sweden's policy for global development. In line with this goal, Swedish bilateral aid is focused on least-developed countries, especially in sub-Saharan Africa. Sweden's approach to poverty reduction focuses on the individual and emphasises the importance of improving human rights.

Policy coherence. Sweden considers that development assistance alone cannot suffice to eradicate world poverty and Swedish domestic policies often have an impact on poor people and poor countries. For these reasons, the government recognises the need to take development aspects into account in all relevant policy areas and to use the wide range of policy instruments at its disposal to pursue its poverty reduction objective.

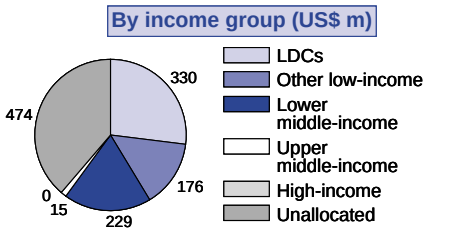
Performance measurement. Sweden has a strong and well-developed evaluation system that it aims to improve continuously. Sweden has undertaken to work towards achieving the internationally agreed Millennium Development Goals but is supplementing these with operative objectives related to important components of the Swedish aid programme, such as democracy, the rule of law and human rights.

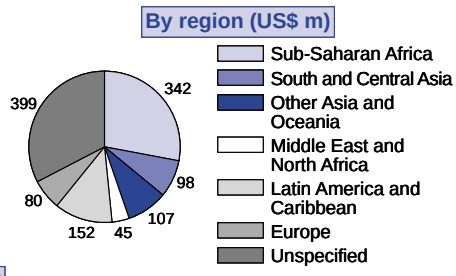
SWEDEN

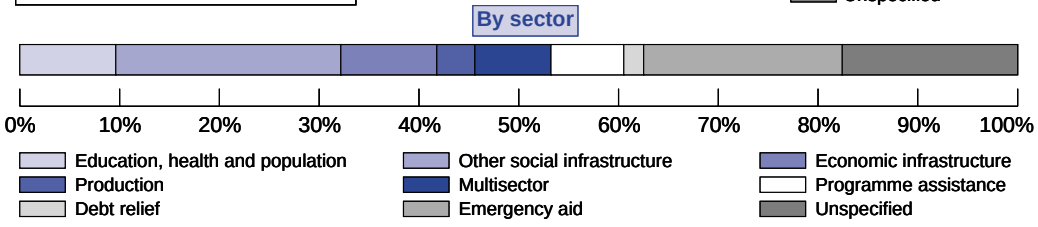
Gross bilateral ODA, 1999-2000 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	1 799	1 666	–7.4%
Constant (2000 US$ m)	1 799	1 842	2.4%
In Swedish Kronor (million)	16 479	17 220	4.5%
ODA/GNI	0.80%	0.81%	
Bilateral share	69%	72%	
Net Official Aid (OA)			
Current (US$ m)	122	119	–2.7%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Tanzania	55
2 Mozambique	44
3 Honduras	37
4 Viet Nam	36
5 F.R. of Yugoslavia	34
6 Russia (OA)	32
7 Bangladesh	30
8 South Africa	29
9 Nicaragua	28
10 Palestinian Adm. Areas	27







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SWITZERLAND

In 2001, Swiss ODA increased slightly to USD 908 million (0.34% of GNI) with the aim to rise to 0.4% by 2010. Swiss bilateral aid is focused on low-income and least developed countries (61% of geographically allocated ODA).

Partnership approaches are promoted with a selected number of priority countries where policy dialogue is under the responsibility of Swiss local representations. Although cautious about concrete modalities and local management capacity, Switzerland is engaged in sector-wide approaches involving budget support, in Burkina Faso, Tanzania and Mozambique. Because of the special role of international institutions in the context of globalisation, Switzerland's multilateral funding represents about a third of overall ODA.

Poverty reduction policies. New strategic orientations are being implemented, re-emphasising poverty reduction as a fundamental objective of Swiss development co-operation. Switzerland is also carrying out institutional changes to mainstream poverty reduction and support for basic social services in aid programmes.

Policy coherence. The promotion of policy coherence remains a priority. Current efforts aim at reinforcing coherence with development objectives across the entire government. Aid to the poorest countries was already untied before the adoption of the DAC Recommendation.

Performance measurement. As part of the implementation plan for the new strategy, a results-based system will be introduced together with performance indicators in line with ongoing international efforts to achieve the Millennium Development Goals.

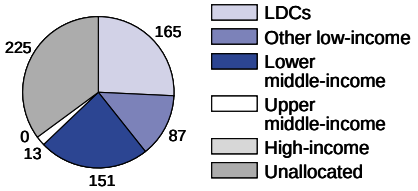
SWITZERLAND

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

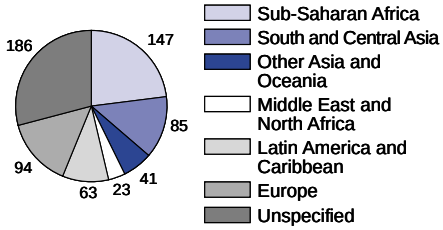
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	890	908	1.9%
Constant (2000 US$ m)	890	891	0.1%
In Swiss Francs (million)	1 503	1 531	1.9%
ODA/GNI	0.34%	0.34%	
Bilateral share	70%	71%	
Net Official Aid (OA)			
Current (US$ m)	58	63	8.5%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 F.R. of Yugoslavia	32
2 Mozambique	24
3 States Ex-Yugoslavia Unsp.	21
4 India	20
5 Tanzania	15
6 Bangladesh	13
7 Burkina Faso	12
8 Nepal	12
9 Bosnia and Herzegovina	12
10 Viet Nam	11

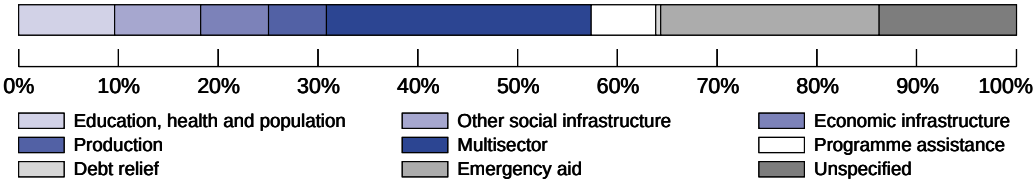
By income group (US$ m)



By region (US$ m)



By sector



Source: OECD.

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UNITED KINGDOM

The United Kingdom increased its ODA by 4.4% in real terms to USD 4.59 billion in 2001. Its ODA/GNI ratio remains at 0.32% but there are plans to increase to reach 0.4% of GNI by 2005-6.

Partnership approaches. The United Kingdom is committed to developing its partnership approaches. At country level, the Department for International Development (DFID) has established more country offices. The government seeks opportunities arising from its membership of the G7, DAC, EU and other multilateral forums to strengthen international interest in development issues.

Poverty reduction policies. Taking poverty reduction as the overarching aim, DFID gives close attention to its development strategy and encourages other agencies to allocate funds to low-income countries. To achieve impact on poverty reduction, DFID focuses spending in all sectors that contribute to poverty reduction, including those that promote pro-poor economic growth. DFID welcomes and promotes poverty reduction strategies and sector-wide approaches, and has developed mechanisms for budget support.

Policy coherence. DFID gives attention to all policy issues that impact on development, in collaboration with other government ministries. The United Kingdom has already untied its own aid globally, including its technical co-operation.

Performance measurement. DFID supports international efforts to develop a more results-based approach, through development of indicators and joint evaluations. The Millennium Development Goals are extremely important for DFID. Its Public Service Agreement, strengthened by a detailed Service Delivery Agreement, provides the means for showing how DFID activities contribute towards achieving these longer-term international objectives while monitoring shorter-term performance.

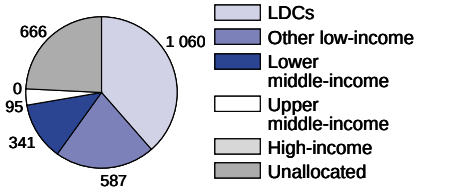
UNITED KINGDOM

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

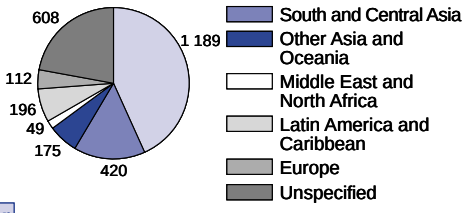
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	4 501	4 579	1.7%
Constant (2000 US$ m)	4 501	4 698	4.4%
In Pounds Sterling (million)	2 974	3 179	6.9%
ODA/GNI	0.32%	0.32%	
Bilateral share	60%	57%	
Net Official Aid (OA)			
Current (US$ m)	439	461	5.0%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Tanzania	222
2 India	202
3 Uganda	158
4 Mozambique	134
5 Bangladesh	114
6 Zambia	96
7 Ghana	89
8 Malawi	85
9 Kenya	67
10 China	67

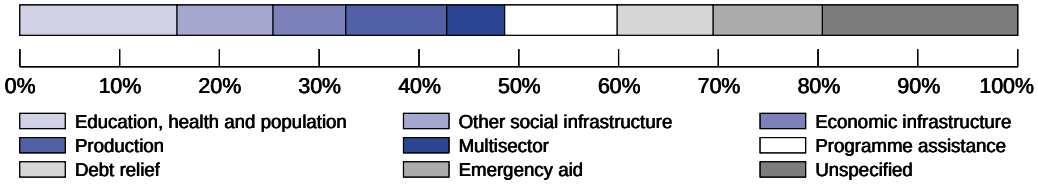
By income group (US$ m)



By region (US$ m)



By sector



Source: OECD.

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UNITED STATES

United States ODA volume increased in 2001 to USD 11.43 billion, making it the largest DAC donor. However, the ODA/GNI ratio of 0.11% is the lowest among DAC members. In early 2002, the United States announced plans to increase ODA by USD 5 billion annually by 2006. American geographically allocated bilateral ODA is most heavily directed toward lower middle-income countries (52%) and is relatively evenly distributed geographically among the developing regions of the world.

Partnership approaches. The "New Compact for Development" announced in 2002 advocates collaboration among development actors, both international and American. US field agencies engaged in development co-operation are asked to work with local partners to avoid overlaps, to increase overall effectiveness, and to support host country ownership. The United States Agency for International Development (USAID) launched a "Global Development Alliance" that aims at greater partnership among Americans working in development (NGOs, foundations, academic institutions and corporations). USAID has several international partnerships on themes such as HIV/AIDS.

Poverty reduction policies. The United States subscribes to halving the proportion of people who live in extreme poverty by 2015. USAID strategic objectives (economic growth, agriculture and trade; global health; democracy, conflict prevention and humanitarian assistance) are seen as essential to sustainable poverty reduction, which also requires private sector involvement. USAID recently created an Office of Poverty Reduction.

Policy coherence. Ambassadors oversee coherence and co-ordination among the various US agencies in the Embassy "Country Team". In Washington, co-ordination across agencies responsible for development co-operation is being strengthened, but it remains to be addressed more fully and systematically. The National Security Council encourages coherence across government through a series of high level Policy Co-ordination Committees, including one on development.

Performance measurement. Since the Government Results Performance Act of 1993, USAID has used a system that tracks results through a co-ordinated planning-implementation monitoring process. The new MCA programme will use performance based results as its operational focus.

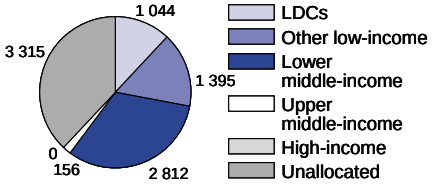
UNITED STATES

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

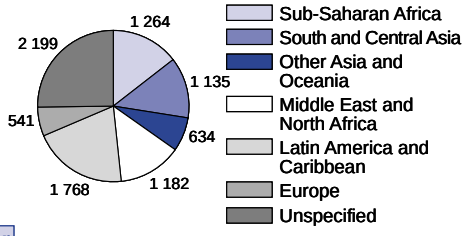
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	9 955	11 429	14.8%
Constant (2000 US$ m)	9 955	11 186	12.4%
ODA/GNI	0.10%	0.11%	
Bilateral share	74%	72%	
Net Official Aid (OA)			
Current (US$ m)	2 506	1 542	–38.5%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Russia (OA)	834
2 Egypt	808
3 Israel (OA)	568
4 Pakistan	438
5 Ukraine (OA)	246
6 Colombia	228
7 Jordan	173
8 F.R. of Yugoslavia	159
9 Peru	158
10 Indonesia	158

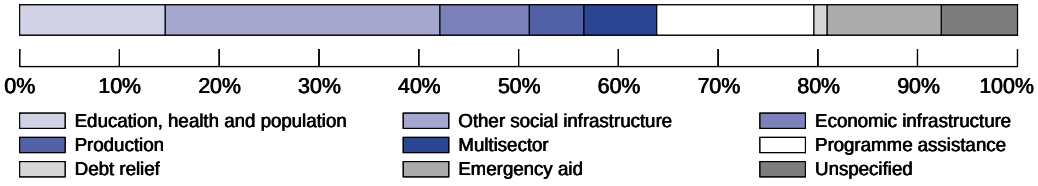
By income group (US$ m)



By region (US$ m)



By sector



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Box V-6.

DAC Peer Review of the United States, 22 October 2002

Examiners: Sweden and France

United States Development Co-operation continues to evolve in policy and structure, particularly since the events of 11 September 2001. A major new feature of US development co-operation, the Millennium Challenge Account (MCA), promises to increase overall American ODA by USD 5 billion by 2006. The main findings and recommendations from the DAC peer review of the United States included:

- The growing number of official US Government entities that deliver foreign aid (perhaps as many as fifty separate government units) operate with considerable autonomy and have relatively modest systematic opportunity to co-ordinate their respective parts of official aid. The United States was encouraged to look to USAID leadership to define more explicitly a system that can strategically bring all of these entities together around a common vision and a framework of broadly co-ordinated action. The MCA presents an opportunity for such strategic and operational reform.
- The United States has historically been a strong advocate of reliance on international partnerships to advance the common agenda of world development co-operation. Although that leadership diminished somewhat over the last decade, new policies appear to have begun to reinvigorate the US interest in development. The DAC encouraged the United States to continue to seek out and reinforce international partnerships to resolve current issues of development co-operation. Given the importance of the MCA for future growth in ODA levels in the US, it will be important to ensure consistency between American selection criteria and those being used by other members of the international donor community.
- Given its pre-eminent position, promoting economic growth and sustainably reducing poverty will require the United States in particular to work alongside other donors to promote policy coherence for development. While the current Administration is working to strengthen co-ordination across the government in areas related to development, there remains scope to address more formally, systematically and coherently the effects of broader policies on developing countries. The United States is encouraged to act in a range of areas to promote greater policy coherence for development. These include a more systematic integration of development considerations into national policy and legislative dialogue and the more systematic use of mechanisms for policy consultation across agencies. As the primary official advocate for development, USAID should assume a stronger advocacy role with other agencies in the analysis and promotion of development policy coherence.
- USAID has had a long-standing policy of delegation of authority to the field and maintains well-staffed field missions. Paradoxically, current US programming practices (*e.g.* extensive Congressional earmarking of funds, associated reporting requirements, limitations in using the fullest possible array of approaches) limit the extent to which the field is actually empowered to undertake flexible and locally adapted decision making. USAID is encouraged to evaluate the range of these limitations, with an eye to supporting modifications that liberate the fullest potential of the decentralisation concept. Of specific interest was the Congressional earmarking system, for which the strategic and management costs and other consequences could be investigated in the context of the current debate over the MCA.
- Results-based management is seen in the United States as synonymous with the improved effectiveness of aid. While USAID has registered several accomplishments in this area since the last peer review, difficulties inherent in such an approach have proved to be considerable and USAID has yet to convince all sceptics. Given USAID's need to improve management credibility with those who oversee its operations, it should more aggressively adopt the use of results-based systems within its organisation. This is an important topic for all donors and USAID could potentially form a strong alliance within the DAC to move forward with internationally acceptable results-based approaches for development co-operation in the future.

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

The following section outlines the aid activities of non-DAC OECD members except Hungary. Korea and Turkey have provided sufficient data to produce "aid at a glance" charts.

Czech Republic

In keeping with its foreign policy and priorities, Czech ODA disbursements in 2001 totalled USD 26 million, representing 0.05% of GNI, rising by USD 10 million in comparison with 2000. Czech ODA comprised bilateral development projects, scholarships, humanitarian aid, aid to refugees and multilateral development aid. All assistance was provided in grant form. Multilateral development aid amounted to 44% of Czech ODA in 2001. By region, most bilateral aid was directed to southern and south-eastern Asia, the Balkans and the NIS.

Czech development aid is governed by the Guidelines on Foreign Development Aid, approved by the government on 15 March 1995. The aid is given predominantly to countries aiming to introduce or consolidate democracy, human rights and a market economy.

During the year 2001, six years after the approval of the Guidelines, the new "Concept of the Czech Republic Foreign Aid Program for the 2002-2007 Period" was prepared by the Ministry of Foreign Affairs in collaboration with other departments. The Concept is based on comprehensive analysis and evaluation of the Czech development aid programme in 1996-2000 and has also taken account of best practices of the EU and OECD members. In accordance with the international development goals endorsed by the UN Millennium Summit in 2000, the system of granting development aid, its principles, geographical and sectoral priorities, operational procedure and organisational provisions will be reassessed and modified in the near future to increase the integral effectiveness of development aid.

To attain these goals and to enhance the co-ordinating role of the Ministry of Foreign Affairs, a Development Centre was established in September 2001 within the Institute of International Relations to serve as the ministerial consultancy body on development issues.

Iceland

Iceland's ODA disbursements in 2001 totalled USD 10 million, representing 0.12% of GNI as against 0.11% in 2000. Bilateral aid increased from USD 4 million in 2000 to USD 5 million in 2001. Multilateral aid in 2001 totalled USD 5 million, the same as in 2000.

The main beneficiaries of Iceland's bilateral aid are countries in southern Africa, notably Malawi, Mozambique, Namibia and Uganda. Multilateral aid is mostly channelled through the World Bank and United Nations agencies. Icelandic development aid is untied and consists solely of grants.

Iceland's development assistance is administered by the Ministry for Foreign Affairs and is an integral part of Iceland's foreign policy. The Icelandic International Development Agency within the Ministry for Foreign Affairs co-ordinates Iceland's bilateral assistance.

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Korea

In 2001, Korea's total ODA volume rose by 41% in real terms to USD 265 million from USD 212 million in 2000. The increase was only 25% in current USD due to the depreciation of the Won. Accordingly, Korea's ODA/GNI ratio increased to 0.06% from 0.05% in 2000. Bilateral ODA in 2001 amounted to USD 172 million. Bilateral grants reached USD 53 million rising by 25% over the previous year. This increase was mainly due to Korea's humanitarian aid for Afghan refugees both inside and outside the country. Disbursements of concessional loans increased substantially to USD 119 million, a 60% rise from the previous year.

Over 75% of Korea's bilateral ODA was provided to Asia. The main sectors assisted were telecommunications (29%), health (20%), transport (13%) and education (8%). The focus on building-up infrastructure reflects Korea's belief that this is a prerequisite for achieving economic growth and development in developing countries.

Multilateral ODA increased to USD 93 million from USD 81 million the year before. The rise mainly reflected Korea's increased contributions to the UN and international development banks.

Korea's ODA programmes are based on a number of key objectives. First, Korea's

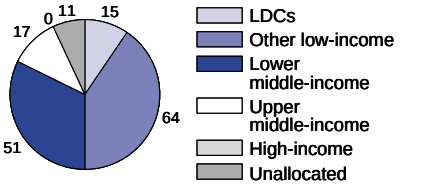
KOREA

Gross bilateral ODA, 2000-2001 average, unless otherwise shown

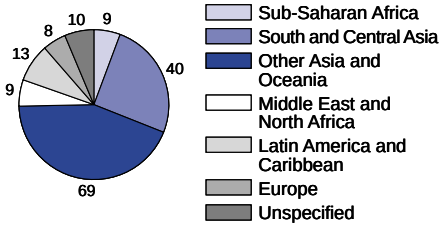
Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	212	265	24.8%
Constant (2000 US$ m)	212	298	40.5%
In Won (billion)	240	342	42.4%
ODA/GNI	0.05%	0.06%	
Bilateral share	62%	65%	
Net Official Aid (OA)			
Current (US$ m)	8	5	–29.5%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Viet Nam	28
2 Uzbekistan	17
3 China	16
4 Indonesia	14
5 Sri Lanka	12
6 Panama	9
7 Tunisia	7
8 Croatia	7
9 Angola	5
10 Bangladesh	4

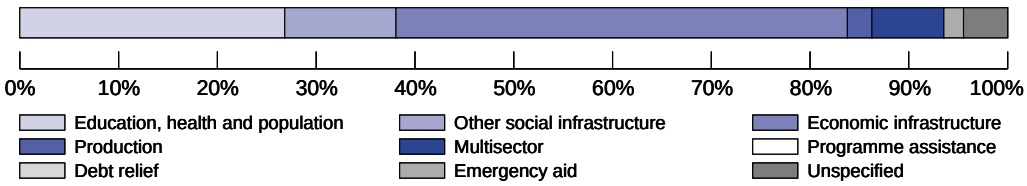
By income group (US$ m)



By region (US$ m)



By sector



Source: OECD.

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focus in assisting sustainable economic and social development is on human resource development and bridging the digital divide. Second, Korea contributes to humanitarian aid particularly to the Least Developed Countries. In particular, Korea will provide a total of USD 45 million in grants up to 2004 to assist the reconstruction of Afghanistan. Third, through its ODA activities, Korea also consistently pursues the promotion of democracy, the market economy and human rights. Fourth, extending emergency relief to developing countries has also become one of Korea's highest priorities. Finally, Korea endeavours to actively participate in a broader range of global issues that include the environment, gender equality and poverty reduction.

Mexico

For Mexico, international co-operation is a result of efforts to share experiences, abilities and resources for implementing integrated development projects. Technical, scientific and technological co-operation incorporates a diversity of types and forms.

Co-operation with developing countries is carried out through actions and projects of mutual benefit, taking into account complementarity, suitability, pertinence, viability and shared financing criteria.

Mexican co-operation with Central America shares experiences and abilities in order to solve specific problems. Co-operation with the region includes 522 technical and scientific co-operation projects and 217 educational and cultural co-operation actions. With the Caribbean it includes 128 scientific and technical projects and 121 more in the educational and cultural fields.

At the multilateral level, Mexico promotes co-operation with the United Nations System, the Organisation of American States, and other regional and international organisations taking into account multilateral co-participation, co-financing and sustainability criteria. At present, 86 projects with the United Nations System are in progress.

Poland

In 2001, Polish ODA rose by USD 7 million to reach USD 36 million, representing 0.02% of GNI. The increase was mainly due to substantial concessional loans to two Asian countries; other aid fell because of the difficult budgetary situation. Official aid to Part II countries of the DAC List was USD 8 million compared with USD 12 million in 2000. Increases in concessional loans are planned for the Asia region, especially the Middle East, in the year 2002. Apart from concessional loans, in 2001 Poland delivered development assistance mainly in grant form and through bilateral channel.

Poland's bilateral development assistance continues to be focused on the transition countries in Central and Eastern Europe and the Balkans, as well as on selected developing countries of Asia. Among the beneficiaries of Polish ODA in 2001 were Yemen (USD 24 million), Kazakhstan (USD 2 million) and Viet Nam (USD 2 million), while official aid was directed mainly to Lithuania (USD 3 million), Belarus (USD 3 million) and Russia (USD 1 million). The priority countries are chosen on the basis of their needs and of comparative advantage of Polish governmental and non-governmental institutions in the respective areas of foreign aid.

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Development co-operation plays an increasing role in Poland's foreign policy. Poland's development assistance remains concentrated on technical co-operation with countries in transition; building-up of technical infrastructure in education and health sector; support for local capacity building; promotion of human rights, democracy and good governance; post-conflict reconstruction; and humanitarian and emergency assistance.

Poland is preparing a new development co-operation strategy, as a basis for foreign aid delivery following accession to the European Union. In establishing this system, Poland will take into account its own experience as recipient and emerging donor country, guidelines adopted by the OECD, as well as the experience of more advanced donors.

Slovak Republic

Total ODA for 2001 amounted to USD 8 million (0.04% of GNI) which represented an increase of 40% in comparison with year 2000. The increase was mainly due to ad hoc humanitarian assistance and bigger contributions to international financial institutions. Disbursements of Slovak ODA were as follows: multilateral 59%, bilateral 32% and administrative costs 9%. In addition, official aid of USD 2 million was provided.

Slovak ODA continued to be provided by sectoral ministries and development NGOs with the Ministry of Foreign Affairs being in charge of overall development co-operation. Further steps have been taken to consolidate the system of Slovak ODA provision. In April 2002, the Slovak Government approved the basic principles for 2002 ODA allocations as well as the financial outlook for the period from 2003 to 2011. Those principles envisaged that Slovak ODA will increase to about 0.12% of GNI in 2011 subject to economic growth performance. But this will need review – in line with EU commitments – following the Slovak Republic's accession in 2004.

It is planned that future Slovak aid programmes will be approved by the Government on an annual basis and managed by the Ministry of Foreign Affairs. The National plan for the year 2003 and the mid-term ODA strategy will be prepared and submitted to Government by March 2003.

Turkey

Turkey's ODA fell from USD 82 million in 2000 to USD 64 million in 2001, due mainly to the evaluation of the Turkish Lira. In real terms, ODA was static at 0.04% of GNI. Turkish official aid was maintained at USD 4 million in 2001 despite the devaluation. All Turkish ODA is in grant form. Bilateral ODA remained about one third of Turkey's total ODA. Technical co-operation was the main instrument of Turkish ODA and OA with a share of 60% and 66% respectively.

Turkey began providing development aid in 1985 and since 1997, the ODA it has disbursed has exceeded the ODA it has received, so it has become a net donor. Turkey's eighth five-year plan (covering the years 2001-2005) calls for taking the required initiatives to become a member of the DAC. Legislative and restructuring processes begun in 2001 will continue with the efforts of all related public agencies.

The principal body dealing with the administration of Turkish development aid is the Turkish International Co-operation

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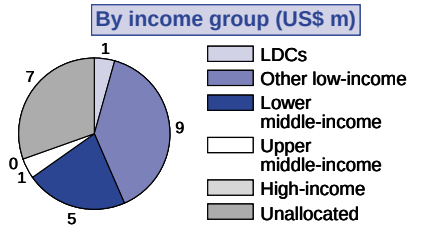
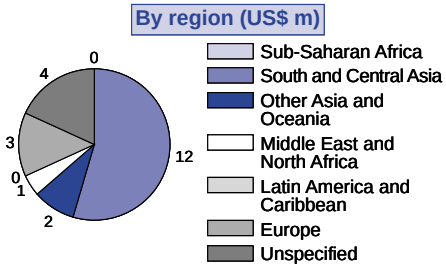
TURKEY

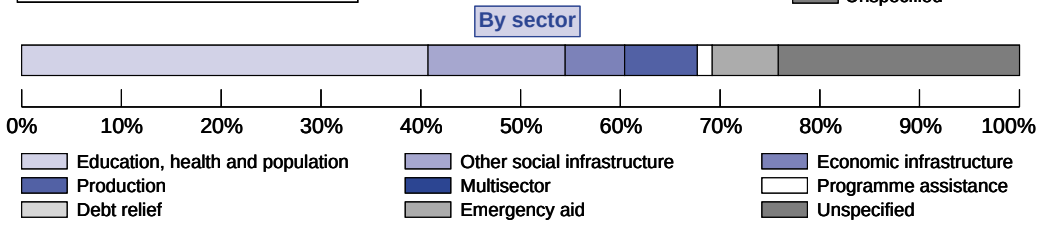
Gross bilateral ODA, 2000-2001 average, unless otherwise shown

Net ODA	2000	2001	Change 2000/2001
Current (US$ m)	82	64	–21.7%
Constant (2000 US$ m)	82	82	0.7%
In Liras (billion)	51 138	78 769	54.0%
ODA/GNI	0.04%	0.04%	
Bilateral share	31%	30%	
Net Official Aid (OA)			
Current (US$ m)	4	4	1.7%

Top Ten Recipients of Gross ODA/OA	(US$ m)
1 Azerbaijan	4
2 Turkmenistan	2
3 Kyrghyzstan	2
4 Kazakhstan	1
5 Cyprus (OA)	1
6 Georgia	1
7 Saudi Arabia	1
8 Bulgaria (OA)	1
9 Ukraine (OA)	1
10 Russia (OA)	1







Source: OECD.

Agency (TICA) which is an autonomous technical co-operation organisation under the Prime Minister. It contributes to institutional development and the improvement of human resources in partner countries by way of technical co-operation in various fields including private sector development, agriculture, health, environment, taxation, banking, infrastructure, legislation and tourism.

The basic principles underlying TICA's co-operation policies are: respect for the national, social and cultural values of partner countries, making use of the existing technologies of aid recipient countries, equal responsibility and joint management in project implementation and extending priority to institutional and human resources.

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Special Module

Millennium Development Goals: Progress during the 1990s[1]

The Millennium Declaration brings unprecedented clarity to the shared and individual roles and responsibilities of governments, international organisations, citizens, civil society organisations and the private sector; it marked a major endorsement of the earlier work in the DAC to select seven international development goals, published in 1996 in Shaping the 21st Century: The Role of Development Co-operation. *At the global level, the only targets that are on course for achievement are halving the proportions of people living in poverty and hunger and without access to safe water and sanitation. In sub-Saharan Africa, none of the targets are on track. It would be 2050 before the targets for primary schooling and access to safe water were met. None of the other targets will be achieved in the 21st century if past trends continue.*

1. Introduction

The Millennium Declaration, adopted in 2000 by all 189 member states of the UN General Assembly, sets out within a single framework the key challenges facing humanity at the threshold of the new millennium. It outlines a response to these challenges, and establishes concrete measures for judging performance through a set of inter-related commitments, goals and targets on development, governance, peace, security and human rights. The Declaration brings unprecedented clarity to the shared and individual roles and responsibilities of key parties: of governments to achieve or enable the achievement of goals and targets; of the network of international organisations to marshal their resources and expertise in the most strategic and efficient way possible to support and sustain the efforts of partners at global and country levels; of citizens, civil society organisations and the private sector, to engage fully in this ground-breaking effort, by bringing to bear their unique strengths for motivation, mobilisation and action.

This module presents data on progress towards the quantitative development goals and targets in the Declaration. The data are the best currently

1. This module is derived from a working paper prepared by the United Nations Statistics Division based on the Report of the Inter-agency Expert Group on Millennium Development Goals Data and Trends, 2002 (see *http://unstats.un.org/unsd/mi/mdg_report.pdf*). The table at the end of the module is based on the annex table contained in Implementation of the United Nations Millennium Declaration, Report of the Secretary General, A/57/270. OECD has carried out final editing on the text and table, so this version does not represent the official views of the United Nations.

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Millennium Development Goals (MDGs)

Goals and targets from the Millennium Declaration

Goal 1: Eradicate extreme poverty and hunger

Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Goal 2: Achieve universal primary education

Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Goal 3: Promote gender equality and empower women

Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015.

Goal 4: Reduce child mortality

Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

Goal 5: Improve maternal health

Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.

Goal 6: Combat HIV/AIDS, malaria and other diseases

Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS.

Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.

Goal 7: Ensure environmental sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.

Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

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Millennium Development Goals (MDGs) *(cont.)*

Goals and targets from the Millennium Declaration

Goal 8: Develop a Global Partnership for Development

Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.
Includes a commitment to good governance, development, and poverty reduction – both nationally and internationally.

Target 13: Address the Special Needs of the Least Developed Countries.
Includes: tariff and quota free access for LDC exports; enhanced programme of debt relief for HIPC and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction.

Target 14: Address the Special Needs of landlocked countries and small island developing states *(through Barbados Programme and 22nd General Assembly provisions).*

Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.

Target 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth.

Target 17: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries.

Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communications.

The Millennium Development Goals, and associated targets, come from the Millennium Declaration signed by 189 countries, including 147 Heads of State, in September 2000 (*www.un.org/documents/ga/res/55/a55r002.pdf* – A/RES/55/2).

The goals and targets are inter-related and should be seen as a whole. They represent a partnership between the developed countries and the developing countries determined, as the Declaration states, "to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty».

available to describe developments since the baseline 1990. However, the MDG process has demonstrated that there are a number of shortcomings in almost all of the data series. In fact, due to incomplete geographic coverage, global estimates could not be provided for all indicators. While the agencies have accepted the task to work together to better understand and reduce the uncertainty in the data, a necessary condition for better monitoring of the MDG indicators is increased national capacity to produce data. This is essential for national

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planning and evaluation as well as for tracking international goals.[2]

The table at the end of the module summarises the position of all developing and transition countries on most of the 48 MDG indicators. It shows the position in 1990 and the progress made to 2000, or the latest year with data. For those goals with specific targets, it shows whether these are likely to be achieved. At the global level, the only targets that are on course for achievement are halving the proportions of people living on less than $1 per day; below the minimum level of dietary energy consumption; without sustainable access to an improved water source; and without access to improved sanitation. Gender equality in secondary education is on track for 2014, in tertiary education by 2020, but not until 2024 for primary education. On past trends, even at the global level, the other targets will not be achieved until well into the 21st century – and not until about 2050 for infant and child mortality.

The table provides a special focus on sub-Saharan Africa, for which none of the targets are on track. There is progress in gender equality in education – possibly achievable at secondary and tertiary level by 2020, but not at primary level until nearly 2040. On past trends, it would be 2050 before all African children are in primary school and 80% of Africans have access to safe water, and shortly thereafter before the proportion of malnourished children is halved. None of the other targets will be achieved in the 21st century if these trends are confirmed. Moreover, access to sanitation worsened in the 1990s. This highlights the challenge facing Africa and the vital importance of the current initiatives, such as NEPAD, to improve the situation and reverse these trends.

2. Progress on each MDG in the 1990s

Goal 1. Eradicate extreme poverty and hunger

The proportion of people living in extreme poverty – defined as average per capita consumption of $1 a day or less – declined from 29% in 1990 to 23% in 1999. Based on past progress, East Asia and the Pacific is the only region on a path to meet the income poverty target of reducing by half the proportion of people in extreme poverty by 2015 – a goal the region has come close to meeting in one decade, before the financial crisis in the region set in. For the other regions, the rate of reduction will have to accelerate substantially to achieve the target by 2015.

Though progress has been made in reducing hunger and malnutrition in the developing world, this is not happening fast enough. In 1997-99, 17% of the population suffered from food deprivation, as compared to 20% in 1990-92. Progress was also made in the reduction of child malnutrition during the 1990s: the underweight prevalence rate in developing regions as a whole declined from 32 to 28%. But sub-Saharan Africa remained stuck at a third of the population on each measure.

2. See also Box II-4 on PARIS21 work in this area.

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Goal 2. Achieve universal primary education

The net enrolment ratio for primary education increased during the 1990s – from 78% enrolled in 1990 to 82% in 1998. From 1990 to 2000, the youth literacy rate in developing countries increased from an estimated 81% to 84%. But one-third of children in Africa are out of primary school and around a quarter in South Asia

Goal 3. Promote gender equality and empower women

Gender disparity in education

Despite signs of progress in some regions, a gender gap in enrolment remains at all levels of education. In primary and secondary education, the sex ratios increased between 1990 and 1998, but remain low at 0.87 and 0.82 respectively. Although parity or better has been reached in tertiary education in Latin American and South-East Asia, for developing regions as a whole, there are still on average only 75 women per 100 men enrolled.

Although the number of illiterate women aged 15 to 24 has been decreasing (from 100 million in 1990 to 86 million in 2000), the gender gap has remained substantially the same, with women accounting for 61% of the total. Moreover, progress differs from one region to another, and in some countries the gender gap in literacy has in fact widened over the decade.

Women's access to political decision making

Globally the proportion of seats held by women in national parliaments increased from 13% in 1990 to 14% in 2002. However, only in 10 countries has the presence of women in parliaments ever reached or exceeded 30% and no country has ever achieved equal participation of women and men.

Goal 4. Reduce child mortality[3]

Estimates of the under-five mortality rate (U5MR) indicate that between 1990 and 2000, child mortality decreased from 103 to 91 per 1 000 live births. However, there are large differences between regions in the reduction of U5MR: the region with the lowest level of U5MR experienced the largest reduction (31%), while the region with the highest level of U5MR achieved one of the smallest reductions (3%). If trends in U5MR during the 1990s continue at the same rate to 2015, the reduction of U5MR worldwide over the period 1990 to 2015 will be about one quarter, far from the goal of a two-thirds reduction.

Among the childhood vaccine-preventable diseases, measles is the leading cause of child mortality. Measles immunisation is therefore an essential component in reducing U5MR. Globally, measles immunisation coverage has stagnated during the 1990s at just above 70%.

Goal 5. Improve maternal health

The maternal mortality ratio is estimated to be 440 per 100 000 live births. The proportion of women who deliver with

3. For all the health-related goals, see also Section VIII of the Report.

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the assistance of a skilled health care provider – doctor, nurse, midwife – is highly correlated with maternal mortality and can be used to track trends over time. Trends in this indicator during the 1990s show that some progress was made, with an overall increase from 42 to 53% between 1990 and 2000.

Goal 6. Combat HIV/AIDS, malaria and other diseases

Tracking HIV prevalence among 15 to 24 year-olds provides an approximation of the number of new infections and gives an indication of the impact of prevention programmes. At the end of 1999, the prevalence of HIV/AIDS in the young population was estimated to be 1.2% for women and 0.7% for men.

In the context of prevention measures, condoms represent an effective way to prevent sexual transmission of HIV. Between 1990 and 2000, the contraceptive prevalence rate increased from an estimated 57% in 1990 to 67% in 2000. Within the overall contraceptive prevalence rate, globally just 7% used condoms.

Two other diseases – malaria and tuberculosis – account for a large share of disease burden in developing regions. For the world as a whole in 2000, malaria mortality among children 0-4 years was estimated at 906 000 deaths, a death rate in this age group of 148 per 100 000. Estimates for the same year indicate that tuberculosis was the cause of death for 1.7 million people – a death rate of 27.5 per 100 000 – and the global TB prevalence was 123 per 100 000.

Prevention and treatment measures exist for malaria – namely use of insecticide treated bed nets and effective treatment measures – but have not been made available to people who need them most. An inexpensive prevention and treatment strategy for tuberculosis has also been identified – the DOTS (Directly Observed Treatment Short Course) programmes. There has been a steady increase in cases detected and cured under DOTS since 1994.

Goal 7. Ensure environmental sustainability

Land area covered by forests

During the period 1990-2000, the decrease in tropical forest was 14.2 million hectares per year, 97% of global deforestation. This decrease was only partially offset by the expansion of plantation forests elsewhere. The estimated net loss during the decade was 9.4 million hectares per year.

Protected areas

The proportion of protected areas in the world increased from 7.5% in 1990 to 9.5% in 2000 – from 1 billion hectares to 1.28 billion hectares. The number of protected areas also increased between 1990 and 2000, although at a slower rate than in the 1980s.

Energy efficiency

Energy efficiency has increased globally with the most significant improvements occurring in lower-middle income economies. Nevertheless, the gap between high and low-income economies has widened in this decade. In 1990, the low-income economies, were using on average 324 kg oil equivalent to produce $1 000 worth of GDP measured in purchasing power parity terms, compared to 258 kg in high-income economies – 26% more. By 1999, low-income economies were using 277 kg oil equivalent, compared to

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208 kg in high-income economies – or 33% more.

Carbon-dioxide emissions

The main agent causing the greenhouse effect is carbon dioxide (CO_2) – mainly from burning coal, oil, and natural gas. Globally, anthropogenic emissions of CO_2 increased from 6 096 million metric tonnes of carbon in 1990 to 6 608 million in 1998, some 8%. Between 1990 and 1999, overall emissions in developed regions, excluding transition economies, rose by 7%. In developing countries, CO_2 emissions increased by 29% between 1990 and 1998, from 2 126 to 2 756 million metric tonnes.

Ozone-depleting substances

Countries that ratified the Montreal Protocol on Substances that Deplete the Ozone Layer (1987) committed to phase out the consumption of Chlorofluorocarbon (CFCs). Industrialised countries have reduced their consumption from nearly 1 million ozone depleting potential (ODP) tonnes to a residual amount of 24 000 ODP tonnes. Developing countries' consumption of CFCs has decreased by nearly a third since the mid-1990s to some 118 000 ODP tonnes.

Access to improved water sources[4]

During 1990-2000, the percentage of the world population with access to improved water sources rose from 77 to 82% – a rate of progress that, if sustained, is sufficient to reach the goal of halving the proportion of people without access to safe water by 2015. Although rural areas have seen the greatest improvements in coverage – from 64 to 71% – compared with urban areas – from 94 to 95% – they remain poorly served in terms of access to safe water.

Urban population with access to improved sanitation

Over 1990-2000, access to improved sanitation increased from 51 to 61% globally and from 81 to 85% in urban areas. Despite these gains, about 2.4 billion people still lacked access in 2000.

Population with secure tenure

Almost half the world population currently live in cities. By 2020, this percentage will increase to 56% and from 40 to 51% in developing countries, some 200 million in slums. There are no recent data, but in 1993 a third of people had no secure tenure, varying from over half in Africa to a quarter in Latin America.

Goal 8. Develop a global partnership for development

Official development assistance[5]

Since 1990, ODA has fallen by 5% in real terms and by 33% as a share of donors' national income. The share of ODA going to the least developed countries (LDCs) has declined from 27% to 22%, to small island states from 2.8% to 2.4%, while the share to the landlocked countries has risen slightly, but only because new countries – mainly formerly Soviet Republics – have entered the group. Within the reduced total, however, more is going to basic social services, up from 8% of ODA in 1995 to 14% of ODA in 2000, and over 80% of aid is no longer tied to procurement of goods and services in the

4. Section IX of the Report provides detailed information on development assistance to improved water/sanitation services in developing countries.
5. See also Section V of the Report.

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donor country. Since January 2002, practically all aid to LDCs is untied.

Improved access to markets

The overall share of duty-free imports (excluding arms) from developing countries into developed countries has increased between 1996 and 2000 – from 47% to 61%. The group of LDCs shows a similar – although more irregular – trend, with the share of duty-free imports rising from 63 to 72%. However, when the data are adjusted to exclude oil exports, the share of duty-free imports for developing countries still rose, while for LDCs it fell from 77 to 66%. Market access for developing countries in textiles and clothing only improved slightly and the preferential margin for LDCs did not improve significantly. A number of developed countries have recently made significant changes to their programmes for preferential market access, which could help improve on these past trends.

Agricultural support in developed countries has fallen in the last decade from 1.9 to 1.3% of their combined GDP. However, it still represents a cost of some $320 billion to their taxpayers and consumers and constrains agricultural growth and market access opportunities for developing countries.

Some 2.4% of ODA in 2001 was committed to building trade capacity in developing and transition countries.

Debt sustainability

The Heavily Indebted Poor Countries (HIPC) Initiative has started to bring some $41 billion worth of debt relief to 26 countries. At the end of 2000, 22 countries had reached their "decision points" under the Initiative – *i.e.* when a country's eligibility and the amount of debt relief are determined and debt relief starts flowing. By end-April 2002, 26 countries were benefiting from HIPC debt relief, and 5 countries had reached their "completion points", *i.e.* when the remainder of the pledged relief is delivered unconditionally and irrevocably.

Develop and implement strategies for decent and productive work for youth

Approximately 66 million young women and men were estimated to be unemployed in the world in 1999 – meaning young people accounted for about 41% of the global 160 million persons classified as unemployed. Youth unemployment rose by 8 million between 1995 and 1999 to some 10.3%.

Providing access to affordable essential drugs

One person in three lacks regular access to essential drugs, according to current estimates. There has been some improvement compared to the situation twenty-five years ago when less than one person in two had such access.

Ensure that the benefits of new technologies are available to all[6]

The number of mobile phone subscribers has grown from 11 million in 1990 to just under 1 billion in 2001. The number of countries connected to the global network rose from only 27 in 1990 to almost every country in the world in 2001. However, although access is available from all countries of the world, the difference in quantity and quality of telecommunication services is still wide.

6. DAC work on ICTs includes a Global Forum on the Knowledge Economy (March 2003, *www.oecd.org/dac/ict*).

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Millennium Development Goals: Trends in the 1990s

All developing countries and sub-Saharan Africa

MDG IND No.*	Indicators for monitoring progress	All developing and transition countries		Sub-Saharan Africa (SSA)		Year that 2015 target would be met on past trends		UNIT	NOTES
		1990	2000	1990	2000	All countries	SSA		
Goal 1.	**Eradicate extreme poverty and hunger**								
1	Proportion of population below $1(PPP) per day[a]	29.0	22.7[1]	47.7	46.7[1]	2011	2205	%	1. 1999
4	Prevalence of underweight children under five years of age	32	28	32	30	2026	2062	%	
5	Proportion of population below minimum level of dietary energy consumption	20[1]	17[2]	35[1]	34[2]	2014	2114	%	1. 1990-92 2. 1997-99
Goal 2.	**Achieve universal primary education**								
6	Net enrolment ratio in primary education	78	82[1]	54	60[1]	2034	2051		1. 1998
8	Literacy rate of 15 to 24-year-olds	81	84	68	77			%	
Goal 3.	**Promote gender equality and empower women**								
9	Ratios of girls to boys in:								
	primary education	0.83	0.87[1]	0.82	0.85[1]	2024	2038		1. 1998
	secondary education	0.72	0.82[1]	0.75	0.82[1]	2012	2019		
	tertiary education	0.66	0.75[1]	0.47	0.63[1]	2020	2017		
12	Proportion of seats held by women in national parliament	13[1]	14[2]	9	13[1]			%	1. World 2. World 2002
Goal 4.	**Reduce child mortality**								
13	Under-five mortality rate	103	91	176	171	2047	2225	Per 1 000 live births	
14	Infant mortality rate	70	63	110	106	2057	2173	Per 1 000 live births	
15	Proportion of 1 year-old children immunised against measles	73	69[1]	63	51[1]			%	1. 1999
Goal 5.	**Improve maternal health**								
16	Maternal mortality ratio	n.a.	440[1]	n.a.	1 000[1]			Per 100 000 live births	1. 1995
17	Proportion of births attended by skilled health personnel	42	53	40	42			%	
Goal 6.	**Combat HIV/AIDS, malaria, and other diseases**								
18	HIV prevalence among 15 to 24-year-olds	n.a.	1.0[1]	n.a.	6.3[1]			%	1. End 1999
19	Condom use rate: of the contraceptive prevalence rate[b]	n.a. 57	7[1] 67	n.a. n.a.	n.a. n.a.			% %	1. As % of total contra-ceptive use
20	Number of children orphaned by HIV/AIDS[c]	0.9	13.4	0.8	11.0			Millions	
21	Death rates associated with malaria	n.a.	166	n.a.	791			Per 100 000 under-5s	
23	Death rates associated with tuberculosis	n.a.	33	n.a.	62			Per 100 000 population	

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Millennium Development Goals: Trends in the 1990s (cont.)

All developing countries and sub-Saharan Africa

MDG IND No.*	Indicators for monitoring progress	All developing and transition countries 1990	All developing and transition countries 2000	Sub-Saharan Africa (SSA) 1990	Sub-Saharan Africa (SSA) 2000	Year that 2015 target would be met on past trends: All countries	Year that 2015 target would be met on past trends: SSA	UNIT	NOTES
Goal 7.	**Ensure environmental sustainability**								
25	Proportion of land area covered by forest	30.3	29.6	30.7	27.3			%	
26	Ratio of area protected to maintain biological diversity to surface area	7.5	9.5	n.a.	n.a.			%	
27	Energy use per $1 000 GDP (PPP)	324	277[1]	435	385			Kg oil equivalent	1. 1999
28	Carbon dioxide emissions (per capita)	1.15	1.13[1]	n.a.	n.a.			Metric tons of carbon	1. World 2. World 1998
29	Proportion of population using solid fuels	75	75	82	79			%	
30	Proportion of population with sustainable access to an improved water source	77[1]	82[1]	54	58	2013	2048	%	1. World
31	Proportion of urban population with access to improved sanitation	81[1]	85[1]	75	74	2014	Never	%	1. World
32	Proportion of urban households with access to secure tenure (owned or rented)	n.a.	62[1]	n.a.	44[1]				1. 1993 (Africa)
Goal 8.	**Develop a global partnership for development**								
33	Net ODA from OECD/DAC donors:								
	Total	0.33	0.22					% of GNI	
		53.0	53.7					US$ billion	
	to LDCs	0.09	0.05					%	
		14.4	11.8					US$ billion	
34	Total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary healthcare, nutrition, safe water and sanitation)	8.1[1]	13.8[2]					%	1. 1995-96 2. 1999-00
		2.4[1]	3.7[2]					US$ billion	1. 1995-96 2. 1999-00
35	Proportion of bilateral ODA of OECD/DAC donors that is untied	59.4	81.1					%	
36	ODA received in landlocked countries as proportion of their GNIs	13.0	6.6					%	
		6.2	7.4					US$ billion	
37	ODA received in small island developing States as proportion of their GNIs	5.3	2.1					%	
		1.7	1.2					US$ billion	
38	Proportion of total developed country imports (by value and excluding arms) admitted free of duties from:								
	All developing countries	49[1]	65					%	1. 1996. Excludes oil
	LDCs	77[1]	66					%	
39	Average tariffs imposed by developed countries on:								1. 1996. Agriculture tariffs not available
	Textiles	6.8[1]	5.8					%	
	Clothing	10.6[1]	9.8					%	
40	Agricultural support estimate for OECD countries	1.9	1.3					% of GDP	
		351	321					US$ billion	

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Millennium Development Goals: Trends in the 1990s (cont.)

All developing countries and sub-Saharan Africa

MDG IND No.*	Indicators for monitoring progress	All developing and transition countries		Sub-Saharan Africa (SSA)		Year that 2015 target would be met on past trends		UNIT	NOTES
		1990	2000	1990	2000	All countries	SSA		
41	Proportion of ODA provided to help build trade capacity	n.a.	2.4[1]					%	1. 2001
42	Total number of countries that have reached their HIPC decision points	n.a.	22					Countries	26 by April 2002
	Number that have reached their HIPC completion points (cumulative)	n.a.	1					Countries	5 by April 2002
43	Debt relief committed under HIPC initiative	n.a.	34					US$ billion	
44	Debt service as a percentage of exports of goods and services	n.a.	18					%	
45	Unemployment rate of 15 to 24-year-olds[d]	10.0[1]	10.3[2]	n.a.	n.a.			%	1. 1995 2. 1999
46	Proportion of population with access to affordable essential drugs on a sustainable basis	55.0[1]	65.0[2]	n.a.	47.0[2]			%	1. 1987 2. 1999
47	Telephone lines and cellular subscribers	2.4	16.8[1]	n.a.	n.a.			Per 100 population	1. 2001
48	Personal computers in use	0.3	2.4[1]	n.a.	n.a.			Per 100 population	1. 2001
	Internet users	0.00	2.8[1]	n.a.	n.a.			Per 100 population	

* Cross reference to the numbering of the 48 MDG indicators. Some indicators are omitted for brevity/due to lack of data.

a) For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.

b) Amongst contraceptive methods, only condoms have been shown to be effective in preventing HIV transmission. The contraceptive prevalence rate is also useful in tracking progress in other health, gender and poverty goals. Because the condom use rate is only measured amongst women in union, it will be supplemented by an indicator on condom use in high risk situations. These indicators will be augmented with an indicator of knowledge and misconceptions regarding HIV/AIDS by 15 to 24-year-olds.

c) To be measured by the ratio of proportion of orphans to non-orphans aged 10-14 who are attending school.

d) An improved measure of the target is under development by ILO for future years.

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Part III

INCLUSIVE GLOBALISATION

VI Trade Capacity Building After Doha: Making it a Reality

The Fourth WTO Ministerial Conference in Doha in November 2001 has had a significant impact on trade-related technical assistance and capacity building activities. This is reflected in enhanced awareness among donors of the importance of these issues for development and poverty reduction, with almost all DAC members placing trade in the context of poverty reduction and economic development. This section of the Report shows what the DAC is doing in support of these key areas, including a presentation of the joint OECD-DAC/WTO database and results of a joint DAC-OECD/Development Centre workshop held in Mombasa in August 2002 on "Trade Capacity Building – Experiences in an African Context".

1. Introduction

Trade capacity development: definitions and key objectives

Trade capacity building is a collective responsibility of national and regional actors, requiring commitment and long-term investment in people, institutions and dialogue. It should be comprehensive and integrated, addressing both supply-side challenges and WTO negotiating and implementation agendas. Improving the conditions and the capacities for the private sector to produce for global markets, diversify exports and enhance competitiveness is essential to the process.

A key objective of trade capacity building is to develop and institutionalise a trade policy process through stakeholder dialogue among a broad range of governmental and non-governmental actors from the public and private sector together with the research community and civil society. The trade strategy should be embedded in national development and poverty reduction strategies. A sound strategy will enable the creation of a country-owned action plan that identifies priorities, roles and actions for national, regional and external actors.

Trade capacity building can be defined as creating participatory national processes to:

- Formulate and implement a trade development strategy that is embedded in a broader national development strategy. This involves establishing a national trade policy process able to set agendas and identify clear objectives.

- Strengthen trade policy and institutions as a basis for reforming trade regimes, improving volume and value added of exports, diversifying exports and increasing FDI. This involves working on trade policy reform and the supply-side response.

- Participate in – and benefit from – the institutions, negotiations and processes that shape international trade policy and trade rules and practices. This involves interacting with the WTO agenda from a country-specific perspective.

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The "Doha Development Agenda"

In November 2001, the Fourth WTO Ministerial Conference in Doha launched the "Doha Development Agenda". This new round of trade negotiations put development concerns and trade-related technical assistance and capacity building – "trade capacity building" – at the centre of trade deliberations. Since Doha, bilateral donors and multilateral agencies have been accelerating their efforts to strengthen trade capacity building.

The DAC's response to Doha

In 2002, the DAC responded to the Doha call for enhanced trade capacity building by stepping up efforts to assess progress and address implementation challenges. This work builds on the DAC *Guidelines on Strengthening Trade Capacity for Development*, endorsed by the DAC High Level Meeting in April 2001. At the policy level, DAC activities include participation as an observer in the Integrated Framework Working Group (IFWG) and hosting joint DAC/IFWG meetings.

This section of the Report presents two specific outcomes of DAC trade capacity efforts:

- The *Trade Capacity Building Database*,[1] developed jointly by the OECD and the WTO. The database provides a rich source of information on trade-related technical assistance and capacity building activities of donors and multilateral agencies. The aim is to provide a user-friendly tool to assist the development and trade communities to share information, improve co-ordination, and monitor the implementation of the commitments made at Doha. The database contains activities for 2001 and part of 2002. An overview of trade capacity building activities for the baseline year 2001 and of a complementary survey of donor programmes and approaches is given in the first part of this section.

- A Regional Workshop on *Trade Capacity Building: Experiences in an African Context*, organised jointly by the OECD Development Co-operation Directorate, the OECD Development Centre and the United Nations Economic Commission for Africa (UNECA) in August 2002. The workshop provided a unique opportunity to bring together African stakeholders from governments, regional organisations, the private sector, civil society and the research community with representatives from international organisations and bilateral donors. Discussions centred on current approaches to trade capacity building in African countries and presented on-the-ground experiences and case studies. A summary of the workshop is provided in the second part of this section.

2. The Trade Capacity Building Database

Highlights from the first joint WTO/OECD Report on Trade-Related Technical Assistance and Capacity Building (TRTA/CB)

The Doha Development Agenda Trade Capacity Building Database (TCBDB) provides a rich source of information on TRTA/CB activities. It contains over 8 000 records covering nearly 4 500 distinct activities, provided by 28 bilateral donor countries and multilateral agencies. It establishes a baseline for 2001 showing

1. For the database, see *http://tcbdb.wto.org* (and for further information *www.oecd.org/dac/trade/tcb.htm*).

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that there were over 1 200 commitments to activities that cover all aspects of trade policy and regulations identified in the Doha Declaration and a further 1 300 or so to activities in trade development.

These commitments amounted to USD 466 million and USD 1 016 million respectively and equate to some 2.4% of total aid commitments in 2001, on a par with the share going to population programmes and more than the shares going to basic education, basic health or industry and tourism. This statistic provides a baseline for one of the 48 indicators to monitor the Millennium Development Goals, under Target 12 – "Develop further an open, rule-based, predictable, non-discriminatory trading and financial system" (see the special module at the end of Section V of the Report). In addition to these TRTA/CB activities, the USD 7.8 billion committed to economic infrastructure (some 13% of all aid) helps to build the transport, energy and communications networks essential to international trade.

Early indications for 2002 are that, since Doha, the rate and volume of commitments have sizeably increased, with 1 950 activities already in the database, even though reporting is only partial for some donors. This evolution will feature in the second of these reports to be issued in time for the Fifth Ministerial Conference of the World Trade Organization to be held in Cancun, Mexico in September 2003.

The Doha Ministerial Meeting has had a significant impact on the TRTA/CB activities of bilateral donors. This is reflected in their enhanced awareness of the importance of TRTA/CB for development and poverty reduction, increased funding for TRTA/CB activities, and the substantial strategic thinking currently underway among donors. Concrete results of the Doha Ministerial Meeting include the following:

- Many donors, including Australia, Canada, Denmark, Germany, New Zealand, Norway, Sweden, the United Kingdom and the United States, have prepared, or are in the process of preparing, strategy papers specifically for TRTA/CB.

- Donors have scaled up their resources for both multilateral and bilateral activities, and some are indicating their intention to increase resources even further in the medium term.

- Almost all donors are now placing trade in the context of poverty reduction and economic development, the aim of TRTA/CB being to promote greater participation of developing countries in the multilateral trading system and the world economy.

- Donors have a broad interpretation of TRTA/CB (although there are variations in focus). The specific objectives of TRTA/CB range from participation in trade negotiations and implementing agreements, to supporting national institutions and enhancing productive capacity. Some donors emphasise the trade policy process and mainstreaming of trade into national development plans; others focus on private sector and small and medium-size enterprise (SME) development, investment-related assistance or promoting imports from developing countries.

- Multilateral agencies and programmes are the main TRTA/CB channels for most donors, although some countries, such as Canada, Japan, the United Kingdom and the United States, also have substantial bilateral programmes. Other donors, for example France and Germany, have recently created new bilateral programmes for TRTA/CB.

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Box VI-1.

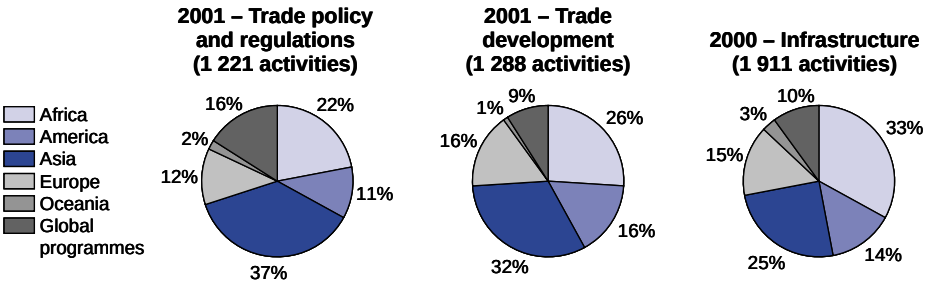
Snapshot of trade-related technical assistance and capacity building (TRTA/CB) in 2001

Trade-related aid falls under three headings:

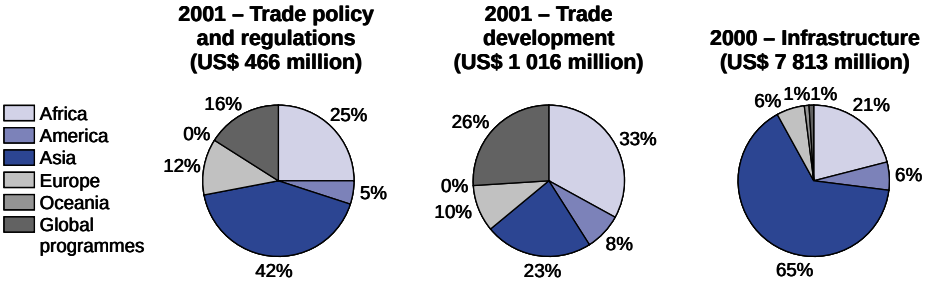
- Trade policy and regulations – to help countries reform and prepare for closer integration in the multilateral trading system.
- Trade development – to help develop the business climate and promote trade to business sectors.
- Infrastructure – to help countries build the physical infrastructure required to move goods and export successfully.

In the baseline year 2001, some 2 500 TRTA/CB activities were started, evenly split between trade policy and regulations and trade development. In addition, funding was allocated in the year 2000 to some 1 900 infrastructure activities to improve countries' transport, communications, and energy networks. The value of these commitments amounted to USD 466 million for trade policy and regulations, USD 1 016 million for trade development, and – though by no means all directed at trade – USD 7 813 million for infrastructure.

Distribution of TRTA/CB by region and by main category – Number of activities



Distribution of TRTA/CB by region and by main category – USD million



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Box VI-1.

Snapshot of trade-related technical assistance and capacity building (TRTA/CB) in 2001 *(cont.)*

TRTA/CB for trade policy and regulations is usually extended with the sole purpose of promoting trade. In contrast, trade development activities – and to an even greater extent, infrastructure activities – generally have another major objective. For example, while coffee export development is clearly "trade related", its primary objective is to foster the development of the agricultural sector. Direct comparisons of the number and the value of activities between the three categories should thus be avoided.

Nearly every developing and transition country in the world benefited from some trade capacity building assistance in 2001-02, ranging from attendance at a workshop to multi-million dollar projects across the range of TRTA/CB sub-categories. An example is the Africa Trade and Poverty Programme covering 12 countries and regional trade integration bodies to formulate trade reform strategies, analyse linkages between trade, poverty and environment, and facilitating the poor to influence trade policy makers.

Asia accounted for a third of TRTA/CB activities, but only a quarter of infrastructure projects. The reverse was the case for Africa. In value terms, Asia accounted for 42% of trade policy and regulations and for 65% of infrastructure commitments, while Africa predominated in trade development (33%). A notable feature of TRTA/CB is the large share of global programmes, especially for trade development; examples include tools for identifying trading opportunities and a training module on how to cost and price artisanal products.

3. Regional Workshop on "Trade Capacity Building: Experiences in an African Context"

The regional workshop on "Trade Capacity Building: Experiences in an African Context", held on 26-27 August 2002 in Mombasa, Kenya brought together some 86 participants, essentially from East African countries, of which a third were women, to:

- Discuss current approaches to trade capacity building in African countries.
- Identify mechanisms through which a participatory trade policy process can be fostered and mainstreamed into the national development and poverty reduction strategies.
- Explore the role of donors in facilitating and supporting the trade policy process.
- Consider tools and methods for strengthening the trade policy process and trade capacity.

The workshop provided an opportunity to test the usefulness of two OECD products:

- *The* 2001 DAC *Guidelines on Strengthening Trade Capacity for Development*, which provide a common reference point for the trade, aid and finance communities on coherent approaches to trade capacity building.

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- The OECD Development Centre 2002 study on *Trading Competitively: A Study of Trade Capacity Building in Sub-Saharan Africa*, which considers the key obstacles to competitiveness and ways to overcome them in six low-income countries in sub-Saharan Africa.

The workshop took place against a background of growing co-operation among African countries on their trade agenda. This is exemplified by the WTO Africa Group's preparations for Doha, the African experience to date with systematic approaches to trade capacity building, such as the Joint Integrated Technical Assistance Programme (JITAP) and the Integrated Framework (IF), the strong trade and investment content of NEPAD, and new initiatives to build regional institutions for developing African trade policy expertise.

The workshop was characterised by representation from a broad range of African countries – from governments, regional organisations, the private sector, civil society and the research community – to discuss how Africa can decisively increase its capacity to generate much higher growth and poverty reduction through effective participation in dynamic flows of trade and investment. There was a strong commitment among the African participants to shift the centre of African trade knowledge to Africa, with the UNECA becoming the regional institutional anchor for this process. The workshop was perceived as an important capacity building exercise in its own right – enabling the creation of a regional surveillance capacity to monitor implementation of Doha commitments and subsequent follow-up actions such as through the Integrated Framework and JITAP.

Mombasa participants encouraged wide dissemination of the workshop results, and follow-up through further good practice discussions in the development policy community based on these results, including the organisation of a follow-up regional workshop, possibly in Asia. They also appreciated support for their efforts to take forward regional networking in Africa.

Making trade work for African development

Negotiations and implementation of WTO rules and disciplines must be made relevant to the development objectives of Africans. The workshop emphasised that making trade work for African development was one of the major challenges of trade capacity building after Doha. The workshop also stressed the crucial role of Africans in helping to meet this challenge by defining their development agenda and strengthening their trade capacity to reflect these development and pro-poor objectives in their negotiating positions.

African countries have become increasingly active in the multilateral trading system since the Uruguay Round. But the trade capacity gaps with the rest of the world remain wide and may be increasing. The growing complexity of global markets and the new challenges of the multilateral trading system which include "behind the border" (or "border-in") requirements confront developing countries with major competitiveness and policy challenges. African countries are among the least well prepared of all, given their small economies and limited capacity to operate within complex trade negotiation processes. The need to reconcile the competing demands of regional, bilateral and multilateral trade negotiations and agreements further stretches African capacity in trade and trade policy.

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Strengthening the institutional and human resource capacities to overcome these challenges and generate the supply-side capacities to exploit emerging opportunities in the regional and global economies will require innovative approaches, improved co-ordination and a significant scaling-up of local, regional and international partnerships. A new culture of capacity building is needed – one which can help reinforce Africa's capacity to identify its interests in and influence on international trade policy discussions and negotiations, and define strategies for effective supply-side responses.

The paths towards strengthening the participation of firms in global markets and of governments in the multilateral trading system are inextricably linked. Comprehensive approaches are required which address trade policy constraints together with constraints in producing and getting products to markets. Trade capacity building must embrace both the short-term WTO negotiating and implementation agendas with the longer-term supply-side development agenda. Trade capacity building should also include the capacity to influence the formulation of international trade rules and agendas. It should not focus solely on compliance with those rules, as market access alone has limited benefits if supply-side issues are not addressed. The focus should be on imports as well as exports. Increased technology transfers via imports of advanced goods and services is itself a form of capacity building.

Delivery of trade capacity building must be based on the country's own trade strategy, which is part and parcel of the overall economic and social development strategy. Yet few African countries have an adequate policy framework for elaborating such a strategy. The trade policy process is an important part of policy outcomes and should not be overlooked. Again, few African countries have national trade strategies, and consequently, no clearly identified objectives and priorities. Defining TCB needs to start at home: by preparing a comprehensive trade strategy based on a realistic diagnostic of the trade potential of the country and supply-side bottlenecks. Neutrality of external assistance should be ensured for ownership to be genuine. Various externally-funded processes provide useful support to trade and investment analyses at country level. These include the WTO Trade Policy Review Mechanism (TPRM), UNCTAD's Investment Policy Review (IPR), the Diagnostic Trade Integration Studies of the Integrated Framework, and JITAP. But these processes cannot be substitutes for the country's own efforts to elaborate a national trade strategy.

Foster African stakeholder dialogues for sustainable and locally-owned trade capacity building

Dialogue at the local, regional and international level contributes to capacity building through a continuous process of sharing information and knowledge. Consultative processes help to:

- Improve the understanding and ownership among key actors of their trade options and strategies.
- Identify the needs and constraints to production and trade confronted by traders.
- Clarify the implications of trade agreements and policies for the productive sectors.
- Link up trade competitiveness and WTO agendas.
- Set objectives, prioritise and monitor progress.

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- Ensure policy neutrality of external assistance and capacity building.

All participants underlined the need to actively engage non-state actors in the trade policy process. This was seen to be particularly important to bring enterprise-level concerns into the process and to empower their private sector associations to co-ordinate views and messages. Many key actors in the trade policy framework have frequently been marginalised. Mauritius is a telling example of how policy is enhanced by a legitimate and institutionalised public/private sector dialogue. The more complex the issues, the more dialogue is needed in order to reach a common understanding of the challenges confronting the country, and a common approach to addressing them.

The aim of the dialogue is to define actions both to strengthen the government's position in international trade negotiations, and to improve the business environment for firms at home. On the policy side, for example, African countries are often not in a position to assess the real implications of the policy options they are presented with in the WTO. In this respect consultations with the private sector could greatly help optimise "requests" and "offers" in negotiations. On the supply side, dialogue should lead to an improved understanding of the needs for a trade-friendly macroeconomic environment and appropriate infrastructure, greater access to international standard market research and trade support services, ultimately leading to export diversification, enhanced competitiveness, and stronger FDI-induced backward linkages.

Box VI-2.

Trade capacity building in the African context

Lessons and ways forward

- Shift the centre of African trade knowledge to Africa by strengthening local and regional networking capacity. Regional organisations such as the UNECA are institutional anchors for such networks.
- Foster a new capacity building culture through sharing information and knowledge, learning by doing, networking and pooling of resources at the national, sub-regional and regional levels. Empower key stakeholders through strengthened dialogue mechanisms in the public and private sectors and civil society to take an active part in the trade policy process.
- Enhance multidisciplinary, applied national and regional research capacity, which meets the needs of public and private sector actors.
- Streamline and co-ordinate trade capacity building activities and programmes, based on needs and priorities defined in the country. Foster commitment among aid managers in the field to respond quickly and effectively to prioritised needs.
- Integrate trade capacity building and private sector development activities more closely, as trade, investment and entrepreneurship are all very closely related.

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Identify and engage key stakeholders

As in many developing countries, intra-governmental consultation and co-ordination is often inadequate in Africa. All relevant ministries and agencies should be engaged in the process, with clearly allocated roles and division of labour. Trade ministries play a key role in this context. The process of consultation contributes to coherent approaches to trade capacity building in which the trade agenda is closely integrated with the development and poverty reduction strategies of the partner country.

The voice and influence of the private sector is critical to the trade policy process. With first-hand knowledge of the specific opportunities and constraints to trading in international markets, its role in the trade policy process and articulation of negotiating positions is essential. A wider range of private sector actors should be engaged in consultations to help policy makers better understand the impacts of trade policy and domestic regulations on producers. The concerns of small and micro-enterprises should be considered as well. Their concerns are somewhat different from those of larger corporations; speaking with one voice has been difficult and they often do not belong to associations providing services. This raises the question of how to take account of the concerns of small-scale producers and women entrepreneurs, including in the rural areas and the informal sector – who often account for the bulk of the production exported – and translate these often diverging views into co-ordinated positions. The importance of creating and strengthening private sector associations which provide advocacy and services was emphasised in this regard.

Key actors from civil society should also be consulted. They can help identify potential poverty, environmental, and gender impacts of trade policy and domestic regulations on consumption. They may also be well placed to reach out to the often less organised producers, and to help them participate in the dialogue. But they in turn will need support to better understand the trade agenda and to positively influence its direction to meet pro-poor needs.

The research community must also be harnessed to meet the needs of the country and region in terms of studies, training and teaching. There is a need for more training of young people to work with the private sector on long-term development issues. Disciplines other than economics – for example, law – need to be brought into studies and training programmes, as the agenda is of a multidisciplinary nature. A key to sustainable ownership and lasting capacity is to include trade and investment-related issues in university curriculæ for public and private sector management studies.

Establish credible and effective mechanisms for dialogue

Developing a credible mechanism for dialogue is fundamental. It sends an important political signal indicating genuine commitment to the process. Participants stressed that Inter-institutional Trade Committees set up or strengthened under JITAP have helped to make a difference, as a comparative study with non-JITAP countries has shown.

The shape and extent of the institutional framework that will bring stakeholders together in the trade policy process depends on each country's specific context. However, some general principles hold:

- Dialogue needs to be anchored in an institution with a credible legal foundation,

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high level leadership, and a solid financial and technical base.

• Building trust between the public and private sectors and with civil society takes time. A dialogue will not necessarily be harmonious: stakeholders will have different interests, and trade policy reform will bring "winners" and "losers", thus creating tensions and resistance to change from certain groups. The very aim of the dialogue process is to allow those different interests to be voiced, identify potential consensus points, and find creative solutions for compensating the "losers".

• Firms themselves need to adopt a more proactive strategy, based on clearly identified needs and objectives. Greater involvement in policy formulation and implementation should for instance help address the observed mismatch between government policies and exporters' needs in the provision and use of trade-support services.

• A key element for fostering a meaningful dialogue is the reform of business advocacy institutions, such as chambers of commerce and industry and business associations. These are important *conduits* between their members and policy-making bodies. The private sector may more easily articulate its interests by creating an umbrella or apex organisation to co-ordinate the many actors in the dialogue with government.

• The value-chain approach can provide useful models to identify bottlenecks, and ways of reducing transaction costs and enhancing efficiency. The value chain approach also builds on the idea that products have to go through a sequence of activities in their journey from raw materials to the consumer – including production, packaging, transporting, inspection and distribution. The key question is how these different activities are co-ordinated, particularly when the value chain crosses national boundaries. One key benefit of the approach is to engage all actors in the value chain in the development of an export development strategy, including informal clusters, non-exporting suppliers, regulatory authorities, trade finance institutions and other intermediaries. Public/private sector dialogue helps develop a common understanding of trade challenges and opportunities, an understanding of the weakest links in the chain, and which capacities need to be reinforced. It may also be a way of addressing the lack of a sub-contracting culture in African countries.

Foster co-ordination and enhance synergies in trade capacity building efforts in Africa

While a number of successes and best-practice cases in trade capacity building were highlighted during the workshop, many felt that past efforts, especially in the early 1990s, had yet to deliver results. While it was noted that the lack of resources has not necessarily resulted in a lack of impact, several participants described TCB in the African context as a "jungle", with a proliferation of un-coordinated initiatives and activities. They agreed that the DAC Guidelines were potentially useful, but only where there was a real desire "to be co-ordinated" – and this desire was often lacking. Lesotho was cited as an interesting exception. There, strong political leadership and propitious timing contributed to local ownership and effective co-ordination of a number of different processes, including the IF, the PRSPs, the TPRM and the IPR.

A major factor undermining co-ordination and effective delivery is the lack of national trade strategies with clearly identified priorities and actions. Where national administrations are weak, and non-state actors

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not well organised, absorption capacity for TCB is low. Upstream awareness raising is needed to inform stakeholders and address urgent implementation capacity gaps to increase ownership. The UNDP has played a key role here to sensitise stakeholders to the issues in the context of the Integrated Framework.

Participants in the workshop urged donors to support governments in their dialogue with stakeholders. At the same time, knowledge and capacities in the private sector, the research community and civil society with regard to trade-related issues are limited. They therefore need to be empowered through information networks, and involvement in donor-sponsored projects and programmes, including for strengthening their institutional and advocacy capacities.

Integrated Framework

The application of the revised Integrated Framework provides a way forward for countries wishing to mainstream trade into their development strategies, for example their PRSP. The programme is still in an early phase. Nonetheless, many countries are interested in applying the revised IF model. Lesotho again provided a useful example of how the mainstreaming of trade into poverty reduction programmes can be facilitated through political leadership and donor support. The PRSP is a key input in national development strategies and an important tool for mainstreaming trade. However, because the PRSP was conceived as a pre-condition for debt relief and emphasises the social sectors, it tends to narrow, rather than broaden, the development agenda away from productive sectors and international trade. Current efforts to widen the scope of PRSPs are therefore crucial.

Joint Integrated Technical Assistance Programme

JITAP was appreciated by many participants as having helped to build trade capacity and prepare countries for trade negotiations, and as having contributed to stronger private sector associations and institutionalised dialogue mechanisms. However, it is undergoing a review process, with donors yet to decide whether to continue the programme. The JITAP and IF were seen as complementary programmes in the process of improving co-ordination. Close interaction between the two processes is essential and indeed they might ultimately be fused at the country level.

Trade Policy Review Mechanism/ Investment Policy Reviews

While approaches such as the TPRM and IPR were welcomed as contributing to strengthening the trade policy process in some countries and to building trade capacity in others, scope for improvement was noted. A major weakness of the TPRM is that it deals primarily with compliance and assumes that the trading system is perfect. It needs to be broadened to cover market access issues, and thus integrate the development dimension. For example, the TPRM could include a section on trade and development, drawing from experiences with the IF, PRSP, and other national processes. Follow-up could also be improved, so that results are communicated to all stakeholders of the country reviewed, and donors can respond to problems identified through the IF or JITAP.

Lessons for donors

Participants' recommendations for donors included the following:

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• Customise approaches to local contexts and adapt to changing circumstances.

• Improve follow-up, including through enhanced linkages between trade capacity building programmes and national development and poverty reduction strategy processes.

• Strengthen engagement of bilateral donors on the ground. This requires enhancing their own knowledge, and capabilities with respect to trade-related issues. A clear division of labour among donors and clarification of roles (*e.g.* the role of lead donor/facilitator) would contribute to co-ordination efforts.

• Improve communication and information flows between the trade community in Geneva on the one hand, and donors in headquarters and in the field on the other hand, and ensure convergence of bilateral and multilateral TCB.

• Provide quicker and more reliable access to donor funds, including seed money for private sector associations. Aid needs to be better targeted to appropriate institutions.

• Integrate donors' trade capacity building efforts with private sector development activities to ensure linkages between local, regional and international markets.

Strengthening African regional co-operation and networking

Suggestions for African initiatives include the following:

• Shift the centre of African trade knowledge to Africa. Regional organisations such as the UNECA with its creation of a new trade centre as well as training programme for trade at the African Institute for Economic Development and Planning (IDEP) are important institutional anchors for such networks. The United Kingdom's Department for International Development (DFID) expressed a willingness to support such regional networking initiatives.

• Follow up regional or sub-regional level workshops with a more focused discussion citing concrete case studies and good practices.

• Engage the indigenous research organisations and universities. Bring together deans of African universities with trade policy makers to ensure the inclusion of trade and investment-related issues in university curriculæ, and a better match between the supply and demand of research. Strengthen business management training through partnerships with reputable business schools.

• Initiate a review of the IF/JITAP with active participation from developing country stakeholders. The UNECA or another regional organisation could organise a workshop with support from a donor to assess experiences and make recommendations from a field perspective.

• Create a dedicated trade capacity building website/newsletter to meet a general need for information in this area. It could include information about various donor programmes, agenda of events (IF and JITAP), contributions from practitioners in the form of good practice reference papers, case studies, new literature, etc.

• Follow up with a questionnaire in due course to establish whether the workshop has led to improved dialogue, better co-ordination and ultimately enhanced influence in the trade policy process.

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Working for Development in Difficult Partnerships

There has been over recent years a growing awareness in the international community of the need for donors to stay engaged, despite the risks involved, even in countries where the DAC partnership model does not apply fully. The broad consensus shown at the 2002 DAC High Level Meeting in its discussion on development co-operation in difficult partnerships was a clear reflection of this new awareness. This section of the Report provides summaries of two recent DAC meetings on difficult partnerships, the first addressing the issue in a general way, the second focusing on the specific problems confronting the reconstruction and recovery effort in Afghanistan.

1. Introduction

Difficult partnerships are characterised *inter alia* by a lack of political commitment and weak capacity to develop and implement policies. At the DAC High Level Meeting on 15-16 May 2002, Ministers strongly supported setting key principles and recommendations for donor action in engaging in these situations. These include the need to strengthen policies and institutions to promote pro-poor change, maintain development for the poor, enhance co-ordination among donors – bilateral and multilateral – both in their analyses and action, and their overall policy coherence.

This section of the Report provides summaries of the two recent DAC meetings on this subject:

- The first, *Working for Development in Difficult Partnerships*, a workshop organised by the DAC jointly with the World Bank and other partners, focused on the need for donors to stay engaged, and on how to implement development co-operation activities in countries prone to or emerging from conflict.
- The second, an informal experts meeting on *Afghanistan Reconstruction and Recovery – Seeing Round the Corner*, organised by the DAC with wide participation by experts from Afghanistan, dealt with the particular problems facing that country in its reconstruction effort, and ways to implement solutions to promote widespread and sustained recovery.

2. Joint DAC/World Bank/EC/UNDP Workshop on "Working for Development in Difficult Partnerships", 28-29 October 2002

As a follow-up to the 2002 DAC High Level Meeting, the DAC Network on Good Governance and Capacity Development pursued collaborative work with the World Bank, as well as the European Commission and the United Nations Development Programme, by organising a Joint Workshop on "Working for Development in Difficult Partnerships", in October 2002.

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A number of DAC members were represented, including in some cases by their delegates. Other participants in the joint workshop included representatives of multilateral development agencies, other international organisations, civil society, and individuals from developing countries.

They gathered to discuss challenges and approaches to providing development assistance in country environments characterised by exceptionally weak policies, institutions, and governance. The objectives of the joint workshop were threefold:

- *Work towards a joint vision.*
- *Consult and dialogue with other stakeholders*, including representatives from developing countries.
- *Demonstrate the commitment by the donor community to improving their assistance despite the difficulties encountered* in this context.

Staying engaged

There has been over recent years a growing awareness in the international community of the need for donors to stay engaged, despite the risks involved, even in countries where the DAC partnership model does not apply fully. The broad consensus shown at the 2002 DAC High Level Meeting in its discussion on development co-operation in difficult partnerships was a clear reflection of this.

The discussion at the High Level Meeting also showed the evolution in thinking in the donor community on aid effectiveness and the necessity to formulate approaches better adapted to the specific circumstances of countries under stress. There was also a re-cognition of the potential regional spill-over effects of difficult country situations.

These risky and difficult environments, coupled with the trend towards performance-based lending and programming over the last ten years, have led donors to reflect carefully on whether to disengage – precisely at a time when their help is most needed – and, if not, on how to increase the effectiveness of their assistance. The efforts by the DAC in its work on difficult partnerships as well as on innovative approaches to countries vulnerable to conflict, and by the World Bank on the Low Income Countries Under Stress (LICUS) are in response to these concerns.

The DAC and the World Bank provided the basis for the workshop with a joint presentation of their respective analytical work on approaches to addressing difficult partnerships.[1] This joint presentation, a summary of which is given in Box VII-1, derived from the broad consistency and complementarity between the policy papers each had prepared. It also symbolised the efforts by the DAC and the World Bank to work together on addressing key policy issues related to aid effectiveness, and their implementation. The joint presentation also noted some areas of difference in emphasis or nuance between the two approaches, which are also shown in Box VII-1.

In difficult environments, supporting a broad-based, country-led poverty reduction strategy is no easy task: entrenched

1. See World Bank Group Work in *Low Income Countries Under Stress*, September 2002 (*www.worldbank.org/operations/licus*), DAC, "Development Co-operation in Difficult Partnerships", May 2002 (*www/oecd/org/dac/governance/conflict*).

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interests often mitigate against pro-poor policy reform efforts; there is a fundamental absence of voice for the poor; and basic institutions lack capacity, particularly in countries emerging from, or prone to, conflict. The approaches need to take account of these difficulties and build on the broad principles covered in the joint DAC/World Bank presentation, namely the need to stay engaged, with a joint vision resting on several pillars:

- *Recognising the comparative advantages of the various institutions and their complementary role* in working for development in difficult partnerships.
- *Co-ordinating aid programming behind a limited set of realistic objectives.*
- *Promoting the conditions for improving policies, institutions, and governance through "zero generation reforms", i.e.* politically feasible initiatives likely to result in rapid and substantial pay-offs that foster further reform.
- *Maintaining and improving the delivery of basic social services to the poor.*
- Once *reform priorities* have been established with domestic stakeholders, donors and development agencies should focus on *reinforcing them through concerted efforts* shaped by joint analysis of problems, constraints, and opportunities.
- *Establishing sound monitoring and evaluation systems* to ensure a move from shared ideas to shared and effective implementation.

The EC and the UNDP, as member and observer respectively of the DAC, are partners to the approaches set out in the DAC note (see footnote 1). The EC presented its framework for dealing with difficult partnerships through the flexible and sequential use of a wide range of political mechanisms and aid and non-aid instruments, ranging from humanitarian assistance and collaboration with non-state actors to national and regional programmes and strategies. This set-up allows the EC to stay engaged even in the most difficult situations. The EC also highlighted the areas of democracy, respect for human rights and the rule of law as essential elements of its development partnership, and the fundamental importance of good governance. In addition to the regular political dialogue with its partner countries, the EC has a mandate to address shortcomings in these areas by triggering a consultation mechanism. Most situations of difficult partnership are associated with conflicts. The EC has recently reinforced its focus on conflict prevention mechanisms, including mainstreaming them into development programmes, and has revised its policies for linking relief, rehabilitation and development.

Implications for implementation

The UNDP chaired a panel discussion on implementation, which highlighted agreement on the basic principles of the approach outlined in the first session, but also various concerns and views on implications for implementation. Donor co-ordination was considered to be one of the most important issues but also one of the most difficult to address in these situations. The discussion focused on the difficulty of supporting long-term sustainability when implementing short-term programmes; the importance of building strategies at the developing country level; and the need to recognise the comparative advantage of different development co-operation institutions. The importance of building in flexible mechanisms was also stressed so as to allow programmes to evolve as lessons are

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Box VII-1.

Approaches to addressing difficult partnerships

Key elements from the joint DAC-World Bank presentation on "Working for Developing in Difficult Partnerships"

Background

The May 2002 DAC High Level Meeting discussion on difficult partnerships supported further work on the implementation of the principles. In July 2002, the World Bank Board reviewed the report of its task force on Low-Income Countries Under Stress (LICUS). The degree of consistency and complementarity of their work being very high, the World Bank and the DAC pursued their co-operation in collaboration with the EC and the UNDP.

The joint DAC/World Bank presentation at the October 2002 workshop on their work symbolised the efforts to work together on implementation.

Partnership: some basic principles

- Ownership and partnership principles are at the core of the current development co-operation paradigm (Millennium Development Goals, World Bank policies).
- Good partnership includes the following elements:
  - Shared objectives of poverty reduction.
  - Broad commitment to principles of good governance.
  - Implementation of generally sound policies.
  - Sufficient ability to make progress (with donor help on capacity development).
- On this basis, development co-operation is most effective in support of country-led development programmes.

Difficult partnerships/LICUS: common characteristics and complementarity

- General lack of will, usually exacerbated by the lack of ability of the country to reduce poverty.
- Some qualitative, inter-related characteristics include:
  - Poor governance (*e.g.* violent conflict, repression, high corruption).
  - Poverty reduction low on the government's priority list.
  - Weak policies.
  - Insufficient capacity, even with donor support, to make progress.
  - Important subset are countries emerging from or prone to conflict.
- Difficult partnerships are highly diverse – no single approach fits them all.
- Best quantitative indicator found by the World Bank so far is low country policy and institutional assessment (CPIA) rating.

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Box VII-1.

Approaches to addressing difficult partnerships *(cont.)*

Ways of addressing difficult partnerships

- Recognise the risks of disengaging (*e.g.* regional impact of "state failure").
- Engage differently by:
  - Improving analysis of country issues and context.
  - Focusing on knowledge sharing and change.
  - Exploring different delivery channels and mechanisms.
  - Intensifying co-ordination based on common assessments.
  - Addressing coherence of donor policies (*e.g.* trade and investment, terrorism, drugs, money laundering).
- Focus on improving policies, institutions and governance to promote pro-poor change.
- Maintain basic social services.

Some key lessons for donors

- Carry out careful joint analysis of problems, constraints and opportunities.
- Recognise need to move decisively from joint analysis to joint engagement.
- Focus on coalitions for reform and address barriers to adequate performance.
- Recognise low desire and capacity for reform.
- Support piloting and innovation.
- Define clear priorities with careful sequencing.
- Maintain basic services to the poor, including via NGOs and possibly piloting of Independent Service Authorities (ISAs).
- Work towards transition to government-led programmes.
- Reinforce country-level co-ordination, especially where conditions are particularly difficult.
- Recognise that not all donors need to be engaged at once.
- Move ahead together from shared ideas to shared and effective implementation.

learned. Some participants highlighted the political complexities of remaining engaged for some and re-engaging for others; this applies both for donors, who need to justify the value of engagement to their taxpayers, and for the countries themselves, who often face daunting political barriers to change.

Views varied on the use of parallel mechanisms to the state in the delivery of services, such as the Independent Service Authorities (ISAs) proposed in the LICUS paper. Some felt it was at times a necessary temporary solution, however imperfect. Others raised concerns about the risks and the potentially negative impact

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of such structures and suggested that these should be conceived as temporary from the beginning and piloted only in a few severe cases of state failure. Evaluative work on this issue was deemed necessary in the future.

One key concern shared by many participants was the need for external partners to gain better knowledge and understanding of the partner countries concerned. This applied particularly regarding the socio-political context for development efforts where bilateral donors have a comparative advantage. Other institutions, such as the EC and UNDP, with extensive field presence especially in difficult situations, can also play an important role. This analysis should be broadly shared to make donor strategies more coherent and complementary. Several participants emphasised the need for the regional and sub-regional levels to be taken into account.

There was particular interest in regional initiatives such as the New Partnership for Africa's Development (NEPAD). Participants urged continued support for this initiative in which regional organisations provide not only leadership, but also exert peer pressure to help bring about change.

Topic-specific discussions

As part of the workshop, participants were divided into break-out group discussions. The level of complementarity between break-out sessions was high, particularly those on capacity building and change, and on social service delivery.

Governance and pro-poor growth

Participants emphasised that a key challenge for reformers and donors was the gap in diagnosing how best to help, including particularly in defining zero generation reforms (see above). The needs of countries in difficult partnership situations are highly diverse – ranging from those emerging from conflict to those with extremely weak government capacity. Participants agreed on the importance of long-term commitment notwithstanding the tactical need for "quick wins" upon which to build. They acknowledged the need to widen the knowledge base and to work further on methodologies for socio-political analysis. Participants also agreed on the need to share information more widely, not just among donors and partners, but also with local and regional partners.

Capacity development and change

This session distinguished between two main types of capacity development – the first to bring about social change, and the second to improve basic service delivery. Participants agreed that capacity development must be country-driven and that in addition to government, civil society (including NGOs), the private business sector, media, and academia are involved in creating momentum for change. NGOs were considered particularly important in this respect since in some countries it is often the only source of social welfare and has a stake in stability and good governance. However, the non-governmental sector is no panacea, and capacity-building efforts should continue with government and other stakeholders. The session advocated fostering training/twinning arrangements with external institutions, encouraging the country's expatriate community to return home to work, starting small and then scaling up successful efforts and ensuring clear deadlines for implementation entities, such as ISAs.

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Social service delivery

This session, like the one on capacity building, concluded that although social service delivery can be a good entry point for donors in addressing institutional change and reform, long-term support to parallel service delivery channels should be avoided. Some stressed the importance of explicit transitional strategies and participation of local government, which their experience had shown to be one way to keep government involved. Delivery of social services is not just a technical issue but one with broad political and social implications. Several speakers advised seeking solutions first at the community level, particularly through the involvement of women, since they can be the most effective agents of change in this area. This requires a high degree of understanding and analysis of the socio-political context. Innovative small-scale pilots could be carried out and, if shown to be effective, replicated on a larger scale.

Aid co-ordination and coherence

This discussion centred on the need to ensure consistency in donor approaches, policies, and implementation. Participants emphasised that co-ordination in these difficult situations is even more critical to achieving a country-wide focus on a few key priorities, and the lack of co-ordination is especially harmful in environments where resources are scarce and entry points few. The applicability of existing approaches, based both on Poverty Reduction Strategy Papers (PRSPs) and specific themes (*e.g.* good governance) where available, was also discussed. Participants referred to several other mechanisms for further emphasis, including integrating the lessons of humanitarian aid co-ordination, linkages with stability and security, co-ordinated efforts regarding extractive industries, and support to regional and sub-regional organisations and initiatives.

Conclusions of the workshop

While recognising a variety of views on specific mechanisms, participants agreed that there was clear common ground on the key principles and approaches, and that it was now time to focus on concrete implementation of this joint vision and co-ordination at the country level.

There was broad recognition of the need to:

- *Set the approaches to difficult partnerships in the context of the aid effectiveness debate* (including on performance-based allocations), the *achievement of the Millennium Development Goals and implementation of the Monterrey Consensus*.

- *Enhance and share knowledge on concrete cases of difficult partnership*, building on current experience in very difficult environments, such as countries prone to or emerging from conflict.

- *Take the principles forward to the implementation stage*, building on the comparative advantage of different institutions. The convergence of donor views on these issues should lead to further collaboration with other partners, including with NEPAD.

The active participation by the EC and the UNDP was recognised, and further collaboration would be sought in follow-up to this meeting.

Three specific steps for follow-up were proposed:

- Firstly, the learning effort should move to the country level. There was

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support for the UNDP/World Bank pilots in four countries, for monitoring their implementation, and agreement on a proposal to seek wider engagement on these with other bilateral and multilateral donors. Some bilateral donor leadership could also be envisaged.

• Secondly, it was proposed that a "Learning and Advisory Group" be established to share analysis, knowledge, and best practice on the implementation of the principles and approaches put forward in the DAC and the World Bank documents and discussed at the workshop. In this group, the DAC, World Bank, UNDP and EC would pursue work together.

• Thirdly, the DAC Network on Good Governance and Capacity Development, which has, as requested by the 2001 DAC HLM, led work for the DAC on difficult partnerships, could host the "Learning and Advisory Group". Work in this group could be carried out jointly with the DAC Network on Conflict, Peace and Development Co-operation. The group would be a reflection of the advisory work concept supported by representatives of DAC member countries at the 2002 High Level Meeting.

Reference was also made at the workshop to a related event: the Joint DAC/Development Centre Expert Seminar on "Aid Effectiveness and Selectivity: Integrating Multiple Objectives into Aid Allocations", in March 2003, with a focus on how to integrate the objective of cost-effective poverty reduction with other development objectives. These would include providing moderate levels of continuing support for difficult partnerships, as called for in the DAC and World Bank approaches. Other objectives to be taken into account would include post-conflict recovery and humanitarian aid.

3. DAC Experts Meeting on "Afghanistan Reconstruction and Recovery: Seeing Round the Corner", 2-3 May 2002

At the DAC Senior Level Meeting in December 2001, it was proposed to hold an experts meeting on Afghanistan.[2] The experts meeting took place on 2-3 May 2002 in Paris and brought together over 80 participants, including representatives of the Afghan Interim Authority (AIA), independent experts on conflict prevention and reconstruction, and senior officials from bilateral and multilateral donor agencies involved in recovery and reconstruction programmes in Afghanistan.

The meeting was organised around the following topics:

• Building blocks of the Afghan polity: *governance and security.*

• Forces at play behind and ahead of the scene: *capacity building in government and civil society.*

• Regional neighbourhoods: *initiating sustainable economic growth with emphasis on agriculture* (including land tenure and infrastructure).

The purpose of the informal experts meeting was for DAC member and observer

2. This work takes place in the context of the DAC work on conflict prevention. See *Helping Prevent Violent Conflict*, OECD, 2001 (*www.oecd.org/dac/governance/conflict*).

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officials involved in Afghanistan to listen to and interact with independent experts and Afghans, including the AIA.[3] The reconstruction strategy was discussed and assessed through the lens of experience in comparable situations as well as of DAC guidance on violent conflict and good governance.

Key issues and approaches

The meeting stressed that much progress has been made in Afghanistan in a short time, in spite of a 23-year legacy of devastation and war and of continuing serious political, economic and social issues. Some indicators cited of this progress included an initial national budget and development framework, and simplification of the donor co-ordination mechanism, with active Afghan leadership. Preliminary elements are in place for sustained engagement of the international community to assist Afghan-led efforts to strengthen institutions of governance, security, economic policy, and human and social infrastructure. The stakes are high. A slow pace of recovery and reconstruction will adversely affect political and social reconciliation and stability.

Sustained engagement and an integrated approach

The sustained engagement of the international community to assistance, recovery and relief is crucial to facilitate and help stabilise the political process. The complexities associated with reconstruction in the midst of violent conflict require external parties and Afghanistan to adopt an integrated approach, providing simultaneously humanitarian relief, and recovery and development assistance where needed. Progress requires an "all of government" approach on the part of donor countries, assuring policy coherence in areas such as diplomacy and security as well as development co-operation.

Donors need to co-ordinate their assistance – including project assistance – closely with the national development framework which will benefit from further consultation within Afghanistan, and the budget. They should increase to the extent possible the share of assistance, passing through the budget, and ensure that all aid is reported on promptly through a common reporting framework. Increased predictability of assistance will also enable the AIA as well as other donors to co-ordinate investment better, increasing its effectiveness. A survey and stocktaking of the activities underway would help identify gaps and overlap and discourage donor duplication or competition.

Donors need to take risks in this difficult situation and fulfil their pledges. The budget gap was estimated at USD 120 million in a USD 600 million budget for 2002. There were strong calls on the donor community to close this gap, for the sake of credibility, and to allow salaries to be paid without increased inflation. The DAC could explore the flexibility allowed by current members' rules for the use of budgetary support for aid delivery in such pressing circumstances. Continued financing of the

3. The Afghanistan Reconstruction Steering Group (ARSG) is composed of: United States, the European Union, Japan, Saudi Arabia, United Nations Development Programme, World Bank, the Asian Development Bank, and the AIA. The report of the meeting, which does not represent a formal consensus of participants, has been shared with relevant government and donor co-ordination groups. These are the AIA, the AACA, the ARSG, and the Afghan Support Group (ASG) for consideration in planning and implementing their recovery and reconstruction efforts.

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major share of the operating budget will also require improvements over time on the government side in terms of fiduciary management and reporting issues.

Security and development

The devastation caused by the war in Afghanistan has made investment necessary in every sector and aspect of national reconstruction. Participants called particular attention to the need to address security issues as there can be no development without security. Donors are starting to engage more in security reform, but need to be ready to take more risks, working with defence and security agencies in their own governments.

Addressing security issues requires an integrated approach to transforming the security sector that goes beyond the roles of the military and police security forces to include civilian oversight and complementary reforms in areas relevant to security, such as judicial, prison and governance institutions. Ensuring security includes dealing with the questions of impunity, encouraging reconciliation; demobilisation, where alternative means of livelihood are not available; the continuing security role of local forces; and the feasibility of establishing in the near term a national army and a national police force. Some Afghan participants suggested that the Loya Jirga should consider creating a national committee of conciliation, mediation and demilitarisation to be composed of the elders in Afghanistan.

One key security issue relates to the political economy of war. Afghan representatives and donors expressed the need to find ways to marginalise the peace spoilers who have vested interests in perpetuating conflict, for example those involved in poppy production or distribution, arms sales, or maintaining political control. Actions of donor and neighbouring countries, as well as those of the domestic and international private sector, can have a positive or negative impact, often unknowingly, on peace prospects. Donor countries need to integrate the political economy of war into their programmes, and as stated above, take an "all of government" approach.

Supporting political and institutional change

Development is also contingent on establishing institutions of governance that are credible and representative. The results of the Loya Jirga will be a major step in providing legitimacy to the future government. While accountability to donors for assistance provided is important, accountability to the Afghan population is much more so.

While differences of degree were expressed, there was broad consensus that Afghanistan must maintain a balance, in strengthening the capacity and roles, among the central regional and local levels, if reconstruction is to succeed. This includes "constructive engagement" of local authorities and military leaders in reconstruction programmes. Continued donor funding needs to be linked to the local authorities' ability to maintain secure and amenable conditions for success, to draw them into a gradual process of national reconciliation and cohesion; and to ensure that reconstruction efforts are robust, sustainable, and geographically widespread.

Participation of Afghan women (60% of the population) in the development and political process, and in decision making at all levels, is vital for peace, economic and social progress. This requires respecting

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women's rights and facilitating their access to education, health care and other basic social services, and to income-generating activities. A similar concern needs to apply to children, and to ethnic and marginalised minorities.

Concerning capacity strengthening, donors must resist the temptation to make excessive use of outside consultants and help strengthen and make good use of Afghan capacity. This requires building on existing government, private sector and civil society structures, as well as helping build new capacity where necessary. In the public sector, areas needing attention include security and governance, development policy, and regulation of the financial sector. Donors also need to take care about major distortions that they may be inadvertently creating in labour markets, in an environment where a driver for a foreign agency may earn a much higher salary than a professional employed by the government. Resolving such issues will also involve pay reform in the public sector.

Afghanistan's educated and skilled diaspora can play a major role in the short term, during which the country will have substantial needs for external technical support. While Afghan refugees are returning home at rates hard to absorb in the war-devastated economy, attracting back the educated diaspora needs encouragement from government and donors.

Promoting economic growth and regional co-operation

Afghanistan's economy is based on the private sector, with small entrepreneurs as its driving force. Their role should be reinforced, as should investment from the diaspora. This requires sound economic policies and transparency and clarity in economic governance. Broader needs for growth include improving education and training, health services, and support for rural development, particularly for small farmers and for associated off-farm employment. Support for these efforts requires major investment in rehabilitation of infrastructure, energy and water management.

Regional co-operation, including trade agreements, is vital for growth and security. Afghanistan's land-locked status and historical role as a trade and transport centre indicate the importance of trade for growth, and of good relations with its neighbours. While Afghans are concerned about not becoming a *de facto* satellite, economically or politically, of their neighbours, a sustainable Afghan economy will ultimately depend on open markets in the region. Implications for donors include taking a regional, as well as a country-specific approach, while recognising Afghan concerns.

Afghan meeting participants suggested that a regional dialogue forum for Central Asia be established. Points of common concern in the region, beyond trade and transport, include electricity and water infrastructure and management; drugs and arms smuggling; cross-border crime; and the spread of HIV/AIDS. Water is a particularly important issue in Central Asia, as most of its water originates in Afghanistan. A regional approach can help provide fair sharing of benefits and avoid potential conflict.

Donor co-ordination and mutual accountability

There is a need to improve donor co-ordination and transparency at the field level through simplified and harmonised

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procedures. This will increase the effectiveness of aid, reduce its administrative burden, and strengthen the role of the AIA. A major step in this direction is provided by the recent creation of the AACA, whose role is to co-ordinate both official and NGO assistance.

Mutual accountability also requires considerable action on the Afghan side. A number of suggestions that emerged from the meeting have been outlined above. In addition, the AACA itself needs to work in an integrated way with other government institutions. It needs also to develop its capacity for fiduciary accountability and for encouraging and monitoring implementation.

Conclusions of the experts meeting

• *There is a need to improve donor co-ordination at the field level* through simplified and harmonised procedures to reduce the administrative burden on the AACA established by the AIA on 10 April 2002. Donor co-ordination should also cover essential thematic or sectoral issues, such as the role of women, refugees, agriculture, private sector development, economic policy, and governance.

• *There is no development without security.* Donors will have to deal with the needs for both internal and external security, *i.e.* for the police force and the reconstruction of a national army. This poses problems for development agencies which have been concerned about confusing development and security objectives. A survey of DAC members' support in this area could help consider the current flexibility for support to the security sector.

• There were strong calls on the donor community to *close the budget gap* (see above), and to allow salaries to be paid without further inflation. The DAC should explore the flexibility allowed by current members' rules for the use of budgetary support for aid delivery in such pressing circumstances.

• *The relationship between the centre and the periphery is sensitive but crucial.* There is a need to encourage constructive engagement of local authorities in reconstruction programmes by co-opting them into a gradual process of national reconciliation and cohesion. Balanced support to the centre and the periphery would ensure sustainable and geographically widespread reconstruction efforts.

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Investing in Health to Reduce Poverty

Increasing the effectiveness of development co-operation in improving the health of poor people is a means of reducing poverty and achieving the health-related Millennium Development Goals.
A 2002 DAC Reference Document on Poverty and Health examines these issues and develops a set of policy recommendations on the most effective ways of supporting a pro-poor health approach in partner countries.
This section of the Report presents highlights from the DAC Reference Document and includes an overview of DAC members' ODA to the health sector.

1. Background: the DAC Reference Document on Poverty and Health

The DAC Reference Document on Poverty and Health, jointly published with the World Health Organization (WHO), is the outcome of a joint effort by DAC members working together through the DAC Network on Poverty Reduction and its Sub-Group on Poverty and Health. It builds on bilateral agency experience and the work of leading organisations such as the WHO, the World Bank and other United Nations agencies as well as non-governmental organisations. It also draws selectively on the work of the WHO's Commission on Macroeconomics and Health (CMH), which represents the most systematic and up-to-date review of the evidence linking health to economic development and poverty reduction. It expands and deepens the 2001 DAC *Guidelines on Poverty Reduction*, endorsed by OECD Ministers of Development Co-operation and heads of development agencies at the 2001 DAC High Level Meeting. This section of the Report presents highlights from the DAC Reference Document.

2. Introduction

Health is now higher on the international agenda than ever before, and concern for the health of poor people is becoming a central issue in development. Indeed, three of the Millennium Development Goals (MDGs) call for health improvements by 2015: reducing child deaths, maternal mortality, and the spread of HIV/AIDS, malaria and tuberculosis. (The Special Module at the end of Section V provides a list of targets and indicators associated with these goals and reports on progress in meeting them in the 1990s.)

The nations of the world have agreed that enjoying the highest attainable standard of health is one of the fundamental rights of every human being, without distinction of race, religion, political belief, economic or social condition. Beyond its intrinsic value to individuals, health is also central to overall human development and to the reduction of poverty.

The poor suffer worse health and die younger. They have higher than average child and maternal mortality, higher levels of disease, and more limited access to health care and social protection. Gender inequality further disadvantages the health

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of poor women and girls. For poor people especially, health is also a crucially important economic asset. Their livelihoods depend on it. When poor people become ill or injured, the entire household can become trapped in a downward spiral of lost income and high health-care costs.

Investment in health is also increasingly recognised as an important means of economic development. As the WHO Commission on Macroeconomics and Health has shown, substantially improved health outcomes are a prerequisite for developing countries to break out of the cycle of poverty.[1]

Good health contributes to development through a number of pathways, which partly overlap but in each case add to the total impact:

- *Higher labour productivity.* Healthier workers are more productive, and miss fewer days of work than those who are ill. This increases output, reduces turnover in the workforce, and increases enterprise profitability and agricultural production.

- *Higher rates of domestic and foreign investment.* Increased labour productivity in turn creates incentives for investment. In addition, controlling endemic and epidemic disease, such as HIV/AIDS, is likely to encourage foreign investment, both by increasing growth opportunities for firms and by reducing health risks for their personnel.

- *Improved human capital.* Healthy children have better cognitive potential. As health improves, rates of absenteeism and early school drop-outs fall, and children learn better, leading to growth in the human capital base.

- *Higher rates of national savings.* Healthy people live longer and have more resources to devote to savings and retirement. These savings in turn provide funds for capital investment.

- *Demographic changes.* Improvements in both health and education contribute to lower rates of fertility and mortality. After a delay, fertility falls faster than mortality, slowing population growth and reducing the "dependency ratio" (the ratio of active workers to dependents). This "demographic dividend" has been shown to be an important source of growth in per capita income for low-income countries.

In addition to their beneficial macroeconomic impact, health improvements have inter-generational spill-over effects that are clearly shown in microeconomic activities, not least in the household itself. The "demographic dividend" is particularly important for the poor as they tend to have more children, and less to invest in the education and health of each child. With the spread of better health care and education, family size declines. Children are more likely to escape the cognitive and physical consequences of childhood diseases and to do better in school. These children are less likely to suffer disability and impairment in later life and so are less likely to face devastating medical expenses and more likely to achieve their earning potential. Then, as healthy adults, they have more resources to invest in the care, health and education of their own children.

1. WHO (2001), *Macroeconomics and Health: Investing in Health for Economic Development*, Report of the Commission on Macroeconomics and Health, WHO, Geneva.

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3. Poverty and health

The dimensions of poverty

The 2001 DAC *Guidelines on Poverty Reduction* present a practical definition of poverty, placing it in a broader framework of causes and appropriate policy actions. The five core dimensions of poverty reflect the deprivation of human capabilities:

- *Economic* – income, livelihoods, decent work.
- *Human* – health, education.
- *Political* – empowerment, rights, voice.
- *Socio-cultural* – status, dignity.
- *Protective* – insecurity, risk, vulnerability.

Major determinants of poverty and ill health

Measures to promote gender equality and to protect the environment are essential for reducing poverty in all these dimensions. The DAC Guidelines emphasise that some social categories are particularly affected by severe poverty, among them indigenous populations, minority and socially excluded groups, refugees or displaced persons, the mentally or physically disabled and people with HIV/AIDS. These groups are among the poorest of the poor in many societies and require special attention in policy action for poverty reduction.

Gender inequality and health

Gender inequality is a major determinant of poverty and ill health. Poor women are disadvantaged in relation to assets and entitlements, within the household and in society. Socio-cultural beliefs about the roles of men and women contribute to this inequality. Poor women and girls experience even deeper disadvantage in access to resources for health, such as cash and financing schemes, services, and "voice". Some categories of women and children are especially vulnerable – for example, elderly widows, unsupported female and child-headed households, and street children. Women are also major producers of health care through their roles as household managers. But the health, including the reproductive health, of poor women and girls also often suffers from inadequate nutrition, heavy workloads and neglect of basic health care, factors that can be aggravated by exposure to sexual abuse and interpersonal violence. All have a serious effect on human development and the formation of human capital. Action on gender inequality is therefore an essential element of a pro-poor approach to health.

4. Key actions to promote pro-poor health

The recommendations outlined below are geared to a broad range of development agency staff working in policy and operations – at headquarters and in the field – and provide directions on the most effective ways of supporting a pro-poor health approach in partner countries.

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Key actions to promote pro-poor health

PARTNER COUNTRY	ACTION	DEVELOPMENT AGENCY (Support role for partner-led efforts)
1. Demonstrate political will to reduce poverty and achieve the health-related Millennium Development Goals.	**I. Mobilise political will and additional resources for health**	Encourage greater understanding of the contribution of health to pro-poor growth and development. Foster dialogue on health and other policies that underpin a pro-poor health approach.
2. Mobilise additional domestic resources for health through budget re-allocations and HIPC repayment savings. Improve the efficiency of health spending. Improve financial systems for greater transparency and accountability.		Scale up assistance for the achievement of the health-related MDGs and poverty reduction.
3. Assume key public sector functions in health: policy making, regulation, purchase and provision of services.	**II. Develop effective pro-poor health systems**	Strengthen capacity for the execution of the core functions of the ministry of health.
4. Provide accessible, affordable, and responsive quality health services.		Facilitate the identification of disease patterns, and the health service needs of poor people and vulnerable groups.
5. Strengthen health financing systems that allow for equitable access of the poor to health services.		Support capacity in social impact analysis, to make health systems, including financing, more accessible to the poor.
6. Support health policies through decentralisation and greater local capacity to deliver services. Ensure meaningful community participation.		Assist civil society organisations and community representatives to increase their capacity to participate in health policy and programmes.
7. Develop partnerships with the private sector and NGOs for the delivery of health services.		Support strategies to improve service delivery including better public services and partnerships with the private sector to increase coverage.
8. Facilitate cross-sectoral collaboration and harmonisation of policy objectives to improve health outcomes. Mandate and resource non-health ministries to do so.	**III. Focus on other sector policies impacting on poor people's health**	Help generate greater recognition of the potential impact of sector policies on health such as education, nutrition, water and sanitation.
9. Lead, own and implement a comprehensive health sector programme and integrate it into the Poverty Reduction Strategy (PRS).	**IV. Work through country-led poverty reduction strategies and health sector programmes, and monitor progress towards improved health outcomes**	Promote greater country leadership and ownership for the elaboration and implementation of PRS and health sector programmes. Work towards common procedures for aid delivery and evaluation.
10. Improve links and policy consistency between PRS and health sector programmes (and other sectors impacting on health).		Build capacity for poverty and gender analysis in health.
11. Ensure that Global Health Initiatives are integrated into national systems.		Ensure that Global Health Initiatives support country ownership and policies.
12. Select core indicators to monitor health system performance and health outcomes with a focus on equity (including gender), access, quality and financing.		Strengthen national statistical capacity and monitoring systems to measure progress towards health and poverty reduction objectives. Accept a balance between national and international monitoring needs.

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Key actions to promote pro-poor health (*cont.*)

PARTNER COUNTRY	ACTION	DEVELOPMENT AGENCY (Support role for partner-led efforts)
13. Participate in priority setting for the provision of global public goods (GPGs) for health and integrate into PRS.	**V. Promote global public goods and policy coherence for pro-poor health**	Support international initiatives for GPGs for health such as research on affordable drugs and vaccines for diseases of the poor. Integrate support for GPGs in overall development strategies.
14. Fully explore the potential of TRIPS for providing affordable essential drugs to poor people		Promote policy coherence – including trade and migration – to support pro-poor health. Follow up the *Doha Declaration on TRIPS and Public Health* regarding affordable access of poor countries to priority drugs and vaccines.

5. Defining and applying a pro-poor health approach

The broad development impact of health investment points to the importance of a comprehensive approach to improving the health of poor people. Although the technical knowledge to address the main causes of ill-health already exists, the poor continue to carry a disproportionate burden of disease. If the health of poor people is to improve, key elements of a pro-poor approach must be in place, and priorities for development co-operation identified in this context.

A pro-poor health approach is one that gives priority to promoting, protecting and improving the health of the poor. It includes the provision of quality public health and personal care services, with equitable financing mechanisms. It goes beyond the health sector to encompass policies in areas that affect the health of the poor disproportionately, such as education, nutrition, water and sanitation. Finally, it is concerned with global action on the effects of trade in health services, intellectual property rights, and the funding of health research as they affect the health of the poor in developing countries.

These essential components of a pro-poor health approach are presented in more detail below.

Supporting pro-poor health systems

Strengthening the capacity of the public sector to carry out the core functions of policy maker, regulator, purchaser and provider of health services is central to the development and implementation of pro-poor health systems. Strong institutional and organisational capacity, moreover, is necessary to track the use of resources, and improve human-resource strategies. These key issues go beyond the health ministry alone and reflect the necessity of placing health-sector reforms within the context of broader governance reforms.

Developing public and private-sector services of good quality and responsive to the health needs and demands of poor people requires a focus on those diseases – such as malaria, tuberculosis and HIV/AIDS – that affect the poor

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disproportionately, as well as on reproductive health and non-communicable diseases, such as those linked to tobacco, where the burden on the poor is significant. This approach should be complemented by targeting strategies that reach out to poor and vulnerable groups, and by measures that stimulate demand for health services and increase their accountability to poor communities. To accomplish these objectives, the voices of the poor, as well as those of NGOs and civil society organisations, must be heard in the planning and implementation process.

Poor people make heavy use of private, for-profit and not-for-profit services (NGO and faith based). The public sector in many developing countries has neither the capacity to deliver health services to the entire population nor to ensure that health services delivered by the private sector promote pro-poor health objectives. The type of partnership that governments can develop with private providers will vary according to patterns of use and their relative strengths and qualities. Governments may choose to contract out particular services to NGOs, or seek to improve the quality of services available in the private-for-profit sector. This policy option will require the strengthening of government capacity for regulation, contracting, and monitoring, and enhanced partnership with the private sector in general.

Equitable health financing systems are an essential part of improving access to health care and protecting the poor from the debilitating cost of ill health. Achieving this goal will require effective social protection strategies, moving to risk-pooling and prepayment systems and away from out-of-pocket "fee for service" payment for primary health care, which discourages use by poor people.

Focusing on key policy areas

Ensuring that the poor have access to affordable and quality health services is not sufficient in itself to overcome the health problems of the poor. The major determinants of their health depend on actions that lie outside the health sector. To begin with, implementing effective pro-poor growth policies as outlined in the 2001 DAC *Guidelines on Poverty Reduction* is crucial: without higher incomes, poor people cannot afford health services. And without growth in revenues, governments cannot increase their financing of health services. Other sectoral policies, too, are critically important, especially those for education, food security, safe water, sanitation and energy. Partner governments and development agencies should assess the extent to which policies in key sectors undermine or promote health and broader poverty-reduction objectives, prioritise them in terms of importance and the cost-effectiveness of action, and implement appropriate responses. This would include efforts to strengthen capacity related to health objectives within those sectors.

Achievement of the three health-related MDGs (outlined at the beginning of this section and reproduced in the special module at the end of Section V), for instance, all hinge closely on gender equality and universal primary education. In particular, education of women and girls is closely linked to improved health care for children, families and communities, and to lower fertility rates. Education is also one of the most effective preventative weapons against HIV/AIDS. Conversely, as stated above, health is a major determinant of educational attainment since it has a direct impact on cognitive abilities and school attendance. Thus, there is a mutual interest in identifying strategies for collaboration both within the formal school system and through non-formal education.

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Food security and nutrition are critical factors influencing health, and particularly the health of the poor. Nearly 800 million people in developing countries are chronically under-nourished. Under-nutrition affects the immune system, increasing the incidence and severity of diseases and is an associated factor in over 50% of all child mortality. Development agencies should focus on improving food security in both rural and urban areas through interventions that aim to increase income and access to social services, as well as through targeted maternal and child-nutrition programmes.

Poor people's health and mortality is directly affected by exposure to environmental threats, which need to be integrated in development policies. Poor people often live in low-quality urban settlements, or in remote villages on marginal land. There they have limited access to safe water and sanitation, and are exposed to indoor as well as outdoor air pollution. These environmental conditions are a major cause of ill health and death among poor people. The importance of these basic causes of the ill health of the poor must be integrated into development policies.

Working through country-led strategic frameworks

The commitment to support the health-related MDGs calls for a long-term relationship with partner countries to achieve sustainable health improvements that benefit the poor. Such co-operation should take place within commonly agreed overarching national frameworks that set priorities for policies and programmes.

A poverty reduction strategy (PRS), developed and owned by the partner country, should be the central framework to formulate the broad lines of a pro-poor health approach. It should demonstrate a clear understanding of the causal links between better health and poverty reduction, and include explicit health objectives in the key sectors that influence health outcomes for poor people. In this way, a PRS can evolve to encourage links between health and policies in other sectors that promote the health of the poor.

Poverty reduction strategies have limited space for detailed sectoral analysis, and should be supplemented by a more detailed health sector programme. A health sector programme is essential not only for determining and getting needed support within the health sector, but also for engaging in a dialogue on the policies and interventions likely to improve the health of poor people. It also provides a national framework for channelling external support. This support may include technical co-operation for capacity building, large projects, sector-wide financing, overall budget support, debt relief and funds from global initiatives. Although the proliferation of separate externally-funded activities imposes high costs and can distort country priorities, each instrument has advantages and disadvantages. The issue is primarily one of balance, in the context of differing country circumstances.

Sector-wide approaches (SWAPs) in health merit special attention because they aim to strengthen co-ordination. In SWAPs, external partners adhere to the government-led health programme and help support its development through common procedures for management, implementation and, to varying extents, funding. SWAPs can help to promote greater local involvement, accountability and capacity in partner countries. The decision to engage in a SWAP in a given country should result from a careful appraisal of policy and institutional conditions. The premise of this kind

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of partnership is an atmosphere of mutual trust, reduced attribution to any single development agency, and the acceptance of joint accountability and some increase in financial and institutional risk.

As part of their efforts to implement poverty reduction strategies and health sector programmes, partner countries should measure health-system performance and health outcomes and the extent to which they are pro-poor. Development agencies should give priority to strengthening national systems for data collection, monitoring, evaluation and statistical analysis, as these systems are often inadequate in measuring progress towards health and poverty reduction objectives.

Promoting policy coherence and global public goods

The health problems of the poor do not stop at national borders. A globalised world presents new risks to health, as is indicated by the rapid spread of HIV/AIDS or the threat of bioterrorism. At the same time, globalisation can provide opportunities to prevent, treat or contain disease. Development agencies and partner countries should strengthen ways of working together globally.

One way to achieve this is by promoting the development of global public goods (GPGs) for health, which can provide enduring benefits for all countries and all people. This approach includes such actions as medical research and development focused on diseases that most affect the poor, as well as efforts to stem the cross-border spread of communicable diseases. It is estimated that under 10% of global funding of health research is devoted to diseases or conditions that account for 90% of the global disease burden, and much less than 10% for the specific health problems of poor people in developing countries. Development agencies have a key role to play in promoting international initiatives to produce new drugs and vaccines, and knowledge focused on the health problems of the poor. They can provide critical financial resources and help in catalysing support for policy coherence and other support within their own countries. Such initiatives include more emphasis on the diseases of low-income countries in the health research budgets of OECD countries, partnerships with the private sector and civil society to generate funds and expertise for research on these diseases, and consideration of extension of OECD countries' "orphan drug" incentives to the diseases involved.

In addition, trade in goods and services and multilateral trade agreements have an increasing influence on the health of the poor. Of particular significance are those agreements dealing with trade-related aspects of intellectual property rights (TRIPS), the General Agreement on Trade in Services (GATS), and trade in hazardous substances. Member agencies should encourage their governments to monitor the implementation of the Doha Declaration on the TRIPS Agreement and Public Health from the perspective of the extent to which developing countries can use the TRIPS Agreement for improving their access to those pharmaceutical products under patent protection that are vital to the health of poor people. The effective use of compulsory licensing by countries with weak production capacity is one such issue currently being considered by the WTO Council.

The need for funding for GPGs is largely additional to the need for development agency support of country programmes. The overall increase in external support depends on opportunities for

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effective use of that support. It also depends on the extent to which public and political support can be mobilised in OECD member countries to improve the health of the poor.

6. Responding to different country contexts

The ways that development agencies can support a pro-poor health approach should be determined by the specific context of each partner country. Development agencies should consider the different kinds of transition occurring in partner countries and associated economic, social and political factors influencing pro-poor health interventions. The following broad typology of countries, adapted from DAC work on "difficult partnerships", described in the previous section of this Report, suggests how country contexts can influence the type of support an agency may propose.

- *Non-aid-dependent countries.* These include middle-income countries where systems of public or private social security and health care are established or becoming so, but with uneven performance by their health systems and unmet health needs. They also include transition countries moving from central planning to a market economy. Both groups include countries with pluralistic health systems with high degrees of private provision. However, these countries are often facing substantial problems of poverty and inequality. In health, as in other sectors, the role of development co-operation in such countries is modest financially, but often important in facilitating new approaches and innovations. An example is assistance in improving strategies or strengthening the capacity to direct health resources to poor and vulnerable groups.

- *Low-income countries with relatively good poverty reduction and pro-poor social sector strategies but limited capacity to implement the desired changes.* These are countries with a policy environment and government commitment conducive to improving equity in health-system performance and strengthening the governance and accountability of social sectors. They receive substantial amounts of official development assistance which, in the health sector, will be in the form of a mix of budget support, sector programming and project funding. Key areas for assistance may include support for systemic reforms in pro-poor financing, human resources, targeting and social protection, as well as contracting with different types of providers. They also include support for initiatives involving civil society and poorer citizens in consultation, planning, managing or monitoring health-service delivery.

- *Low-income countries uncommitted to, or still in early stages of developing poverty reduction and pro-poor social-sector strategies and lacking institutional capacity.* These countries are most often involved in or recovering from large-scale violent conflict. They include collapsed states with few or no functioning institutions (not least markets) and little or no organised health-care provision, as well as countries where earlier capacity has been seriously damaged. They suffer from weak governance and decayed public-health systems. Poor people frequently resort to traditional medicine and often have no access to reasonable quality medical care. Provision of health care of reasonable quality typically comes from NGOs, in limited areas of coverage. Areas for development assistance include

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support for trying out different models of service provision involving non-state providers (particularly but not exclusively NGOs), as well as local governments that have reasonable capacity. It is important to recognise, however, that these parallel structures have real costs in the building of sustainable institutional solutions. Agencies can help strengthen demand-side initiatives such as involvement by user-groups and civil society, and improve basic monitoring capacity for pro-poor health indicators. It is also important to find ways to repair and restore basic services in water and sanitation. (Section IX of the Report deals with this subject in greater detail.) There may be opportunities for agencies to support extension of vaccination and selected other basic services even in areas more or less completely deprived of health care. This can occur even in the midst of conflict, with periods of tranquillity during which civil society is mobilised to provide these services.

• *Countries with weak commitment and/or capacity but where there is more scope for improving development co-operation partnerships*. In these countries, development co-operation would be primarily via project assistance. There would be substantial, but less, reliance on parallel delivery structures and more efforts to assist in capacity development for public sector provision and regulatory functions.

7. Mobilising resources for pro-poor health

Aid commitments from DAC members to health

Total aid commitments from DAC members to health provided through bilateral and multilateral channels has averaged close to USD 3.7 billion per year for 1999-2001. As shown in Table VIII-1, aid to health as a share of ODA has remained at a level of 10% in recent years. The current allocations are far below the estimated funding needs.

Scaling up resources for health

Without money to buy vaccines and drugs, to build and equip facilities, to ensure adequate staffing, to manage the health system, and to increase investments in other sectors important for health, low-income countries will be unable to meet the health-related MDGs. This requires more financing from the budgets of partner countries as well as substantial increases in external support for health.

Development agencies are more likely to mobilise additional resources in support of pro-poor health objectives where:

• There is a clear political will on the part of the partner country to articulate and implement a poverty-reduction strategy and a comprehensive health sector programme.

• Serious efforts are being made to mobilise domestic resources.

• There is commitment to manage resources more effectively.

• Major stakeholders have an opportunity to participate in the planning, management and delivery of interventions. In countries with weak policies, institutions and governance, support to the extent feasible to health and other basic services is essential to protect the poor and vulnerable – as called for in the DAC policy note on "difficult partnerships" outlined in the previous section of this Report.

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Table VIII-1.

Official development assistance (ODA) to health, 1996-2001: annual average commitment and share in total aid allocated by sector*

	USD million		% of donor total		Donors share of total ODA to health	
	1996-98	1999-01	1996-98	1999-01	1996-98	1999-01
Australia	83	124	11	17	2	3
Austria	23	55	11	21	1	2
Belgium	56	66	19	19	2	2
Canada	36	69	6	13	1	2
Denmark	90	56	13	10	3	2
Finland	13	17	8	11	0	0
France	100	59	5	5	3	2
Germany	163	125	7	5	5	3
Italy	26	38	10	12	1	1
Japan	242	152	2	2	7	4
Netherlands	140	145	11	13	4	4
Norway	42	92	10	13	1	3
Portugal	..	7	..	5	..	0
Spain	117	92	22	13	4	3
Sweden	73	73	10	13	2	2
Switzerland	30	34	9	8	1	1
United Kingdom	233	500	16	21	7	14
United States	733	1 108	25	18	22	30
TOTAL DAC	2 201	2 817	9	11	66	77
AfDF	59	66	11	9	2	2
AsDF	45	75	3	7	1	2
EC	83	162	8	9	3	4
IDA	893	529	16	9	27	14
IDB Sp F	42	16	8	5	1	1
TOTAL MULTILATERAL	1 122	848	12	9	34	23
GRAND TOTAL	3 323	3 665	10	10	100	100

Note : ODA to health includes reproductive health. Greece, Luxembourg and New Zealand do not report to the OECD Creditor Reporting System (CRS) and Ireland reports since 2000 only. Annual DAC statistics show an average commitment of USD 4 million in 1999-2001 (6% of its total), USD 11 million (24%), USD 4 million (7%) and USD 22 million (21%) for Greece, Luxembourg, New Zealand and Ireland respectively. Approximately 65-70% of DAC members' bilateral ODA can be allocated by sector. Contributions not susceptible to allocation by sector (*e.g.* structural adjustment, balance-of-payments support, debt-related initiatives, and emergency assistance) are excluded from the denominator in order to better reflect the sectoral focus of development agencies' programmes. Excluded from the OECD figures is bilateral support for UN agencies such as WHO and UNICEF and aid flows at non-concessional terms. Estimates prepared for the CMH put total development assistance to health (including these categories and flows from non-profit foundations) at USD 6.7 billion a year in the late 1990s. See WHO (2001).

Source : OECD.

Improving the health of the poor is an investment in economic growth and development and should be a priority for reducing poverty. The lack of resources allocated to health is not the only obstacle to the effective implementation of

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pro-poor health policies, but it is a major and inescapable part of the problem. A minimally adequate set of interventions and the infrastructure necessary to deliver them is estimated to cost in the order of USD 30-40 *per capita* to meet the basic health needs of the poor. (This figure does not include important elements such as family planning, tertiary hospitals and emergencies, which should also be part of any operational health system.)

In 2000, the WHO calculated that USD 60 *per capita* would be necessary to create a more comprehensive health system.[2] This compares with an average level of health expenditures in the least developed countries of USD 11 per year. Current spending, much of which is not for the poor, falls far short of the minimum to meet basic needs. Without money to buy vaccines and drugs, to build and equip facilities, to ensure adequate staffing and to manage the health system, governments in low and middle-income countries will be unable to make progress in improving the health of the poor.

Increased resources should come from a combination of public, private, domestic and external sources, including ODA and Global Health Initiatives (GHIs). Some increases in government spending for health are possible in most partner countries. National health budgets should reflect the urgency of the poverty and health challenge, both in terms of the size of the budget for health and other social sectors, and the share of health resources allocated to the activities likely to benefit the poorest groups. A number of countries are aiming to increase the share of resources allocated to primary health care, including through channelling savings from debt relief under the Highly Indebted Poor Countries initiative (HIPC) into health.

In many partner countries, the distribution of resources benefits highly advanced services at the expense of primary health care and district hospital services. Development agencies should engage in a constructive dialogue to encourage an allocation of resources that benefits the poor and socially vulnerable. In almost all cases, however, any resources released through such means will be limited relative to health needs. The poorest countries will remain unable to provide sufficient resources to meet pro-poor health objectives without significantly increased external financing.

8. Improving the effectiveness of development co-operation to meet pro-poor health objectives

Development agencies should consider how to improve their own capacity to support pro-poor health objectives and overcome the constraints that limit the effectiveness of development co-operation, with a special emphasis on the areas outlined below.

Capacity building and governance

Support for effective national health systems is critical to shift more responsibility to partner countries to design and implement their health policies and programmes. Capacity building should go beyond the health sector. It requires viewing pro-poor health approaches in a larger context of political and economic restructuring,

2. WHO (2000), *The World Health Report* 2000: *Health Systems: Improving Performance*, WHO, Geneva.

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fiscal policy, administrative reform and the strengthening of participation and democratic systems. ODA should play a crucial role in all these areas if investments in health and poverty reduction are to be sustainable.

Policy dialogue

Policy dialogue is an integral element of development co-operation. It does not involve direct transfer of resources, and yet it is essential to forge stronger partnerships around shared objectives and to place pro-poor health objectives at the top of the political agenda. Since improving health outcomes requires a multi-sectoral approach, policy dialogue must be extended to involve other ministries (primarily those dealing with water, sanitation, nutrition, transport and energy), taking into account the macroeconomic and cross-sectoral implications of pro-poor health objectives.

Co-ordination

Co-ordination is essential in order to mobilise and concentrate resources on the MDGs and pro-poor health objectives. The co-ordination of external partners, led by government, magnifies the effectiveness of development co-operation programmes not least because it encourages development agencies to reinforce and complement their programmes in support of the objectives specified in the poverty reduction strategy and the health-sector plan.

Programme support

Programme support is particularly effective in addressing sector-wide issues and in implementing comprehensive inter-sectoral plans such as those required for pro-poor health. It is, however, limited to partner countries with a strong commitment to pro-poor health and transparent financial management and reporting systems. The harmonisation of development agency procedures in this context can help lower transaction costs and reduce the burden on partner countries of having to comply with multiple and often differing requirements. In other countries, development agencies should work through a combination of aid instruments which fit national conditions.

Monitoring and evaluation

In order to secure long-term commitment from development agencies and mobilise additional resources, special emphasis should be given to monitoring health system performance and health outcomes and the extent to which they are pro-poor.

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IX Supporting the Development of Water and Sanitation Services in Developing Countries

Access to safe water and sanitation is one of the eight Millennium Development Goals set by the development community. This section of the Report, which draws on a paper prepared by the Development Co-operation Directorate in preparation for the March 2003 Third World Water Forum in Kyoto, describes DAC members' support to developing countries in relation to this goal. The statistical overview of aid flows to the water sector in recent years is followed by highlights on DAC work to establish best practices for the efficient management and provision of these services in developing countries, with a focus on urban water and the gender dimensions of water management.

1. Introduction

Data on global water consumption illustrate the wide gulf between the rich and the poor: on average, people in developing countries use about 20 litres of water a day while those in the industrial world use 400 to 500 litres a day. About 1.2 billion people still have no access to safe drinking water, and 2.4 billion do not have adequate sanitation services.

Water resources are limited. In some developing countries, water scarcity can be primarily attributed to an arid climate. In others it results from the mismanagement of water resources, their degradation through pollution and the stresses associated with rapid urbanisation and population growth.

Scarcity causes conflicts among competing users; mismanagement leads to inefficient allocation of water resources across different economic sectors, with heavy water consumption in some sectors and shortages in others. Water is wasted because of inadequate maintenance of water supply networks, high leakage rates and poor irrigation practices but also under-pricing or subsidisation of water for some users. Pollution from industry or urban centres leads to degradation of water bodies and lands, which increases the risk of exposure to toxic chemicals and disease pathogens either directly or through consumption of contaminated fish and shellfish. Other forms of water resource deterioration include the depletion of groundwater through over-pumping, aquifer contamination through saltwater intrusion and watershed degradation.

The consequences are severe. Some two million children die every year from water-related infectious diseases. Many others, children and adults alike, suffer from ill health and disabilities due to diarrhea and intestinal-worm infestations. Thus, the provision of safe drinking water will be among the most critical challenges for achieving sustainable development over the next decade. Access to sanitation and improved hygiene are equally crucial as contamination of water by untreated sewerage is a major problem in most developing countries.

Access to safe water and sanitation is one of the eight Millennium Development Goals set by the development community

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(see Goal 7 in the Special Module at the end of Part II of the Report). The following paragraphs describe OECD members' support to developing countries in relation to this goal. The statistical overview of aid flows to the water sector in recent years is followed by highlights on DAC work to establish best practices for the efficient management and provision of these services in developing countries, with a focus on urban water and the gender dimensions of water management.

2. Aid to the water supply and sanitation sector: a statistical overview

The DAC defines aid to water supply and sanitation as being that related to water resource policy, planning and programmes; water legislation and management; water resource development and protection; water supply and use; sanitation (including solid waste management); and education and training in water supply and sanitation. The definition excludes dams and reservoirs that are primarily for irrigation and hydropower, as well as activities related to river transport (these are classed under aid to agriculture, energy and transport, respectively).

The DAC data relate to activities that have water supply and sanitation as their main purpose. This implies some approximation as the data fail to capture aid to the water sector extended within multisector programmes (*e.g.* integrated rural or urban development or general environmental conservation). Aid to the water sector delivered through non-governmental organisations may also be excluded, since this is not always sector coded in as much detail as project and programme aid.

The data cover both bilateral and multilateral aid to water supply and sanitation. For DAC countries, data on total aid commitments to the water sector are available from 1973 on. Detailed analysis is possible for the 1990s.[1] Data for the multilateral organisations cover commitments by the World Bank, the regional development banks, the International Fund for Agricultural Development, the European Development Fund and, since 2000, UNICEF and UNDP.

Reporting on the purpose of aid in DAC statistics

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 former provide an overall picture of the geographical or purpose distribution of aid and of the relative importance of each recipient country, region or purpose in the total. The CRS permits examination of the geographical and purpose breakdown simultaneously. Both systems collect the data in a standard electronic format and make them available online and on CD-Rom.[2] Reporting on the purpose of aid entails classification by sector and by policy objective.

The sector code identifies "the specific area of the recipient's economic or social structure which the transfer is intended to

1. It is estimated that the DAC's Creditor Reporting System (CRS) database covers 85-90% of DAC countries' bilateral ODA for the water sector in 1990-95. From 1996 on the data are close to complete. The main data gap relates to technical co-operation by Japan (approximately USD 80 million a year).
2. See *www.oecd.org/dac/stats*

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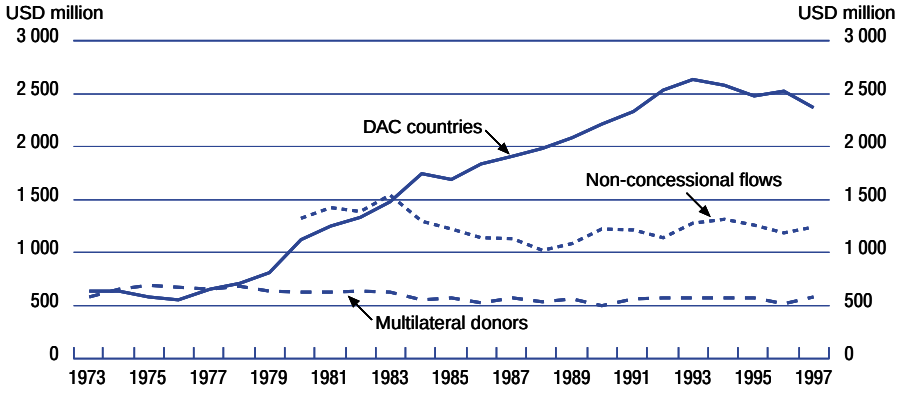
Chart IX-1. **Aid to water supply and sanitation, commitments 1973-2001: 5-year moving average**
Constant 2000 prices



Source: OECD, DAC, CRS.

foster". In DAC reporting (as in most donors' internal reporting systems), each activity can be assigned only one sector code. For activities cutting across several sectors, either a multi-sector code or the code corresponding to the largest component of the activity is used. This is not likely to impart a systematic bias to analyses of trends and orders of magnitude. The data may differ slightly from those provided by internal systems that allow a commitment to be assigned to more than one sector. However, at present the DAC system of a single sector code is the only practical method of standardising reporting on a basis that permits valid donor comparisons.

The sectoral data are supplemented by information on the policy objectives of aid: environmental sustainability, gender equality, reduction of poverty, and participatory development/good governance. Reporting is based on a marking system with three values: "principal objective", "significant objective", and "not targeted to the policy objective". Each activity can have more than one policy objective. The marker data are descriptive rather than quantitative.

Data on the purpose of aid are collected on commitments rather than disbursements. Using average data evens out the "lumpiness" of commitments and thereby increases the statistical significance of the data analysis. Moving averages give a clearer view of the underlying trends.

Recent trends in aid to water supply and sanitation

Chart IX-1 illustrates the evolution in bilateral and multilateral financing of water projects in developing countries since 1973. The data (in constant dollars) show that DAC members' bilateral aid to the water sector increased over the first two decades at an average annual rate of 9%. The downward trend observed since the middle of the 1990s reflects cuts in ODA in general, though aid for water started decreasing later than that for other sectors. The share of aid for water supply and

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sanitation in total ODA remained relatively stable in the 1990s at 6% of bilateral and 4-5% of multilateral ODA. In recent years, total aid allocations to the water sector have averaged about USD 3 billion a year. An additional USD 1-1.5 billion a year is allocated to the water sector in the form of non-concessional lending (mainly by the World Bank).

Table IX-1 presents data on aid for water supply and sanitation by individual donors. Japan is by far the largest donor in the sector in value terms, accounting for about one-third of total aid to water. Activities funded by the World Bank's International Development Association (IDA), Germany, the United States, France, the United Kingdom and the European Commission add up to a further 45%. The share of aid for water supply and sanitation in total sector-allocable ODA[3] is above the DAC average of 9 % for Austria, Denmark, France, Germany, Japan and Luxembourg.

Chart IX-2 breaks down aid for the water sector by sub-sector for the last five years. Water supply and sanitation projects account for over three-quarters of the contributions. Most of these projects have been classified under "large systems", but the number drawing on low-cost technologies (hand pumps, gravity-fed systems, rainwater collection, latrines, etc.) seems to be increasing.[4] The fact remains, though, that a handful of large projects undertaken in urban areas dominate aid for water supply and sanitation. Furthermore, many of these projects are financed through loans rather than grants. In 2000-01, for example, about 57% of total ODA in the water sector took the form of loans (over three-quarters of aid from Austria, France, Italy, Japan, Portugal and Spain was extended as loans). By comparison, the share of loans in ODA to all sectors combined in 2000-01 was 22%.

About 10% of aid in the water sector is directed to water resource policy, planning, and programmes. This category includes a few large sector programmes and reforms, and numerous smaller activities to improve water resource management through institutional support, technical assistance, and capacity building. Education and training in the water sector represents a tiny share of the total. It should be noted, however, that the data do not include education and training components of water supply and sanitation projects, which can rarely be separately identified.

Chart IX-3 shows aid in the water sector by region. About half of the total goes to Asia (roughly in line with Asia's share of total ODA commitments), with a focus on Far East Asia in recent years. The share of Africa has slightly decreased and that of America slightly increased.

3. About 65-70% of DAC members' bilateral ODA is sector allocable. Contributions not susceptible to allocation by sector (*e.g.* structural adjustment, balance-of-payments support, actions relating to debt, emergency assistance, internal transactions in the donor country) are excluded from the denominator to better reflect the sectoral focus of donors' programmes.
4. The DAC sector classification has identified "water supply and sanitation – small systems" as a separate category only since 1996, and so part of the increase in the number of reported low-cost activities can be attributed to this change. However, there has also been a decrease in average project size since 1996. For 1995-96, out of a total of 900 water supply and sanitation commitments, about 100 were for more than USD 10 million and accounted for 75% of the total value of aid to the sector for those two years. A similar analysis using 1999-2000 data (same donors) shows 75 out of a total of 1 400 projects at that funding level, or 60% of the total value.

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Table IX-1.

Aid to water supply and sanitation by donor

1996-2001, annual average commitment and share in total sector-allocable aid

	USD million		% of donor total		% all donors	
	1996-1998	1999-2001	1996-1998	1999-2001	1996-1998	1999-2001
Australia	23	40	3	6	1	1
Austria	34	46	17	18	1	2
Belgium	12	13	4	4	0	0
Canada	23	22	4	4	1	1
Denmark	103	73	15	13	3	2
Finland	18	12	11	8	1	0
France	259	148	13	13	7	5
Germany	435	318	19	11	13	11
Ireland	6	7	7	7	0	0
Italy	35	29	14	9	1	1
Japan	1 442	999	14	14	41	33
Luxembourg	2	8	4	13	0	0
Netherlands	103	75	8	7	3	2
New Zealand	1	1	2	2	0	0
Norway	16	32	4	5	0	1
Portugal	0	5	1	3	0	0
Spain	23	60	4	8	1	2
Sweden	43	35	6	6	1	1
Switzerland	25	25	7	6	1	1
United Kingdom*	116	165	8	7	3	5
United States	186	252	6	4	5	8
Total DAC countries	**2 906**	**2 368**	**11**	**9**	**83**	**78**
AfDF	56	64	10	9	2	2
AsDF	150	88	11	8	4	3
EC	. .	216	. .	5	. .	5
IDA	323	331	6	6	9	11
IDB Sp F	46	32	9	9	1	1
Total multilateral	**575**	**730**	**7**	**6**	**17**	**22**
Total	**3 482**	**3 098**	**10**	**8**	**100**	**100**

* A DFID study shows that since 1999 actual expenditure for water supply is about double the levels reflected here. Approximately half of the UK water expenditure takes place within multisector projects.

Source: OECD, CRS, DAC.

An analysis published in the 1998 DAC *Development Co-operation Report* noted that aid in the water sector was concentrated in a relatively small group of recipient countries. In 1995-96, for example, ten countries received nearly two-thirds of aid in this sector. The data show some change in focus in recent years. In 1997-2001, the ten largest recipients received 48% of the total. China, India, Viet Nam, Peru, Morocco and Egypt were among the top ten in

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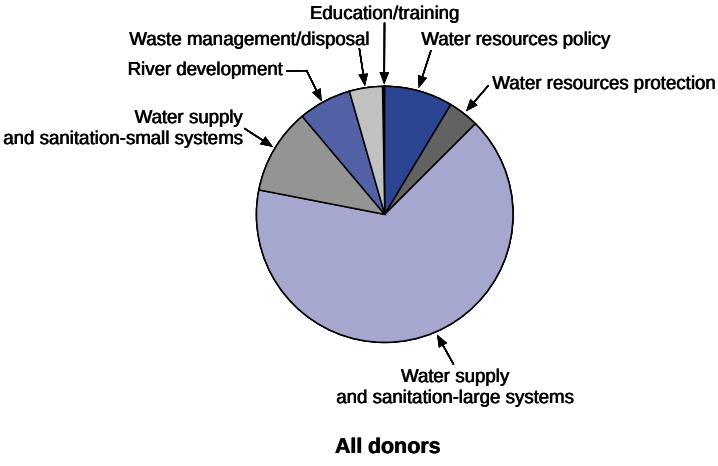
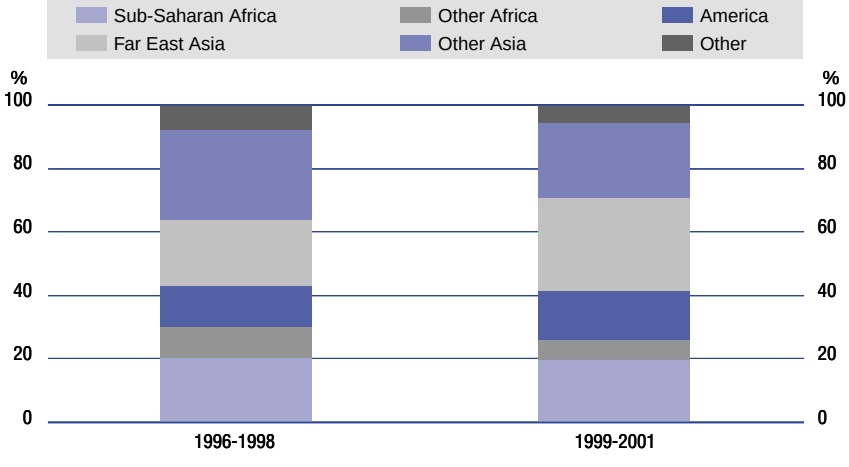
Chart IX-2. **Water supply and sanitation aid by subsector, 1997-2001**



Source: OECD, CRS.

Chart IX-3. **Geographical breakdown of aid for water supply and sanitation, commitments 1996-2001**



Source: OECD, CRS.

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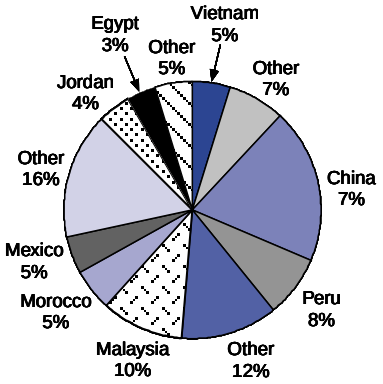
both periods, while Turkey, Indonesia, Tunisia and Sri Lanka were replaced by Mexico, Malaysia, Jordan, and the Palestinian administered areas.

The 1998 analysis showed that many countries where a large proportion of the population lacked access to safe water received very little, if any, of the aid. As Chart IX-4 illustrates, this still seems to be the case. Only 12% of total aid to the water sector in 2000-01 went to countries where less than 60 % of population has access to an improved water source,[5] which includes most of the least developed countries.

Data on total aid for the water sector in a particular recipient country are not sufficient to permit analysis of whether aid is directed to where it is most needed. Projects in relatively rich countries may be targeted to the poorest regions or groups while projects in poor countries may tend to benefit the better off. The DAC "policy objective marker system" does, however, provide supplementary data that help in assessing features such as poverty and gender focus of aid activities.

Because of data quality limitations, generalised conclusions must be drawn with caution; yet the data reported by eleven DAC members for 2000 and 2001 suggest that water projects are slightly less targeted on poverty and gender concerns than are projects in other sectors,[6] though, gender issues seem to be well taken into account in water supply and sanitation projects undertaken in rural areas.

Chart IX-4. **Aid for water supply and sanitation by recipient – Overview of targeting to countries most in need, commitments 2000-2001**



Source: OECD/CRS, World Bank.

5. This is the indicator used for monitoring progress towards the Millennium Development Goal of halving by 2015 the proportion of people without sustainable access to safe drinking water (see the Special Module at the end of Part II of this Report).
6. Australia, Canada (CIDA), Denmark, Finland, Germany (the KfW group), Japan, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom provide marker data for the majority of reported activities. Out of the total number of water projects screened against the policy markers, less than half were reported as direct assistance to poor people (principal or significant objective) and one-fourth as targeting gender equality (the majority scoring significant objective). For comparison, about two-thirds of activities in the health sector had been reported as poverty-focused and one-third as targeting gender equality.

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3. Providing water and sanitation services in rapidly growing cities

Many towns and cities in developing countries have unreliable piped water systems with supply interruptions. Services delivery is deteriorating mainly because of fast population growth and urbanisation, the high capital costs of infrastructure and diminishing government resources for addressing urban water issues. Furthermore, existing systems often suffer from inefficiencies in their design and operations. It is estimated that by 2025, urban populations in developing countries will have doubled, compared to today's figure, to reach 4 billion. And stresses on already strained water supply systems will increase with the significant surge in urban populations.

The remainder of this section focuses on DAC members' experience in providing water and sanitation in rapidly growing urban cities that witness an increasing concentration of the poor. It outlines the main problems of water and sanitation provision in urban centres, and addresses ways of improving access to basic services for the poorest. Given the limited amount of available resources, it is critical to integrate these lessons into future initiatives to enhance water supply, maximise the benefits and potentials of available options and minimise the cost of providing water.

Reforming urban water and sanitation systems

In many developing countries, urban water and sanitation systems are managed by municipal or district water companies owned by local authorities. Water is provided at prices well below long-run financial and environmental costs, resulting in overuse and waste that are accentuated by high levels of uncollected fees and systems losses. Combined with poor management practices, these inefficiencies severely undermine the ability of public water utilities to maintain, let alone expand or upgrade, their networks.

Many cities urgently need to comprehensively reform policies and institutions to stop the rapid deterioration of water infrastructure as well as to promote efficient and sustainable use of water, and to generate revenues for needed investments. Reforms will require increased cost-recovery, improved resource conservation and pollution prevention at the source. These reforms are necessary to enable water suppliers to expand services to less privileged communities.

Reforms must also encourage the mobilisation of private capital and management expertise to finance and operate water supply and sanitation infrastructure, as public funds and know-how are often insufficient to meet growing demand for these services. During the 1990s, most private investment in water and sanitation infrastructure projects resulted from public-private sector partnerships (PPPs). These PPPs are in large part due to the "public good" nature of the product and its importance to human health and well-being. Governments cannot fully relegate responsibility for such an important function, therefore ultimate ownership of infrastructure assets typically remain with the government.

Mobilising private capital through the commercialisation or privatisation of water supply services can work well, provided that local governments appropriately ensure public accountability

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and protection against abuse of monopolies. At the same time, liberalising markets without effective regulatory systems can lead to major problems. Of particular concern is the tendency for private service providers to focus on the wealthier areas, best able to afford their services, while neglecting lower-income areas.

Regulations and regulatory controls are critical to ensure that public or private utilities perform properly. Regulations must set appropriate minimum standards (in terms of access to – and conditions of – services) and should encourage the introduction of systems that link charges accurately to the levels of service provision and the cost generated by pollution. Furthermore, regulatory authorities must also ensure that shifts towards full cost recovery do not unduly penalise the poor.

Improving access to basic water and sanitation services to the poorest in urban areas

Special efforts are needed to address the needs of the poorest, notably slum dwellers. They often have to purchase water from vendors at several times the price per litre of piped water. It is therefore important to understand how the poor can benefit from the development and maintenance of water and sanitation infrastructure and review low-cost-options that facilitate access to affordable water and sanitation for the poor.

Many poor households would be able to pay the full costs of water supply infrastructure and services (in cash or in kind) at the community level, and possibly at the household level. However, local authority's unwillingness to recognise the housing rights or land tenure of the urban poor limits their access to adequate water and sanitation services in many cities.

The type of service provided must reflect the ability of users to fund the maintenance of the infrastructure, either through labour or fees. This implies making maximum use of low-cost options, which include involving communities to provide part of the services. For example, an agency (whether public or private) may provide piped water, sewer, or drain connections to a communal site, and the community would be responsible for distribution and fee collection.

Tariff structures with a low price per unit volume of water up to a certain consumption level also help ensure that even the poorest can afford water while discouraging waste. It may be necessary to support or establish community organisations in order to implement these low-cost options that require community involvement.

Water supply and sanitation are also closely related. As in the case of water supply, all cost-minimisation options, including sewerless systems, should be considered to address urgent demands. However, the demands of households and communities change over time. Growing households, for example, use more water and create more waste. Under-designed drainage or sewerage systems, particularly if not well maintained, can quickly become inadequate to the task and break down, increasing the public health risk they were intended to resolve.

Public funding is therefore necessary to reduce the negative externalities associated with inadequate sanitation systems and to help realise economies of scale in

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Box IX-1.

Reforming water utilities: key institutional priorities

- Clarifying legal status to reinforce the autonomy and accountability of water utilities so that they are more attractive for private sector investment and public-private partnership arrangements (PPPs).
- Ensuring compliance with water quality and effluent standards.
- Developing the use of user and polluter charges based on the "user/polluter pays" principle, taking economic, environmental and social consideration into account.
- Reforming tariff structures to enable the development of self-financing systems that will in turn enable water services to be provided on a commercially viable basis.
- Improving operational and financial performance so as to improve their commercial viability, for example by:
  - Increasing billing and collection efficiency.
  - Encouraging reduction in operating costs.
  - Strengthening capacity to plan and carry out complex capital investment projects, for example in association with PPPs.
  - Reinforcing transparency in relations with the authorities, clients and media so as to facilitate PPPs; and exploring opportunities for raising additional finance (*e.g.* through private sector investment) for improvement and expansion of water services.

infrastructure provision. However, any developments should be implemented in conjunction with local communities and should include mobilisation of community financial and other resources. Involving the community, both women and men, at all stages – from the selection of the most appropriate options and design of the system, to the construction and maintenance of the infrastructure – is an important determinant of success.

Box IX-2 outlines institutional and technical options to minimise the cost of water supply and sanitation for poor households, subject to an assessment of longer-term demand for these services.

4. Water resources management and gender equality

Addressing gender roles and priorities

Social and cultural norms frequently result in gender differences in practices relating to the use of water resources. In the developing world, women traditionally play central roles as users, providers and managers of water in the household and are also responsible for hygiene. They dispose of household waste, maintain sanitation facilities and educate children in hygiene. They also play an important but often much less visible role in the public maintenance of water.

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Box IX-2.

Facilitating access to affordable water and sanitation services to the poor

Options and issues involved

Options to improve water and sanitation in shanty settlements – and maximise the scope for recovering costs in order to ensure sustainability – vary considerably from settlement to settlement.

Technical issues. These include the cost of supply, which depends on a settlement's distance from existing water mains, sewers and drains, topography, soil structure, settlement density and layout, and the potential for tapping local water resources.

Institutional issues. These include the attitude of the authorities responsible with regard to the provision of water and sanitation in shantytowns and unauthorised settlements generally and the status of the inhabitants (whether they are "owners" or tenants). It is difficult for any water agency to provide house connections and receive regular payments in settlements where it is not clear who owns what plot and where houses do not have an official address. The possibilities for improving provision of public infrastructure and services in settlements with insecure tenure are therefore more limited.

Demand factors. Detailed information on existing (formal and informal) systems and businesses that are already providing water and sanitation is essential. This should include an analysis of different residents' needs, priorities and ability and willingness to pay. Some communities having secured sufficient access to water through informal means may have other priorities.

Institutional innovations: community provisions

Where it is too expensive or too difficult institutionally to provide piped water connections to each house or yard, a range of measures exist to improve provision and increase the scope for cost recovery. The water agency can provide connections to water mains and trunk sewers at the settlement's boundary with the inhabitants organising the systems within their settlements. The agency thus "wholesales" water to a community that assumes responsibility for collecting payments from households. Community water meters avoid the costs of providing and monitoring individual house meters.

Similar approaches are applicable for communities that are too distant from water mains to be connected. A water agency may for instance deliver bulk water to a large tank with the community organisation taking on the task of piping the water into each household and collecting payments.

Access to water and sanitation can be facilitated by allowing the initial connected charges to be paid over several months and integrated into service charges or through providing loans.

There are many examples of successful community-based savings and loan schemes to allow low-income households to obtain access to water and sanitation.

Cost minimising options

Partial self provision. The costs of installing pipes for water and/or sanitation can be considerably reduced if household and/or community organisations are prepared to dig the ditches and ensure houses are prepared for connections. This may allow good quality "expensive" solutions to be installed for low-income households with full cost recovery. Using smaller pipes and shallower trenches, shallower gradients and interceptor tanks can also reduce the cost of installing sewerage systems, although changes in demand over the longer term should also be considered.

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Box IX-2. *(cont.)*

Facilitating access to affordable water and sanitation services to the poor

Sewerless sanitation. Many options exist for safe, good quality "sewerless" sanitation. The costs of on-site sanitation options – for instance "ventilated improved pit" latrines, pour-flush toilets linked to community septic tanks – are generally lower. Such facilities require regular emptying and disposal, a hazardous task best performed by specialists. The need for affordable maintenance services is often overlooked.

In large and high-density residential areas, unit costs for sewer systems may be comparable to sewerless systems. Those are generally much preferred by the inhabitants because they also remove wastewater and do not require regular emptying. The choice between these two systems is dictated by local conditions such as soil conditions, ease with which pits can be dug and groundwater levels. The costs of sewage treatment however have to be factored into comparisons between these systems: failure to provide for adequate treatment will result in major external costs to human health and to the environment.

In rural areas, women are involved in subsistence farming and the production of small-scale livestock, both activities depending largely on access to and availability of water. Men tend to have a greater role in public decision-making; hold technical and managerial positions; and are often responsible for the major cash generating activities such as irrigation and cattle raising.

Because of those differences, it is important to fully involve both women and men in demand-driven water supply and sanitation programmes where communities decide what type of systems they want and are willing to help finance. Thus, addressing gender roles and priorities increases project sustainability and equality of access to water resources.

In a 1994 paper specifically focusing on gender and water resources management presented to the DAC by the Swedish International Development Agency (SIDA),[7] the author argued that involving women as well as men in water resources management was desirable for its effective development and utilisation. Whereas this had been obvious in relation to domestic water supply and sanitation programmes, it had become clearer over recent years in relation to overall river basin management and in specific areas such as wetlands and irrigated agriculture. A number of recommendations for donor agencies were made to strengthen overall policy and strategic development in this area.

Meeting gender equality challenges

Since then, specific strategies and toolkits on gender and the water sectors have been developed based on good donor practices, with gender training becoming an important project component in those

7. Carolyn Hannan-Andersson. "Gender and Water Resources Management" (Note by the DAC Expert Group on Women in Development); DAC/DAC(94)10. 15 April 1994.

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Box IX-3.

Ensuring quality and sustainability of water and sanitation facilities: Why gender equality matters*

- Women's needs in relation to water are magnified when they relate to small-scale activities (gardening, small-scale livestock production and domestic uses) that are vital for the household.
- The design and location of water supply and sanitation facilities better reflect the needs of both women and men.
- The adopted technology better reflects women's needs (*e.g.* hand pump designs that are easy to use for women and children).
- Technical and financial planning for on-going operations and maintenance of water supply and sanitation facilities are improved as women's skills make them ideal candidates for saving and managing funds for this activity.
- Health benefits also improve because all members of the community are involved and can benefit from private, convenient and secure facilities.

* Adapted from the *Gender Equality Tipsheets: Health and Population (water supply and sanitation)*, prepared by the Australian Agency for International Development.

sectors. Meeting gender equality challenges frequently includes:

- *Using gender sensitive methodologies and tools* to improve donor agencies and developing country partners' understanding of gender roles, responsibilities and needs in water resources. Gender analysis will help to improve understanding the socio-economic and cultural context of the area to be serviced, men's and women's knowledge, attitudes and practices related to water supply and sanitation as well as the constraints to the participation of men and women in activities related to water.

- *Involving women in planning and decision-making* of water supply and sanitation facilities at community level. Greater participation by women may require the use of financial or other incentives as well as official recognition of their potential role and capacities.

- *Educating both women and men* about the need for and advantages of gender equality must be encouraged and facilitated (see Box IX-4).

- *Producing, collecting and analysing gender-disaggregated data* to understand gender roles and improve the targeting of activities to meet the priorities of both men and women. Donor reporting to the DAC demonstrates that the trend is moving in the right direction in this respect.

- *Looking beyond gender uses of domestic water* by taking into consideration women's productive uses of water for farming, raising animals, and produce for the market requires a change of mindset for most people, including planners. Sensitising men on the importance of women's contributions as active stakeholders also has to be done. Increasingly, this means going beyond the community level to look at the household

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Box IX-4.

Women's involvement in the Lombok Rural Water Supply and Sanitation Project

In the Lombok rural water supply and sanitation project (RWSS) traditional restrictions on women's mobility and community leadership roles required project staff to take creative and culturally sensitive approaches to involving women in community decision-making and management of water supplies. When the project began, male community work groups were formed to assist with well construction and the digging of trenches for piped water supplies. These factors limited communication with women, confining their role to the provision of food and drink during construction, and to transport of materials to construction sites.

By the end of phase one of the project it was decided that water user groups would be formed first, to enable women to be more involved in the planning, location and organisation of construction. Work groups became a sub-group of water user groups, which included both men and women. This approach demonstrated that women are effective decision-makers and organisers, financially trust-worthy and creative in their management of the water supply and in the use of funds raised for water supply maintenance. For example, women established gardens to make use of drainage water, and supervised the use of the wells to ensure cleanliness and proper rationing in the dry season.

Sources include: Glen Chandler "Rural water supply and sanitation project, Lombok Tengah: RWSS and its impact on women", 1990; and Beth Mylius "Phase I Final Report: Community Component", 1987.

level to make gender roles, relations and contributions more visible.

• *Encouraging and assisting men and women to undertake new gender roles.* This means not only focusing on technical solutions but also on longer-term issues such as change management, building community decision-making and leadership skills, and improving consultation processes within water and sanitation agencies. A number of donor agencies are taking an active interest in this, which is reflected in their support to civil society organisations in partner countries.

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Part IV

THE DAC AT WORK

1. *Development Assistance Committee* (DAC)

The OECD's Development Assistance Committee (DAC) is the principal body through which the Organisation deals with issues related to co-operation with developing countries. The DAC is one of the key forums in which the major bilateral donors work together to increase the effectiveness of their common effort to support sustainable development.

Within the OECD, the DAC is one of more than two dozen specialised main committees. The DAC, however, has three distinctive features. First, it meets more frequently than other committees (about 15 times a year) and the Chair is based at OECD headquarters. Second, the DAC has the power to make recommendations in matters within its competence directly to countries on the Committee as well as to the Council (*e.g.* Recommendation on Untying Aid to Least Developed Countries, 2001). Third, the Chair issues an annual report on the efforts and policies of DAC members. This report has become a standard reference in the field of development co-operation.

The DAC's Mission

The mandate of the DAC has been unchanged from its inception in 1961 (see below). The mission of the DAC is to foster co-ordinated, integrated, effective and adequately financed international efforts in support of sustainable economic and social development. Recognising that developing countries themselves are ultimately responsible for their own development, the DAC concentrates on how international co-operation can contribute to the capacity of developing countries to participate in the global economy and the capacity of people to overcome poverty and participate fully in their societies. The DAC's basic mission has recently been reaffirmed in the context of the 2002 Ministerial Statement "OECD Action for a Shared Development Agenda" (see annex to the DAC Chairman's Overview).

DAC meetings are attended by Paris-based delegates of member countries and by officials from member country capitals. Once a year, a Senior Level Meeting gathers at the DAC to review the DAC's work on current policy issues. The DAC also holds an annual High Level Meeting in which participants are Ministers or heads of aid agencies.

Key Activities

The DAC contributes to the efforts of its members to back the efforts of developing

DAC members

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

Permanent DAC Observers

International Monetary Fund; United Nations Development Programme; World Bank

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countries and their people to help themselves through four principal types of activities:

i) The DAC adopts ***authoritative policy guidelines*** for members in the conduct of their development co-operation programmes. These guidelines reflect the views and experience of the members and benefit from input by multilateral institutions and individual experts, including experts from developing countries. The themes addressed most recently by DAC guidelines include the following:

- Integrating the Rio Conventions into Development Co-operation (2002).
- Strengthening Trade Capacity for Development (2001).
- Helping Prevent Violent Conflict (2001).
- Strategies for Sustainable Development (2001).

In 2002, the DAC issued a DAC Reference Document on Poverty and Health, for publication in 2003; and the DAC Task Force on Donor Practices has produced six "Good Practice Papers", also for publication in 2003. Background on and excerpts from these products are provided in Sections VIII and III respectively of this Report.

ii) The DAC conducts ***periodic peer reviews*** of its members' programmes of development co-operation. These peer reviews, occurring usually at four-yearly intervals, examine how each individual member programme applies DAC policy guidance, how the programme is managed (including co-ordination with other donors), coherence of other policies with development objectives and trends in the volume and allocation of resources. Each review is based on investigation by the Secretariat and by Examiners appointed from two member countries. Their investigation includes broad consultations in the capital of the donor under review, as well as field missions and joint country assessment. The process culminates in a meeting of the full DAC at which the major issues identified in the examination are discussed. The OECD is the only international organisation dealing with development issues that conducts such reviews. Further information on DAC peer review processes can be found in Section IV of the Report.

iii) The DAC provides a ***forum for dialogue***, exchange of experience and the building of international consensus on policy and management issues of interest to members. Particular themes emerge from the Senior Level and High Level Meetings and from the annual work programme and medium-term priorities. In 2002, the DAC organised two "DAC Partnership Forums". Themes were "ODA and Private Finance: Attracting Finance and Investment to Developing Countries" (February); and "Managing for Development Results and Aid Effectiveness" (December). Other important themes include strategies for poverty reduction; expanding and integrating all sources of financing for development; improving the measurement of development progress and resource flows, and co-ordination and coherence of development co-operation and other policies.

iv) The DAC publishes ***statistics and reports*** on ODA and other resource flows to developing countries and countries in transition and related matters, based principally on reporting by DAC members. ODA definitions and the "DAC List of Aid Recipients" are constantly reviewed by DAC members.

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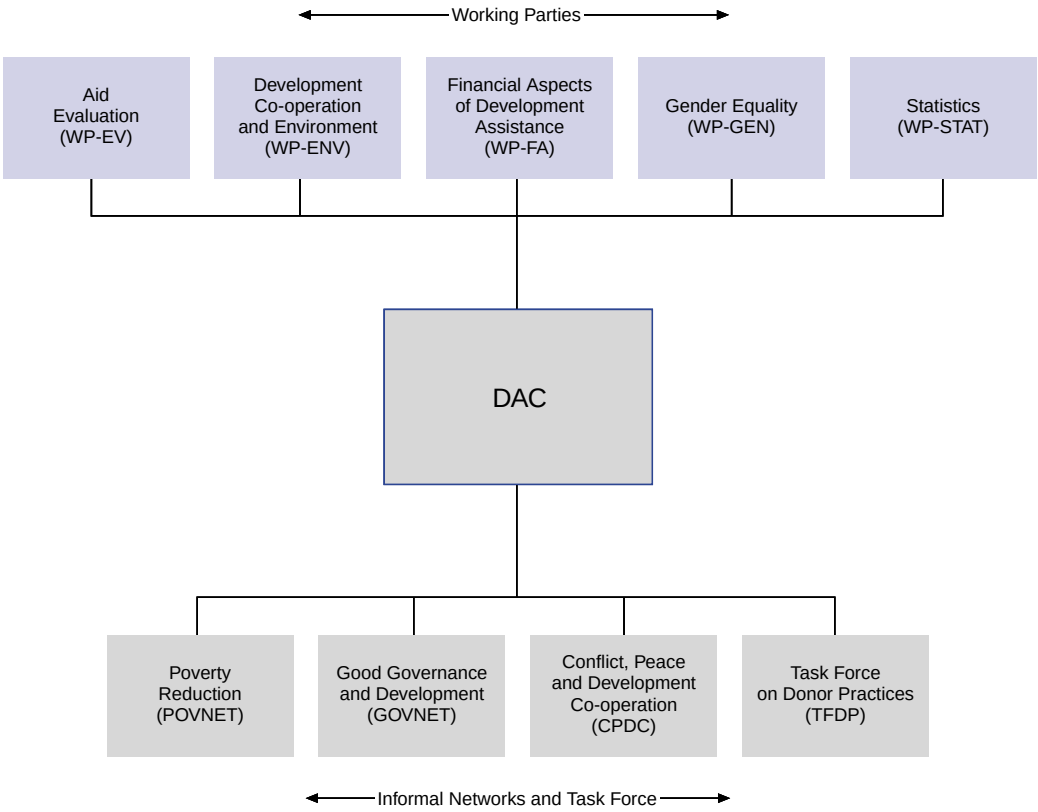
Structure and Membership of the DAC and its Subsidiary Bodies in 2002

The DAC has also established working parties, informal networks and task forces, in which members are generally represented by experts from national headquarters. Their respective mandates reflect major on-going orientations of the Committee.

The DAC and its Subsidiary Bodies



Towards a New Architecture of the DAC

In 2002, DAC members agreed on guiding principles governing the work of the DAC and its subsidiary bodies. Discussions on the application of these guiding principles to the existing structure of subsidiary bodies (as shown above) continued in early 2003, with a decision expected in April 2003. The result of these discussions, leading to a new architecture of the DAC subsidiary bodies, will be reflected in next year's Development Co-operation Report.

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The Development Assistance Committee in 2002

Office of the DAC Chairman

Mr. Jean-Claude FAURE, DAC Chairman (France)
Ms. Josie D'ANGELO, Assistant to the DAC Chairman

Vice-Chairs of the DAC

Mr. Takuji HANATANI (Japan) (until August 2002)
Mr. Daisuke MATSUNAGA (since September 2002)
Mr. Lennarth HJELMÅKER (Sweden)
Mr. Kelly KAMMERER (United States)

Permanent Representatives to the Development Assistance Committee

Australia	Mr. Robin DAVIES (until August 2002)
	Ms. Ellen SHIPLEY
Austria	Ms. Ursula VAVRIK (until November 2002)
	Ms. Maria ROTHEISER-SCOTTI
Belgium	Mr. Paul FRIX
Canada	Mr. Scott WADE
Denmark	Mr. Peter HERTEL RASMUSSEN
European Commission	Mr. Gilles FONTAINE
Finland	Ms. Eija LIMNELL (until July 2002)
	Ms. Pirkko-Lissa KYÖSTILÄ
France	Mr. Pierre-Mathieu DUHAMEL (until October 2002)
Germany	Mr. Eduard WESTREICHER
Greece	Mr. Dimitris SERRELIS
Ireland	Ms. Anne-Marie CALLAN
Italy	Mr. Vincenzo DE LUCA
Japan	Mr. Takuji HANATANI (until July 2002)
	Mr. Daisuke MATSUNAGA
Luxembourg	Mr. Alain SIBENALER (until May 2002)
	Mr. Alain DE MUYSER
Netherlands	Mr. Paul J. SCIARONE (until July 2002)
	Mr. Jeroen VERHEUL
New Zealand	Mr. Brian WILSON
Norway	Ms. Kari HIRTH (until March 2002)
	Ms. Birgit KLEVEN
Portugal	Mr. Paulo NASCIMENTO
Spain	Mr. Jesús SANZ ESCORIHUELA
Sweden	Ms. Pernilla JOSEFSSON
Switzerland	Mr. Paul OBRIST
United Kingdom	Mr. Martyn ROPER
United States	Mr. Kelly KAMMERER

Non-DAC Delegates

Czech Republic	Mr. Michal KAPLAN
Hungary	Mr. György FEHÉR
Korea	Mr. Hae-ryong KWON
Mexico	Ms. Alejandra GARCIA WILLIAMS
Poland	Mr. Michal RUSINSKI
Turkey	Mr. Aydin SELCEN

Observers to the DAC

World Bank	Ms. Ann DUNCAN
IMF	Mr. Graeme JUSTICE (until November 2002)
	Ms. Sonia BRUNSCHWIG
UNDP	Mr. Luc FRANZONI

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Mandate of the DAC

Chair: Mr. J.-C. Faure (France).

Vice-Chairs: Mr. D. Matsunaga (Japan), Mr. L. Hjelmåker (Sweden), Mr. K. Kammerer (United States).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: International Monetary Fund (IMF), UN Development Programme (UNDP), World Bank.

Date of creation: 30th September 1961.

Duration: Unspecified.

Mandate: Paragraph 14 of the Report by the Preparatory Committee

14. As decided by the Ministerial Resolution of 23rd July 1960 [OECD(60)13], the Development Assistance Group shall, upon the inception of the OECD, be constituted as the Development Assistance Committee, and given the following mandate:

a) The Committee will continue to consult on the methods for making national resources available for assisting countries and areas in the process of economic development and for expanding and improving the flow of long-term funds and other development assistance to them.

b) The Development Assistance Committee will acquire the functions, characteristics and membership possessed by the Development Assistance Group at the inception of the Organisation.

c) The Committee will select its Chairman, make periodic reports to the Council and its own members, receive assistance from the Secretariat as agreed with the Secretary-General, have power to make recommendations on matters within its competence to countries on the Committee and to the Council, and invite representatives of other countries and international organisations to take part in particular discussions as necessary.

d) The Development Assistance Committee may act on behalf of the Organisation only with the approval of the Council.

e) In case the responsibilities of the Development Assistance Committee were to be extended beyond those set forth under a), any member country not represented in the Development Assistance Committee could bring the matter before the Council.

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DAC Subsidiary Bodies: Mandates and Membership in 2002*

Working Party on Financial Aspects of Development Assistance (WP-FA)

Chair: Mr. W. Singleton (Canada).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: International Monetary Fund (IMF), UN Development Programme (UNDP), World Bank.

Date of creation: July 1964.

Duration: Unspecified.

Mandate: Terms of reference for the DAC Working Parties approved on 13th-14th March 1975 [DAC(75)18].

Extract from document [DAC(75)18]:

"I. THE WORKING PARTY ON FINANCIAL ASPECTS OF DEVELOPMENT ASSISTANCE

The Working Party on Financial Aspects of Development Assistance will include in its purview: consideration of the terms of aid with particular emphasis on the question of appropriate terms and on the harmonisation of the terms of aid to the poorer countries; the analysis of debt problems of developing countries, taking into account the various types of flows from all sources which lead to indebtedness, *i.e.* official development assistance, export credits and other capital transfers. The Working Party will keep under consideration the technical problems related to partial or general untying of aid. It will also deal with any other related subject referred to it by the DAC. Close working relationships will be maintained with the World Bank, the IMF, and the Group on Export Credits and Credit Guarantees of the Trade Committee of the OECD. The Working Party will report to the DAC as appropriate."

* *Mandates and durations of* DAC *subsidiary bodies*: As noted above, all DAC subsidiary bodies' mandates and durations are currently under review in the DAC, with a decision expected by April 2003. *Membership*: OECD countries that are not members of the DAC are associated with meetings of the DAC and its working parties in areas of mutual interest.

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Working Party on Statistics (WP-STAT)

Chair: Mr. F. Meijndert (Netherlands).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: International Monetary Fund (IMF), UN Development Programme (UNDP), World Bank.

Date of creation: 19th July 1968.

Duration: Unspecified.

Mandate: Terms of reference for the DAC Working Parties approved on 13th-14th March 1975 [DAC(75)18].

Extract from document [DAC(75)18]:

"III. THE WORKING PARTY ON STATISTICAL PROBLEMS

The Working Party on Statistical Problems will keep under review, and propose improvements in, the statistical reporting of the flows of financial and technical resources to developing countries and multilateral agencies; to this end, will make recommendations to the DAC regarding *i*) the desirability of arriving at universally accepted guidelines for reporting; *ii*) the need to ensure the fullest possible comparability of reporting among DAC members and other donors; and *iii*) the wide use of these data in international institutions and developing countries as well as the DAC countries; will propose, for decision by the DAC, appropriate amendments to the DAC Statistical Questionnaire; will carry out, as necessary, the annual review of the Joint OECD/IBRD Reporting System; will deal with any other related subject referred to it by the DAC. The Working Party will report to the DAC as appropriate."

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Working Party on Aid Evaluation (WP-EV)

Chair: Mr. R. van den Berg (Netherlands).

Vice-Chairs: Mr. N. Dabelstein (Denmark), Mr. C. Kirk (United Kingdom).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: Czech Republic, Korea, Mexico, Poland, Slovak Republic.
Sahel and West Africa Club, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development (EBRD), Inter-America Development Bank (IADB), International Monetary Fund (IMF), UN Development Programme (UNDP), World Bank.

Date of creation: 15th December 1982.

Duration: Unspecified.

Mandate: Note on Strengthening Aid Evaluation [DAC(82)27(1st Revision)].
The Working Party prepares an annual report to the DAC.

Extract from document [DAC(82)27(1st Revision)]:

"It is proposed that the Evaluation Correspondents should be asked to continue their work as a DAC Expert Group on Aid Evaluation, charged with the following tasks:

i) Strengthening exchange of information, experience and co-operation between national and, as appropriate, multilateral evaluation units, with a view to:

- Improving the evaluation activities of individual members.
- Encouraging standardisation of methodological and conceptual frameworks.
- Laying the basis for improved donor co-ordination in the planning of major evaluation studies.

ii) Contributing to improved aid effectiveness by attempting to distil from evaluation studies operational lessons for project and programme planning and design, for consideration by the DAC.

iii) Examining the feasibility of launching a set of joint or co-ordinated studies, undertaken by interested members, of aid effectiveness in a major sector, such as agriculture, or possibly in particular countries.

iv) Seeking ways to promote and support developing countries' own evaluation capabilities."

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Working Party on Gender Equality (WP-GEN)

Chair: Ms. B. Tusscher (Netherlands).

Vice-Chairs: Mr. P. Evans (United Kingdom), Ms. P. O'Neill (New Zealand), Ms. U. Ramboll (Norway).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: Korea, Mexico, Turkey.
Commonwealth Secretariat, International Monetary Fund (IMF), United Nations (UN), UN Development Fund for Women (UNIFEM), UN Development Programme (UNDP), World Bank, International Development Research Centre (IDRC, Canada).

Date of creation: 11th April 1984.

Duration: Unspecified.

Mandate: Work plan of the Expert Group on Women in Development [DAC(86)20] approved by the DAC on 28th-29th April 1986 [DAC/M(86)4]. Mandate extended for three years [DCD/DAC/M(95)2, Item IV].

Proposals for a new mandate and work programme [DCD/DAC(98)9] approved by the DAC on 5 February 1998 [DCD/DAC/M(98)3].

Mandate for 2001-2004 [DCD/DAC/M(2000)2/FINAL and DCD/DAC/M(2000)3/PROV].

Work Programme 2001-2002 [DCD/DAC/GEN(2001)1/REV1].

Extract from document [DCD/DAC(98)9]:

"1. Progress toward gender equality and the empowerment of women is one of DAC's main goals. In 1995, the DAC High Level Meeting (HLM) endorsed: *gender equality as an overall strategic objective for promoting the role of women and therefore sustainable, people-centred development.*

II. The Objectives of the Working Party

6. The objectives are to:

- Promote and facilitate mainstreaming a gender equality perspective into all member development assistance activities in order to support efforts of partner countries to more effectively address development goals such as poverty, democracy and human rights and thereby contribute to sustainable, people-centred social and economic development. This includes development of policies, strategies and methodologies.
- Assist in monitoring progress towards achieving gender equality in the development co-operation policies and programs of member countries and the DAC. This requires the identification of effective and innovative tools and approaches for documenting the results of mainstreaming gender equality and empowerment of women in development co-operation.
- Promote donor co-ordination through exchange of information and experience among DAC members and other relevant partners and improving the coherence of donors' policies and practices for gender equality and women's empowerment."

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Working Party on Development Co-operation and Environment (WP-ENV)

Chair: Ms. I. Hoven (Germany).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: Czech Republic, Korea, Mexico, Turkey.
International Monetary Fund (IMF), UN Development Programme (UNDP), World Bank.

Invited Organisations: International Institute for Environment and Development (IIED), International Institute for Sustainable Development (IISD), UN Environment Programme (UNEP), World Conservation Union (IUCN), World Resources Institute (WRI).

Date of creation: 21st June 1989.

Duration: Unspecified.

Mandate: The Working Party, acting as a forum for policy consultation and co-ordination among DAC members, will contribute to the formulation of coherent approaches to sustainable development in the context of the OECD integrated approach and formulate specific guidance for international efforts in support of environment and sustainable development.

The programme of work is articulated around three main areas of focus: A) Strategies for Sustainable Development; B) Global Environmental Issues; and C) Linkages between Environmental, Economic and Social Dimensions of Sustainable Development. The Working Party works in close co-operation with the Environment Policy Committee (EPOC), with partners from developing countries and other actors active in the field of environment and development.

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DAC Network on Conflict, Peace and Development Co-operation (CPDC)

Chair: Mr. R. Toscano (Italy).

Vice-Chairs: Mr. M. Berman (Canada), Mr. G. Baechler (Switzerland), Ms. M. Simmons (United Kingdom).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: Czech Republic, Korea, Mexico, Poland, Turkey.
International Monetary Fund (IMF), United Nations, UN Development Programme (UNDP), UN High Commissioner for Refugees (UNHCR), UN Office for the Coordination of Humanitarian Affairs (UNOCHA), World Bank.

Invited Organisations and Experts: Asian Development Bank (ADB); Fafo, Institute for Applied International Studies; FAST Early Warning Systems, Swiss Peace Foundation; Institute for Relations between Italy and Africa, Latin America, and the Middle East (IPALMO); International Alert; International Business Leaders Forum (IBLF), Corporate Social Responsibility Forum; International Committee of the Red Cross (ICRC); International Crisis Group (ICG); International Peace Academy (IPA); International Policy Institute, King's College London; Saferworld; The Centre for Human Security, Liu Institute for Global Issues, University of British Columbia; UN Foundation.

Date of creation: 1995; transformed into a Network in June 2000 [DCD/DAC/M(2000)5/PROV].

Duration: Unspecified.

Mandate: Paragraph 2 of *Criteria and Terms of Reference* [DCD/DAC/CPDC(2001)FINAL]:

The Network aims at: improving development co-operation policies and promoting partnership – private/public – within partner countries and between external actors such as other government departments, civil society institutions, non-governmental organisations, business community and the media. The Network will also contribute to enhancing policy coherence and encourage communications and networking. Participants will share best practices and lessons learned on the role of development co-operation and the use of conflict analysis for conflict prevention and peace building.

Objectives: Paragraph 3 of *Criteria and Terms of Reference* [DCD/DAC/CPDC(2001)FINAL]:

The objectives in the current Programme of Work are to:

A) Better integrate conflict prevention and peace building into development co-operation policies.

B) Address certain key elements of the "political economy of war": the relationship between violent conflict, corporate responsibility and governance.

C) Address how external partners can help developing countries manage their security systems and related expenditures effectively.

D) Promote communication and networking.

E) Respond to emerging issues and evolving needs (Development co-operation responses to terrorism and violent conflict).

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DAC Task Force on Donor Practices (TFDP)

Chair: Mr. R. Manning (United Kingdom).

Vice-Chairs: Mr. M. Reveyrand (France), Mr. P. Bermingham (World Bank), Mr. C. Graf (Switzerland), Mr. R. Teuten (United Kingdom).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: International Monetary Fund (IMF), Sahel and West Africa Club, UN Development Programme (UNDP), World Bank.

Date of creation: January 2001.

Duration: Unspecified.

Mandate: Terms of Reference of the DAC Task Force on Donor Practices [DCD/DAC(2000)28/FINAL].

Extract from document [DCD/DAC(2000)28/FINAL]:

The fundamental objective of the Task Force on Donor Practices is to strengthen ownership through identifying and documenting donor practices which could cost-effectively reduce the burden on the capacities of partner countries to manage aid and lower the transaction costs involved.

More concretely, the Task Force will focus on the following sets of activities:

- Surveying ongoing work in the area of simplification and harmonisation of donor procedures.
- Producing "good practice reference papers".
- Discuss conceptual and definitional issues related to its area of work and provide clarification.
- Analyse partner country views on the effectiveness of donor practices.

The Task Force has established three subgroups to examine particular areas of interest. These are:

- Subgroup on Financial Management and Accountability;
- Subgroup on Reporting and Monitoring;
- Subgroup on the Pre-implementation Phase of the Project Cycle.

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DAC Network on Good Governance and Capacity Development (GOVNET)

Chair: Mr. R. Wilson (United Kingdom).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: International Monetary Fund (IMF), UN Development Programme (UNDP), World Bank.

Invited Organisations: African Capacity Building Foundation (ACBF); Asian Development Bank; African Development Bank; European Centre for Development Policy Management (ECDPM); Institute for Democracy and Electoral Assistance (IDEA); International Fund for Agricultural Development (IFAD); UN Economic Commission for Africa (UNECA); UN Secretariat.

Note: A number of developing country experts are invited at each meeting in relation to items for discussion.

Date of creation: March 2001.

Duration: Unspecified.

Mandate: The Network was created by merging the DAC Informal Network on Participatory Development and Good Governance (PD/GG) and the DAC Informal Network on Institutional and Capacity Development (I/CD) – Summary Record of the 754th meeting of the DAC [DCD/DAC/M(2000)5].
A brainstorming workshop for members of the two informal networks was held on 4 December 2000, to prepare the first meeting of the GOVNET and discuss its mandate and modalities of work.

Extract from the Summary Record of the 1st meeting [DCD/DAC/GOVNET/M(2001)1]:

In line with the mandate defined by the DAC for this Network, the GOVNET will be a policy forum for sharing lessons learned, disseminating best practices and developing guidance and orientations on good governance and capacity development issues. It will be devoted to:

i) Improving the effectiveness of donor assistance in key governance areas.

ii) Sharing best practices on innovative approaches to strengthening capacities for sustainable development.

Key areas identified for work include: difficult partnership situations, anti-corruption, public service reform, capacity development, and other good governance issues.

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DAC Network on Poverty Reduction (POVNET)

Chair: Mr. C. Spinedi (Italy).

Members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, European Commission.

Observers: International Monetary Fund (IMF), UN Development Programme (UNDP), World Bank.

Date of creation: 8 June 1998.

Duration: Unspecified.

Mandate: POVNET was established as an informal network in 1998 with a mandate to assess DAC member performance in addressing poverty reduction and to extract good practice. POVNET work has focused on developing the DAC Guidelines on Poverty Reduction, which were endorsed at the 2001 DAC High Level Meeting.

POVNET work is focused on the following objectives:

- Develop and disseminate guidance for the bilateral community on the most effective and sustainable ways to support partner country efforts to reduce poverty, including through national poverty reduction strategies.
- Facilitate the exchange of experience and good practice in emerging areas of importance relevant to establishing poverty reduction partnerships.
- Monitor progress in implementing DAC guidance on poverty reduction, including supporting DAC member efforts to promote institutional change and learning within their development agencies.

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2. *Development Co-operation Directorate* (DCD)

The Development Co-operation Directorate (DCD) is one of the twelve substantive directorates in the OECD Secretariat. The role of the DCD is to assist members with policy formulation, policy co-ordination and information systems for development. In so doing, it supports the work of both the Development Assistance Committee (DAC) and of the OECD as a whole. However, so close is the relationship with the DAC that DCD is generally identified with the **DAC Secretariat** (*e.g.*, on the DAC website).*

The Office of the Director oversees the work of some 75 staff in the following areas:

• The **Policy Co-ordination Division (DCD/POL)**, which covers a wide range of policy issues, including poverty reduction, governance/conflict, environment, gender, health, technical co-operation.

• The **Policy Coherence Division (DCD/COH)**, which seeks to establish codes of practice in such areas as untying aid, procurement, and the mixing of aid with commercial credits; trade and development; and development financing. It monitors resource flows to developing countries, including export credits, bank lending, and direct investment.

• The **Review and Effectiveness Division (DCD/PEER)**, which monitors the aid programmes of individual members, as well as non-DAC donors, through peer reviews and country-level assessments. It also deals with measures, notably evaluation, to improve the effectiveness of development co-operation.

• The **Statistics and Monitoring Division (DCD/STAT)**, which compiles statistics on aggregate flows of aid and other resources, including their type, terms, sectoral breakdown, and geographical distribution among developing countries.

• The **Partnerships in Statistics for Development in the 21st Century (PARIS21)** Secretariat for the PARIS21 consortium was established in 1999 to boost statistical capabilities, especially in poor countries. Its founding organisers are the OECD, UN, World Bank, IMF and the EC. PARIS21 is hosted at the Development Co-operation Directorate of the OECD.

The Directorate is part of the "**Development Cluster**" of the Secretariat. Other units of the "Cluster" are:

• The Centre for Co-operation with Non-Members (CCNM), which fosters dialogue with transition and emerging market economies and selected developing countries.

• The Development Centre (DEV), a focal point in the OECD for research into development questions. The Centre is a semi-autonomous body with limited membership.

• The Sahel and West Africa Club (SWAC), a forum for facilitating links with the private and public sectors in least

* A list of DAC Website Themes and Aliases can be found at the end of this section.

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developed countries. The Club, with limited membership, is hosted at the CCNM of OECD.

DCD also works closely with other OECD Directorates on issues of policy coherence for development. Examples include such themes as trade, agriculture, environment, and corruption. The implications of broader OECD policies with impact on developing countries are being addressed in a "Liaison Network" under the authority of the Deputy Secretary-General overseeing the "Development Cluster".

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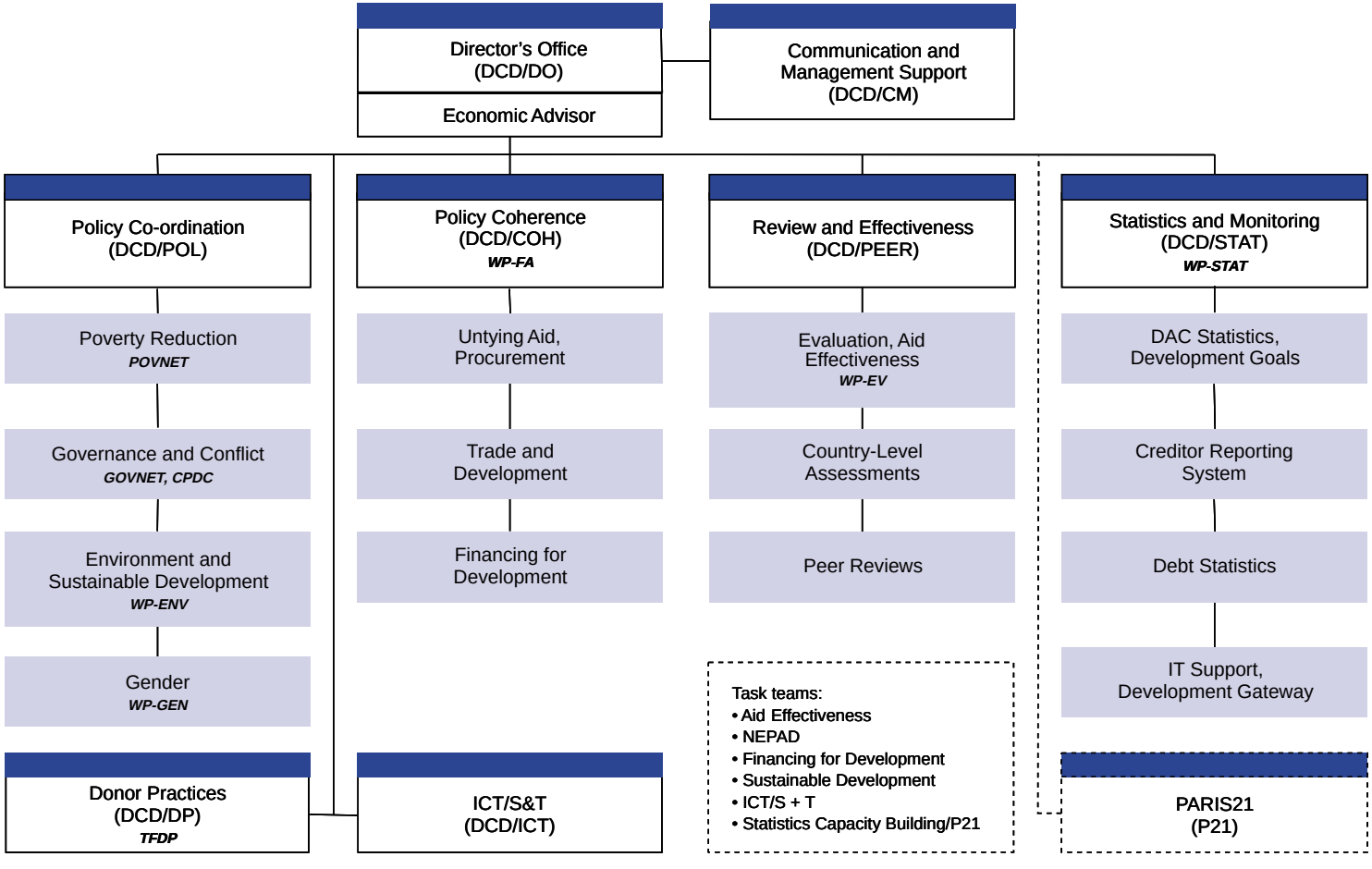
Structure of the Development Co-operation Directorate in 2002[1]



1. Acronyms in italics refer to responsibilities *vis-à-vis* DAC subsidiary bodies as existing in 2002.

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* This unit was transferred to the OECD Statistics Directorate (STD) as of January 2003.

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DAC/DCD Website Themes and Aliases

Themes and sub-themes name	Direct URL to themes and sub-themes
DAC Home Page	*www.oecd.org/dac*
Aid and Debt Statistics	*www.oecd.org/dac/stats*
• Aid Activities	*www.oecd.org/dac/stats/crs*
• Aid from DAC members	*www.oecd.org/dac/stats/dac*
• External Debt	*www.oecd.org/dac/stats/debt*
Development Partnerships	*www.oecd.org/dac/partnerships* *www.paris21.org*
Donor Practices	*www.oecd.org/dac/donorpractices*
• Financial Management	*www.oecd.org/dac/donorpractices/sfm*
• Pre-Implementation	*www.oecd.org/dac/donorpractices/spi*
• Reporting and Monitoring	*www.oecd.org/dac/donorpractices/srm*
Evaluation	*www.oecd.org/dac/evaluation*
Gender Equality	*www.oecd.org/dac/gender*
Good Governance, Conflict and Peace	*www.oecd.org/dac/governance*
• Conflict and Peace	*www.oecd.org/dac/governance/conflict*
• Governance and Capacity Development	*www.oecd.org/dac/governance/gov*
Information and Communication Technology for Development	*www.oecd.org/dac/ict*
Millennium Development Goals	*www.oecd.org/dac/goals*
Performance Assessment of DAC members	*www.oecd.org/dac/peerreviews*
Poverty Reduction	*www.oecd.org/dac/poverty*
Private Sector and Development Finance	*www.oecd.org/dac/finance*
Sustainable Development, Environment and Development Co-operation	*www.oecd.org/dac/environment*
Trade, Development and Capacity Building	*www.oecd.org/dac/trade*
Untying Aid	*www.oecd.org/dac*

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For more information on DAC statistics, please refer to our

WORLD WIDE WEB SITE

www.oecd.org/dac/stats

This report incorporates data submitted up to November 15th 2002. All data in this publication refer to calender years, unless otherwise stated. The data presented in this report reflect the DAC List as it was in 2001 (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 discrepencies 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* 1997-2001 and the CD-ROM *International Development Statistics*.

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	Current $ billion							
	1994	1995	1996	1997	1998	1999	2000	2001 (p)
I. OFFICIAL DEVELOPMENT FINANCE (ODF)	**84.5**	**87.6**	**73.5**	**75.4**	**89.0**	**85.9**	**65.5**	**68.3**
1. Official development assistance (ODA)	59.6	59.1	55.8	47.9	50.3	52.1	49.5	50.6
of which: Bilateral	41.3	40.6	39.1	32.4	35.2	37.9	36.0	35.0
Multilateral	18.3	18.4	16.7	15.4	15.1	14.2	13.4	15.6
2. Official Aid (OA)	6.9	8.4	5.6	5.6	7.0	7.8	7.8	6.4
of which: Bilateral	5.5	7.1	4.0	4.0	4.5	4.9	4.9	3.6
Multilateral	1.3	1.3	1.5	1.6	2.5	2.9	2.9	2.8
3. Other ODF	18.1	20.1	12.2	22.0	31.7	26.1	8.2	11.3
of which: Bilateral	12.2	14.0	5.7	5.9	12.8	10.4	-1.4	1.6
Multilateral	5.8	6.1	6.5	16.0	18.9	15.6	9.6	9.7
II. TOTAL EXPORT CREDITS	**6.3**	**5.6**	**4.0**	**4.8**	**8.3**	**4.0**	**7.7**	**2.8**
III. PRIVATE FLOWS	**135.1**	**171.1**	**273.1**	**241.4**	**133.3**	**222.0**	**139.8**	**119.5**
1. Direct investment (DAC)	52.1	59.6	68.9	102.3	119.8	145.6	121.8	115.3
of which: to offshore centres	10.8	6.3	16.7	19.1	20.3	37.9	25.7	26.9
2. International bank lending (a)	32.1	76.9	86.0	12.0	-76.3	-21.2	-18.6	-10.6
3. Total bond lending	32.0	24.7	78.5	83.7	34.2	29.1	19.9	9.7
4. Other (including equities) (b)	12.5	3.5	33.8	37.0	48.4	59.5	7.2	-5.4
5. Grants by non-governmental organisations	6.5	6.4	5.9	6.4	7.2	8.9	9.5	10.4
TOTAL NET RESOURCE FLOWS (I+II+III)	**225.9**	**264.2**	**350.7**	**321.6**	**230.7**	**312.0**	**212.9**	**190.7**
Memorandum items (not included):								
Net Use of IMF Credit (c)	0.6	15.6	0.3	14.4	18.8	-12.8	-10.6	13.3
Non-DAC donors (ODA/OA)	1.0	0.8	0.9	1.0	0.9	0.8	1.0	1.0
For cross reference								
Total DAC net ODA (d)	59.2	58.9	55.6	48.5	52.1	56.4	53.7	52.3
of which: Bilateral grants	35.2	36.2	36.5	31.3	32.5	33.9	33.0	33.4

a) Excluding bond lending by banks (item III.3.), and guaranteed financial credits (included in II).
b) Incomplete reporting from several DAC countries (including France, the United Kingdom and the United States). Includes Japan from 1996.
c) Non-concessional flows from the IMF General Resources Account.
d) Comprises bilateral ODA as above plus **contributions to** multilateral organisations in place of ODA **disbursements from** multilateral organisations shown above.
p: Provisional.

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Table 1

Total Net Resource Flows from DAC Member Countries and Multilateral Agencies to Aid Recipients

Per cent of total								
1994	1995	1996	1997	1998	1999	2000	2001 (p)	
37.4	**33.1**	**21.0**	**23.5**	**38.6**	**27.5**	**30.8**	**35.8**	**I. OFFICIAL DEVELOPMENT FINANCE (ODF)**
26.4	22.4	15.9	14.9	21.8	16.7	23.2	26.5	1. Official development assistance (ODA)
18.3	15.4	11.2	10.1	15.3	12.1	16.9	18.4	of which: Bilateral
8.1	7.0	4.8	4.8	6.6	4.6	6.3	8.2	Multilateral
3.0	3.2	1.6	1.7	3.1	2.5	3.7	3.4	2. Official Aid (OA)
2.5	2.7	1.2	1.3	2.0	1.6	2.3	1.9	of which: Bilateral
0.6	0.5	0.4	0.5	1.1	0.9	1.4	1.5	Multilateral
8.0	7.6	3.5	6.8	13.7	8.4	3.9	5.9	3. Other ODF
5.4	5.3	1.6	1.8	5.5	3.3	-0.7	0.9	of which: Bilateral
2.6	2.3	1.8	5.0	8.2	5.0	4.5	5.1	Multilateral
2.8	**2.1**	**1.1**	**1.5**	**3.6**	**1.3**	**3.6**	**1.5**	**II. TOTAL EXPORT CREDITS**
59.8	**64.7**	**77.9**	**75.1**	**57.8**	**71.2**	**65.6**	**62.7**	**III. PRIVATE FLOWS**
23.0	22.6	19.6	31.8	51.9	46.7	57.2	60.5	1. Direct investment (DAC)
4.8	2.4	4.8	5.9	8.8	12.2	12.0	14.1	of which: to offshore centres
14.2	29.1	24.5	3.7	-33.1	-6.8	-8.7	-5.6	2. International bank lending (a)
14.2	9.4	22.4	26.0	14.8	9.3	9.3	5.1	3. Total bond lending
5.5	1.3	9.6	11.5	21.0	19.1	3.4	-2.8	4. Other (including equities) (b)
2.9	2.4	1.7	2.0	3.1	2.9	4.4	5.5	5. Grants by non-governmental organisations
100.0	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**TOTAL NET RESOURCE FLOWS (I+II+III)**

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The Total Net Flow of Long-Term Financial

	1985-1986 average	1990-1991 average	1997	1998	1999	2000	2001
				$ million			
I. Official Development Assistance	32 296	54 813	48 497	52 084	56 428	53 734	52 336
1. Bilateral grants and grant-like flows	18 534	34 393	31 282	32 465	33 922	33 028	33 409
of which: Technical co-operation	6 420	11 835	12 888	13 056	13 036	12 767	13 602
Developmental food aid (a)	1 323	1 609	1 081	919	1 045	1 180	1 007
Emergency & distress relief (a)	628	1 738	2 165	2 787	4 414	3 574	3 276
Debt forgiveness	291	5 167	3 122	3 012	2 277	1 989	2 271
Administrative costs	1 098	2 059	2 719	2 814	3 049	3 083	2 964
2. Bilateral loans	4 669	6 515	1 147	2 739	3 956	3 021	1 613
3. Contributions to multilateral institutions	9 093	15 614	16 068	16 880	18 551	17 685	17 314
of which: UN (b)	2 532	4 210	3 885	4 249	3 654	5 185	5 233
EC (b)	1 562	3 807	4 860	5 002	5 017	4 950	4 949
IDA (b)	2 756	4 467	4 062	4 155	2 834	3 672	3 572
Regional development banks (b)	1 437	1 480	1 551	1 895	5 020	2 187	1 491
II. Other Official Flows	2 519	7 846	6 125	13 491	15 477	-4 537	- 549
1. Bilateral	2 637	7 703	6 074	11 483	14 528	-4 355	- 651
2. Multilateral	- 118	144	51	2 008	949	- 182	102
III. Private Flows at market terms	17 710	17 792	125 623	111 223	115 119	77 657	49 117
1. Direct investment	8 610	24 584	77 137	83 416	94 708	70 359	66 602
2. Bilateral portfolio investment	4 022	-8 998	50 861	27 762	24 301	3 315	-16 138
3. Multilateral portfolio investment	5 325	1 821	-6 126	-2 059	-5 786	-3 369	-4 082
4. Export credits	- 247	385	3 751	2 104	1 896	7 352	2 735
IV. Net grants by NGOs	3 109	5 240	5 191	5 609	6 715	6 934	7 289
TOTAL NET FLOWS	**55 633**	**85 691**	**185 436**	**182 407**	**193 740**	**133 788**	**108 193**
Total net flows at 2000 prices and exchange rates (c)	**90 089**	**89 975**	**176 923**	**177 714**	**185 400**	**133 788**	**112 314**

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.

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Table 2

Resources from DAC Countries to Developing Countries and Multilateral Organisations by Type of Flow

Net disbursements at current prices and exchange rates

Per cent of total							
1985-1986 average	1990-1991 average	1997	1998	1999	2000	2001	
58	64	26	29	29	40	48	**I. Official Development Assistance**
33	40	17	18	18	25	31	1. Bilateral grants and grant-like flows
12	14	7	7	7	10	13	of which: Technical co-operation
2	2	1	1	1	1	1	Developmental food aid (a)
1	2	1	2	2	3	3	Emergency & distress relief (a)
1	6	2	2	1	1	2	Debt forgiveness
2	2	1	2	2	2	3	Administrative costs
8	8	1	2	2	2	1	2. Bilateral loans
16	18	9	9	10	13	16	3. Contributions to multilateral institutions
5	5	2	2	2	4	5	of which: UN (b)
3	4	3	3	3	4	5	EC (b)
5	5	2	2	1	3	3	IDA (b)
3	2	1	1	3	2	1	Regional development banks (b)
5	9	3	7	8	-3	-1	**II. Other Official Flows**
5	9	3	6	7	-3	-1	1. Bilateral
0	0	0	1	0	0	0	2. Multilateral
32	21	68	61	59	58	45	**III. Private Flows at market terms**
15	29	42	46	49	53	62	1. Direct investment
7	-11	27	15	13	2	-15	2. Bilateral portfolio investment
10	2	-3	-1	-3	-3	-4	3. Multilateral portfolio investment
0	0	2	1	1	5	3	4. Export credits
6	6	3	3	3	5	7	**IV. Net grants by NGOs**
100	**100**	**100**	**100**	**100**	**100**	**100**	**TOTAL NET FLOWS**

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The Total Net Flow

	$ million						
	1985-1986 average	1990-1991 average [a]	1997	1998	1999	2000	2001
Australia	1 143	- 297	-3 043	1 745	1 279	1 491	1 183
Austria	148	635	1 661	889	1 963	1 067	882
Belgium	253	815	-10 636	7 725	5 528	2 281	304
Canada	1 623	3 736	10 536	9 227	6 992	6 483	1 538
Denmark	460	1 072	1 928	1 806	1 992	2 176	2 645
Finland	356	1 015	449	1 633	858	1 087	1 317
France	7 770	6 092	13 979	8 402	9 160	5 557	16 327
Germany	6 819	13 329	19 785	22 436	20 006	12 331	5 872
Greece	..	..	185	189	195	229	202
Ireland	107	133	323	333	251	741	735
Italy	2 380	5 368	8 116	13 171	11 337	10 846	- 189
Japan	12 860	20 860	29 509	17 902	20 794	11 264	14 608
Luxembourg	10	36	100	118	124	129	146
Netherlands	2 722	4 193	8 683	12 752	7 985	6 947	-3 432
New Zealand	98	110	182	154	163	142	139
Norway	664	1 289	1 647	1 983	2 060	1 437	1 485
Portugal	16	214	1 337	2 015	2 457	4 622	1 775
Spain	104	1 163	7 411	11 841	29 029	23 471	11 523
Sweden	1 558	2 317	2 092	2 847	2 892	3 952	3 077
Switzerland	1 945	3 320	-3 457	4 683	3 241	2 054	- 158
United Kingdom	4 574	6 075	19 659	12 136	15 299	10 230	9 597
United States	10 024	15 925	74 991	48 421	50 138	25 252	38 618
TOTAL DAC	**55 633**	**85 691**	**185 436**	**182 407**	**193 740**	**133 788**	**108 193**
of which:							
EU Members	27 276	42 457	75 070	98 292	109 075	85 665	50 781

a) Including debt forgiveness of non-ODA claims in 1990 and 1991, except for total DAC. See Table 6b.

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Table 3

of Financial Resources from DAC Countries to Developing Countries and Multilateral Organisations

Net disbursements at current prices and exchange rates

Per cent of GNI							
1985-1986 average	1990-1991 average [a]	1997	1998	1999	2000	2001	
0.72	-0.11	-0.78	0.49	0.33	0.40	0.34	Australia
0.19	0.40	0.81	0.42	0.95	0.57	0.48	Austria
0.26	0.41	-4.32	3.08	2.21	1.00	0.13	Belgium
0.47	0.66	1.76	1.60	1.14	0.95	0.22	Canada
0.69	0.86	1.15	1.05	1.16	1.39	1.67	Denmark
0.59	0.82	0.37	1.30	0.68	0.91	1.09	Finland
1.26	0.51	1.00	0.59	0.64	0.43	1.24	France
0.90	0.81	0.94	1.05	0.96	0.66	0.32	Germany
..	..	0.15	0.16	0.16	0.20	0.17	Greece
0.56	0.36	0.54	0.50	0.32	0.93	0.85	Ireland
0.47	0.48	0.71	1.13	0.97	1.01	-0.02	Italy
0.78	0.66	0.68	0.45	0.46	0.23	0.35	Japan
0.17	0.29	0.58	0.68	0.69	0.75	0.85	Luxembourg
1.83	1.49	2.38	3.35	2.02	1.85	-0.89	Netherlands
0.42	0.27	0.31	0.31	0.33	0.32	0.32	New Zealand
1.06	1.25	1.07	1.35	1.36	0.91	0.91	Norway
0.06	0.33	1.33	1.89	2.28	4.45	1.66	Portugal
0.05	0.23	1.41	2.10	4.90	4.25	2.01	Spain
1.38	1.01	0.96	1.30	1.24	1.76	1.49	Sweden
1.63	1.39	-1.31	1.67	1.17	0.80	-0.06	Switzerland
0.90	0.62	1.50	0.86	1.05	0.72	0.67	United Kingdom
0.24	0.29	0.93	0.55	0.54	0.25	0.38	United States
0.58	**0.52**	**0.84**	**0.81**	**0.81**	**0.56**	**0.46**	**TOTAL DAC**
							of which:
0.85	0.64	0.93	1.17	1.29	1.10	0.65	EU Members

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Net Official

	1985-86 average	1990-1991 average [a]	1997	1998	1999	2000	2001
				$ million			
Australia	751	1 002	1 061	960	982	987	873
Austria	223	470	527	456	527	423	533
Belgium	493	860	764	883	760	820	867
Canada	1 663	2 537	2 045	1 707	1 706	1 744	1 533
Denmark	567	1 186	1 637	1 704	1 733	1 664	1 634
Finland	262	888	379	396	416	371	389
France	3 588	7 275	6 307	5 742	5 639	4 105	4 198
Germany	3 387	6 605	5 857	5 581	5 515	5 030	4 990
Greece	..	..	173	179	194	226	202
Ireland	51	65	187	199	245	235	287
Italy	1 751	3 371	1 266	2 278	1 806	1 376	1 627
Japan	4 716	10 011	9 358	10 640	15 323	13 508	9 847
Luxembourg	10	34	95	112	119	123	141
Netherlands	1 438	2 527	2 947	3 042	3 134	3 135	3 172
New Zealand	65	98	154	130	134	113	112
Norway	686	1 191	1 306	1 321	1 370	1 264	1 346
Portugal	16	174	250	259	276	271	268
Spain	186	1 113	1 234	1 376	1 363	1 195	1 737
Sweden	965	2 062	1 731	1 573	1 630	1 799	1 666
Switzerland	362	806	911	898	984	890	908
United Kingdom	1 633	2 919	3 433	3 864	3 426	4 501	4 579
United States	9 484	11 328	6 878	8 786	9 145	9 955	11 429
TOTAL DAC	**32 296**	**54 813**	**48 497**	**52 084**	**56 428**	**53 734**	**52 336**
of which:							
EU Members	14 570	29 549	26 785	27 641	26 784	25 273	26 290

a) Including debt forgiveness of non-ODA claims in 1990 and 1991, except for total DAC. See Table 6b.

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Table 4

Development Assistance from DAC Countries to Developing Countries and Multilateral Organisations

Net disbursements at current prices and exchange rates

1985-86 average	1990-1991 average [a]	1997	1998	1999	2000	2001	
			Per cent of GNI				
0.47	0.36	0.27	0.27	0.26	0.27	0.25	Australia
0.28	0.29	0.26	0.22	0.26	0.23	0.29	Austria
0.51	0.43	0.31	0.35	0.30	0.36	0.37	Belgium
0.49	0.45	0.34	0.30	0.28	0.25	0.22	Canada
0.85	0.95	0.97	0.99	1.01	1.06	1.03	Denmark
0.43	0.72	0.32	0.31	0.33	0.31	0.32	Finland
0.58	0.61	0.45	0.40	0.39	0.32	0.32	France
0.45	0.40	0.28	0.26	0.26	0.27	0.27	Germany
..	..	0.14	0.15	0.15	0.20	0.17	Greece
0.27	0.17	0.31	0.30	0.31	0.30	0.33	Ireland
0.34	0.30	0.11	0.20	0.15	0.13	0.15	Italy
0.29	0.32	0.21	0.27	0.34	0.28	0.23	Japan
0.17	0.27	0.55	0.65	0.66	0.71	0.82	Luxembourg
0.97	0.90	0.81	0.80	0.79	0.84	0.82	Netherlands
0.28	0.24	0.26	0.27	0.27	0.25	0.25	New Zealand
1.10	1.15	0.85	0.90	0.90	0.80	0.83	Norway
0.06	0.27	0.25	0.24	0.26	0.26	0.25	Portugal
0.09	0.22	0.24	0.24	0.23	0.22	0.30	Spain
0.85	0.90	0.79	0.72	0.70	0.80	0.81	Sweden
0.30	0.34	0.34	0.32	0.35	0.34	0.34	Switzerland
0.32	0.30	0.26	0.27	0.24	0.32	0.32	United Kingdom
0.23	0.20	0.09	0.10	0.10	0.10	0.11	United States
0.33	**0.33**	**0.22**	**0.23**	**0.24**	**0.22**	**0.22**	**TOTAL DAC**
							of which:
0.45	0.44	0.33	0.33	0.32	0.32	0.33	EU Members
							Memo:
0.44	0.47	0.38	0.39	0.39	0.39	0.40	Average country effort

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The Net

	$ million						
	1985-1986 average	1990-1991 average	1997	1998	1999	2000	2001
Australia	319	-1 529	-4 352	528	- 470	- 219	43
Austria	- 130	- 4	952	306	1 334	560	279
Belgium	- 328	- 285	-11 439	6 727	4 765	1 394	- 712
Canada	- 46	413	7 261	5 469	4 484	4 621	- 12
Denmark	- 93	- 169	118	- 60	410	482	998
Finland	51	102	1	1 176	296	709	915
France	3 351	-2 103	7 579	2 851	3 524	1 439	12 168
Germany	1 922	3 976	13 518	16 205	13 678	6 911	737
Greece	..	..	..	..	..	..	..
Ireland	35	42	80	90	..	416	347
Italy	- 150	915	5 848	11 061	9 484	9 537	-1 903
Japan	8 566	7 739	15 953	-3 744	-4 297	2 725	5 380
Luxembourg	..	..	..	..	..	..	..
Netherlands	1 155	1 386	5 577	9 300	4 581	3 469	-6 886
New Zealand	25	..	13	11	16	17	16
Norway	- 86	- 34	221	535	522	- 5	- 71
Portugal	..	8	1 000	1 636	2 074	4 273	1 503
Spain	- 128	- 29	6 054	10 297	27 655	22 272	9 640
Sweden	214	115	333	1 221	1 192	2 127	1 394
Switzerland	1 529	2 396	-4 427	3 583	2 236	997	-1 252
United Kingdom	2 406	2 231	16 025	7 919	11 416	5 265	4 669
United States	- 903	2 622	65 308	36 112	32 218	10 666	21 864
TOTAL DAC	**17 710**	**17 792**	**125 623**	**111 223**	**115 119**	**77 657**	**49 117**
of which:							
EU Members	8 305	6 186	45 646	68 728	80 410	58 855	23 149

a) Excluding grants by NGOs.

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Table 5

Flow of Private Capital[a] from DAC Countries to Developing Countries and Multilateral Organisations

Net disbursements at current prices and exchange rates

Per cent of GNI							
1985-1986 average	1990-1991 average	1997	1998	1999	2000	2001	
0.20	- 0.55	- 1.11	0.15	- 0.12	- 0.06	0.01	Australia
- 0.16	- 0.00	0.47	0.15	0.65	0.30	0.15	Austria
- 0.34	- 0.14	- 4.65	2.68	1.90	0.61	- 0.30	Belgium
- 0.01	0.07	1.21	0.95	0.73	0.68	- 0.00	Canada
- 0.14	- 0.14	0.07	- 0.03	0.24	0.31	0.63	Denmark
0.08	0.08	0.00	0.93	0.23	0.59	0.76	Finland
0.54	- 0.18	0.54	0.20	0.25	0.11	0.92	France
0.25	0.24	0.64	0.76	0.65	0.37	0.04	Germany
..	..	..	..	..	..	..	Greece
0.18	0.11	0.13	0.13	..	0.52	0.40	Ireland
- 0.03	0.08	0.51	0.95	0.81	0.89	- 0.18	Italy
0.52	0.24	0.37	- 0.09	- 0.09	0.06	0.13	Japan
..	..	..	..	..	..	..	Luxembourg
0.78	0.49	1.53	2.45	1.16	0.93	- 1.78	Netherlands
0.11	..	0.02	0.02	0.03	0.04	0.04	New Zealand
- 0.14	- 0.03	0.14	0.36	0.34	- 0.00	- 0.04	Norway
..	0.01	0.99	1.53	1.92	4.12	1.40	Portugal
- 0.07	- 0.01	1.15	1.82	4.67	4.03	1.68	Spain
0.19	0.05	0.15	0.56	0.51	0.95	0.68	Sweden
1.28	1.01	- 1.67	1.28	0.81	0.39	- 0.47	Switzerland
0.47	0.23	1.23	0.56	0.79	0.37	0.33	United Kingdom
- 0.02	0.05	0.81	0.41	0.35	0.11	0.22	United States
0.18	**0.11**	**0.57**	**0.49**	**0.48**	**0.32**	**0.21**	**TOTAL DAC**
							of which:
0.26	0.09	0.56	0.82	0.95	0.76	0.29	EU Members

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Table 6a

ODA *Performance of* DAC *Countries*

	$ million			Per cent of GNI					
	2000 actual [a]	2001 actual [a]	2001 volume [b]	1986-1990 average	1991-1995 average	2000-2001 average	1999	2000	2001
Australia	987	873	948	0.39	0.35	0.26	0.26	0.27	0.25
Austria	423	533	539	0.22	0.32	0.26	0.26	0.23	0.29
Belgium	820	867	876	0.45	0.38	0.36	0.30	0.36	0.37
Canada	1 744	1 533	1 580	0.46	0.43	0.24	0.28	0.25	0.22
Denmark	1 664	1 634	1 638	0.91	1.00	1.05	1.01	1.06	1.03
Finland	371	389	392	0.58	0.51	0.32	0.33	0.31	0.32
France	4 105	4 198	4 253	0.59	0.61	0.32	0.39	0.32	0.32
Germany	5 030	4 990	5 069	0.41	0.35	0.27	0.26	0.27	0.27
Greece (c)	226	202	203	..	..	0.19	0.15	0.20	0.17
Ireland	235	287	283	0.20	0.22	0.31	0.31	0.30	0.33
Italy	1 376	1 627	1 632	0.37	0.27	0.14	0.15	0.13	0.15
Japan	13 508	9 847	11 260	0.31	0.29	0.26	0.34	0.28	0.23
Luxembourg	123	141	143	0.19	0.34	0.77	0.66	0.71	0.82
Netherlands	3 135	3 172	3 118	0.96	0.82	0.83	0.79	0.84	0.82
New Zealand	113	112	115	0.25	0.24	0.25	0.27	0.25	0.25
Norway	1 264	1 346	1 350	1.12	1.03	0.81	0.90	0.80	0.83
Portugal	271	268	264	0.19	0.30	0.26	0.26	0.26	0.25
Spain	1 195	1 737	1 720	0.13	0.26	0.26	0.23	0.22	0.30
Sweden	1 799	1 666	1 842	0.90	0.93	0.80	0.70	0.80	0.81
Switzerland	890	908	891	0.31	0.37	0.34	0.35	0.34	0.34
United Kingdom	4 501	4 579	4 698	0.30	0.31	0.32	0.24	0.32	0.32
United States	9 955	11 429	11 186	0.20	0.16	0.11	0.10	0.10	0.11
TOTAL DAC	**53 734**	**52 336**	**54 000**	**0.33**	**0.31**	**0.22**	**0.24**	**0.22**	**0.22**
of which:									
EU Members	25 273	26 290	26 670	0.45	0.42	0.33	0.32	0.32	0.33

a) At current prices and exchange rates.
b) At 2000 prices and exchange rates.
c) Data available from 1996 onwards.

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Per cent change 2000-2001			Annual average % change in volume [b] 1995/1996 - 2000/2001
In national currency	In $	In volume terms [b]	
-0.9	-11.6	-4.0	0.6
29.6	25.9	27.3	0.2
8.9	5.8	6.9	3.5
-8.3	-12.1	-9.4	-2.6
1.0	-1.8	-1.6	4.4
7.9	4.9	5.7	5.0
5.2	2.3	3.6	-6.6
2.1	-0.8	0.8	-1.2
-7.2	-10.8	-10.0	8.2
25.6	22.0	20.4	11.9
21.7	18.2	18.6	-2.3
-17.8	-27.1	-16.6	3.0
17.8	14.4	16.1	18.1
4.1	1.2	-0.5	5.0
6.5	-1.4	1.6	5.6
8.9	6.5	6.8	1.7
2.1	-0.8	-2.5	6.7
49.6	45.4	43.9	7.3
4.5	-7.4	2.4	4.4
1.9	1.9	0.1	3.0
6.9	1.7	4.4	5.8
14.8	14.8	12.4	3.2
2.0	**-2.6**	**0.5**	**1.8**
8.1	4.0	5.5	1.0

Table 6b

Debt Forgiveness of Non-ODA Claims[a]

$ million

	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.

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Table 7

Burden Sharing Indicators 2000-2001 average

Net disbursements

	Grant equivalent of total ODA[a] as % of GNI	Multilateral ODA as % of GNI[b]		Aid to LICs[c]	of which: Aid to LDCs[d]	ODA per capita of donor country 2000 dollars		Aid by NGOs as % of GNI	
				as % of GNI		Memo: 1990-1991	2000-2001	Memo: 1990-1991	2000-2001
Australia	0.26	0.06	n.a.	0.14	0.06	51	50	0.03	0.05
Austria	0.29	0.05	(0.10)	0.14	0.05	56	59	0.03	0.03
Belgium	0.37	0.07	(0.15)	0.16	0.11	80	83	0.02	0.05
Canada	0.24	0.07	n.a.	0.07	0.04	82	54	0.05	0.02
Denmark	1.07	0.34	(0.39)	0.52	0.34	221	309	0.02	0.02
Finland	0.32	0.09	(0.13)	0.15	0.09	129	73	0.02	0.01
France	0.38	0.04	(0.11)	0.13	0.08	114	71	0.02	0.00
Germany	0.30	0.06	(0.12)	0.11	0.06	85	61	0.05	0.04
Greece	0.31	0.02	(0.11)	0.03	0.02	..	20	..	0.00
Ireland	0.19	0.04	(0.11)	0.18	0.15	19	68	0.07	0.12
Italy	0.16	0.04	(0.10)	0.05	0.04	49	26	0.00	0.00
Japan	0.28	0.07	n.a.	0.14	0.04	104	97	0.00	0.01
Luxembourg	0.77	0.09	(0.17)	0.39	0.26	84	302	0.02	0.03
Netherlands	0.86	0.19	(0.24)	0.39	0.23	158	196	0.08	0.07
New Zealand	0.25	0.06	n.a.	0.10	0.06	25	30	0.03	0.03
Norway	0.82	0.23	n.a.	0.39	0.27	282	290	0.13	0.12
Portugal	0.32	0.02	(0.08)	0.17	0.11	19	26	0.00	0.00
Spain	0.27	0.03	(0.09)	0.10	0.03	24	36	0.02	0.00
Sweden	0.80	0.19	(0.24)	0.36	0.23	189	205	0.06	0.01
Switzerland	0.34	0.10	n.a.	0.16	0.10	113	124	0.05	0.06
United Kingdom	0.33	0.07	(0.13)	0.17	0.11	56	78	0.04	0.03
United States	0.11	0.03	n.a.	0.04	0.02	55	38	0.05	0.04
TOTAL DAC	**0.24**	**0.05**	**(0.07)**	**0.10**	**0.05**	**75**	**63**	**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 LDCs and all other countries with per capita income (World Bank Atlas basis) of $760 or less in 1998. Includes imputed multilateral ODA.
d) Least developed countries (LDCs) are countries on the United Nations' list. Includes imputed multilateral ODA.

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Table 8

ODA *by Individual* DAC *Countries at* 2000 *Prices and Exchange Rates*

Net disbursements — $ million

	1992 [a]	1993	1994	1995	1996	1997	1998	1999	2000	2001
Australia	908	916	964	1 024	851	871	930	918	987	948
Austria	444	467	538	542	408	441	385	461	423	539
Belgium	709	708	605	745	683	650	751	666	820	876
Canada	2 312	2 321	2 277	2 056	1 745	1 995	1 792	1 770	1 744	1 580
Denmark	1 228	1 251	1 303	1 266	1 396	1 437	1 502	1 551	1 664	1 638
Finland	526	361	264	284	315	323	338	372	371	392
France	6 742	6 828	7 035	6 201	5 530	5 275	4 813	4 916	4 105	4 253
Germany	5 717	5 830	5 474	5 227	5 489	4 842	4 630	4 752	5 030	5 069
Greece	..	..	..	..	145	144	154	168	226	203
Ireland	66	84	108	138	157	167	178	222	235	283
Italy	3 140	2 846	2 508	1 447	1 938	1 094	1 956	1 595	1 376	1 632
Japan	12 602	11 132	12 019	12 156	9 232	10 142	12 482	15 869	13 508	11 260
Luxembourg	33	47	52	50	65	84	99	106	123	143
Netherlands	2 372	2 264	2 160	2 399	2 506	2 581	2 664	2 812	3 135	3 118
New Zealand	93	90	91	90	83	109	113	118	113	115
Norway	1 196	1 110	1 239	1 182	1 216	1 288	1 400	1 412	1 264	1 350
Portugal	255	227	282	209	177	222	227	245	271	264
Spain	1 132	1 156	1 172	1 074	979	1 090	1 211	1 220	1 195	1 720
Sweden	1 796	1 686	1 679	1 404	1 527	1 480	1 388	1 485	1 799	1 842
Switzerland	1 020	727	819	773	763	795	784	885	890	891
United Kingdom	3 312	3 495	3 704	3 507	3 431	3 411	3 687	3 262	4 501	4 698
United States	12 604	11 521	11 068	8 038	10 037	7 221	9 112	9 353	9 955	11 186
TOTAL DAC	**58 205**	**55 067**	**55 360**	**49 813**	**48 672**	**45 665**	**50 594**	**54 158**	**53 734**	**54 000**
Memo: **Total DAC at current prices and exchange rates**	**60 840**	**56 486**	**59 152**	**58 926**	**55 622**	**48 497**	**52 084**	**56 428**	**53 734**	**52 336**

a) Excluding non-ODA debt forgiveness. See Table 6b.

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Table 9

Long-term Trends in DAC ODA

	Volume of net ODA ($ million at 2000 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 GNI		
	1980-1981	1990-1991 [a]	2000-2001	1980-1981	1990-1991	2000-2001	1980-1981	1990-1991 [a]	2000-2001
Australia	785	869	968	2.6	1.8	1.8	0.44	0.36	0.26
Austria	322	434	481	0.8	0.8	0.9	0.28	0.29	0.26
Belgium	799	802	848	2.3	1.5	1.6	0.54	0.43	0.36
Canada	1 660	2 294	1 662	4.5	4.5	3.1	0.43	0.45	0.24
Denmark	732	1 136	1 651	1.7	2.1	3.1	0.74	0.95	1.05
Finland	172	647	381	0.5	1.6	0.7	0.24	0.72	0.32
France	3 984	6 512	4 179	11.5	12.9	7.8	0.47	0.61	0.32
Germany	5 064	6 085	5 050	13.3	11.7	9.4	0.45	0.40	0.27
Greece	..	..	215	..	..	0.4	..	..	0.19
Ireland	48	65	259	0.1	0.1	0.5	0.16	0.17	0.31
Italy	1 166	2 757	1 504	2.7	6.0	2.8	0.16	0.30	0.14
Japan	8 149	12 850	12 384	12.8	17.7	22.0	0.30	0.32	0.26
Luxembourg	7	32	133	0.0	0.1	0.2	0.12	0.27	0.77
Netherlands	2 146	2 378	3 126	6.2	4.5	5.9	1.01	0.90	0.83
New Zealand	94	87	114	0.3	0.2	0.2	0.31	0.24	0.25
Norway	696	1 200	1 307	1.9	2.1	2.5	0.86	1.15	0.81
Portugal	10	187	267	0.0	0.3	0.5	0.02	0.27	0.26
Spain	318	918	1 457	0.8	2.0	2.8	0.10	0.22	0.26
Sweden	1 183	1 622	1 821	3.7	3.6	3.3	0.80	0.90	0.80
Switzerland	431	766	891	1.0	1.4	1.7	0.24	0.34	0.34
United Kingdom	3 371	3 258	4 600	8.0	5.2	8.6	0.39	0.30	0.32
United States	11 659	13 771	10 570	25.4	20.0	20.2	0.23	0.20	0.11
TOTAL DAC	**42 795**	**56 652**	**53 867**	**100.0**	**100.0**	**100.0**	**0.33**	**0.33**	**0.22**
of which:									
EU Members	19 323	26 834	25 971	51.6	52.3	48.6	0.42	0.44	0.33

a) Including debt forgiveness of non-ODA claims, except for total DAC. See Table 6b.

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Table 10

Technical Co-operation Expenditure

Net disbursements — $ million at current prices and exchange rates

	1985-1986 average	1990-1991 average	1997	1998	1999	2000	2001
Australia	183	243	397	364	361	407	401
Austria	33	73	115	123	105	87	89
Belgium	121	190	258	290	276	221	214
Canada	243	490	408	427	347	352	346
Denmark	59	122	114	113	83	128	138
Finland	62	117	58	68	72	71	71
France	1 371	2 101	2 172	2 081	1 965	1 283	1 337
Germany	1 053	1 769	1 957	1 988	1 911	1 640	1 588
Greece	..	..	26	15	24	22	16
Ireland	10	11	73	-	-	-	11
Italy	339	363	58	40	53	27	92
Japan	511	1 354	1 956	1 819	2 136	2 430	1942
Luxembourg	..	0	2	2	1	2	5
Netherlands	326	876	917	912	598	579	634
New Zealand	12	35	62	54	53	41	41
Norway	50	104	171	178	134	109	150
Portugal	..	36	48	85	97	90	117
Spain	39	174	128	148	118	107	185
Sweden	112	191	46	58	47	70	57
Switzerland	46	..	286	287	110	100	113
United Kingdom	369	772	894	727	667	685	773
United States	1 482	2 815	2 741	3 278	3 877	4 316	5 282
TOTAL DAC	**6 420**	**11 835**	**12 888**	**13 056**	**13 036**	**12 767**	**13 602**

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Table 11

Non-ODA Financial Flows to Developing Countries in 2001

Per cent of reporting country's GNI

	Memo: Total net flows	Total non-ODA flows	of which: Export credits	OOF excl. export credits	Direct invest-ment	Bank lending	Non-bank portfolio	Multi-lateral private flows	NGOs net	Memo: Non-ODA debt claims[a] on developing countries
Australia	0.34	0.09	-0.02	0.04	0.10	0.01	-0.10	-	0.06	0.62
Austria	0.48	0.19	0.01	-	0.15	-	-	-	0.03	5.58
Belgium	0.13	-0.24	0.06	0.00	0.22	-0.25	-0.33	-	0.06	2.40
Canada	0.22	0.00	-0.02	-0.00	0.09	-0.09	-	-	0.02	1.43
Denmark	1.67	0.64	-	-0.00	0.63	-	-	-	0.01	1.14
Finland	1.09	0.77	0.30	0.01	0.52	-0.05	-0.01	-	0.01	1.68
France	1.24	0.92	0.02	-0.00	0.61	0.29	0.00	-	-	3.43
Germany	0.32	0.05	0.02	-0.03	0.10	0.03	-0.07	-0.05	0.04	1.71
Greece	0.17	-	-	-	-	-	-	-	-	..
Ireland	0.85	0.52	-	-	-	0.40	-	-	0.12	..
Italy	-0.02	-0.17	0.05	0.00	0.11	-0.16	-0.18	-	0.00	1.02
Japan	0.35	0.11	-0.02	-0.01	0.15	-0.01	-	-0.01	0.01	1.27
Luxembourg	0.85	0.03	-	-	-	-	-	-	0.03	0.45
Netherlands	-0.89	-1.71	0.03	0.03	0.65	-2.09	-0.10	-0.29	0.06	1.18
New Zealand	0.32	0.06	-	-	0.04	-	-	-	0.03	..
Norway	0.91	0.09	0.04	-	-0.08	-	-	-	0.13	0.80
Portugal	1.66	1.41	0.22	-0.00	1.19	-	-	-	0.00	3.22
Spain	2.01	1.71	-0.09	0.03	1.77	-	-	-	-	1.47
Sweden	1.49	0.68	0.43	0.00	0.25	-	-	-	0.01	3.54
Switzerland	-0.06	-0.40	-0.05	0.00	-0.41	-	-	-0.00	0.07	1.98
United Kingdom	0.67	0.35	-0.03	-0.01	0.57	-0.21	-	-	0.02	1.59
United States	0.38	0.27	0.01	0.00	0.24	0.00	-0.02	-0.02	0.04	0.49
TOTAL DAC	**0.46**	**0.24**	**0.01**	**-0.00**	**0.28**	**-0.04**	**-0.03**	**-0.02**	**0.03**	**1.16**
of which:										
EU Members	0.65	0.31	0.03	-0.00	0.46	-0.11	-0.06	-0.03	0.02	1.96

a) Official and officially guaranteed credits outstanding.

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	Total DAC Countries	Australia	Austria	Belgium	Canada	Denmark	Finland	France	Germany
NET DISBURSEMENTS									
I. Official Development Assistance (ODA) (A + B)	53 734	987	423	820	1 744	1 664	371	4 105	5 030
ODA as % of GNI	**0.22**	**0.27**	**0.23**	**0.36**	**0.25**	**1.06**	**0.31**	**0.32**	**0.27**
A. Bilateral Official Development Assistance (1 + 2)	36 048	758	257	477	1 160	1 024	217	2 829	2 687
1. Grants and grant-like contributions	33 028	758	260	477	1 184	1 011	219	3 116	2 696
of which: Technical co-operation	12 767	407	87	221	352	128	71	1 283	1 640
Developmental food aid	1 180	24	1	11	80	-	-	47	21
Emergency and distress relief	3 574	84	30	26	201	124	39	159	178
Contributions to NGOs	1 200	-	2	86	169	3	4	29	-
Administrative costs	3 083	47	18	36	132	81	16	189	235
2. Development lending and capital	3 021	-	- 3	-	- 24	13	- 2	- 287	- 10
of which: New development lending	3 306	-	- 3	3	- 24	- 18	- 6	- 82	- 4
B. Contributions to Multilateral Institutions	17 685	229	167	343	583	641	154	1 276	2 343
Grants and capital subscriptions, total	17 799	229	167	344	584	641	154	1 368	2 352
of which: EC	4 950	-	87	191	-	93	51	792	1 242
IDA	3 672	74	26	51	136	51	14	238	384
Regional Development Banks	2 187	71	23	8	89	68	22	83	209
II. Other Official Flows (OOF) net (C + D)	-4 537	573	21	- 9	5	- 3	2	14	- 456
C. Bilateral Other Official Flows (1 + 2)	-4 355	502	21	- 9	5	- 3	2	14	- 456
1. Official export credits (a)	-1 237	- 49	21	6	8	-	-	-	- 125
2. Equities and other bilateral assets	-3 118	551	-	- 15	- 3	- 3	2	14	- 331
D. Multilateral Institutions	- 182	71	-	-	-	-	-	-	-
III. Grants by Private Voluntary Agencies	6 934	150	63	75	113	32	5	-	846
IV. Private Flows at Market Terms (long-term) (1 to 4)	77 657	- 219	560	1 394	4 621	482	709	1 439	6 911
1. Direct investment	70 359	- 726	421	1 441	3 814	482	530	2 740	4 488
2. Private export credits	7 352	-	139	447	- 14	-	673	-	1 478
3. Securities of multilateral agencies	-3 369	-	-	-	-	-	-	-	-1 669
4. Bilateral portfolio investment	3 315	507	-	- 494	821	-	- 494	-1 301	2 614
V. Total Resource Flows (long-term) (I to IV)	**133 788**	**1 491**	**1 067**	**2 281**	**6 483**	**2 176**	**1087**	**5 557**	**12 331**
Total Resource Flows as a % of GNI	**0.56**	**0.40**	**0.57**	**1.00**	**0.95**	**1.39**	**0.91**	**0.43**	**0.66**
For reference:									
GROSS DISBURSEMENTS									
Official Development Assistance (b)	60 008	987	546	842	1 768	1 682	378	4 999	5 805
New development lending	8 571	-	118	21	1	-	-	411	709
Food aid, Total bilateral	1 561	47	2	11	80	-	3	59	69
Other Official Flows	10 521	657	43	52	1 209	9	2	352	1 124
of which: Official export credits	3 974	35	43	6	1 209	-	-	-	345
Private export credits	16 566	-	270	952	76	-	3	-	4 402
COMMITMENTS									
Official Development Assistance, total (b)	62 202	1 146	573	842	1 996	1 577	353	4 688	5 719
Bilateral grants, Total	35 133	1 041	330	477	1 412	940	183	2 984	2 609
Debt forgiveness	1 862	8	-	35	3	-	-	680	64
Bilateral loans, Total	10 166	-	48	21	-	-	17	428	359
Memo items:									
Gross ODA debt reorganisation grants	2 224	8	56	35	12	4	-	685	193
of which: debt forgiveness	1 989	8	-	35	3	-	-	680	193
Net ODA debt reorganisation grants	1 755	8	56	32	12	4	-	409	193
Refugees in donor countries	1 361	10	23	0	143	124	16	147	67

a) Including funds in support of private export credits.
b) Including debt reorganisation.

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Table 12

Comparison of Flows by Type in 2000

$ million

Greece	Ireland	Italy	Japan	Luxem-bourg	Nether-lands	New Zealand	Norway	Portugal	Spain	Sweden	Switzer-land	United Kingdom	United States
226	235	1 376	13 508	123	3 135	113	1 264	271	1 195	1 799	890	4 501	9 955
0.20	**0.30**	**0.13**	**0.28**	**0.71**	**0.84**	**0.25**	**0.80**	**0.26**	**0.22**	**0.80**	**0.34**	**0.32**	**0.10**
99	155	377	9 768	99	2 243	85	934	179	720	1 242	627	2 710	7 405
97	155	525	5 678	99	2 334	85	925	320	603	1 222	608	2 563	8 093
22	-	27	2 430	2	579	41	109	90	107	70	100	685	4 316
-	-	32	42	1	2	-	-	-	4	-	-	-	914
8	24	72	85	10	366	3	204	3	38	265	146	344	1 165
-	13	28	212	2	338	4	-	1	2	106	32	169	-
-	8	22	932	1	210	7	64	5	49	83	5	227	716
1	-	- 148	4 090	-	- 92	-	9	- 141	117	19	20	146	- 688
1	-	- 163	4 090	-	- 92	-	- 2	4	161	19	- 2	15	- 591
127	80	999	3 740	24	892	28	330	92	475	557	263	1 792	2 550
127	80	999	3 740	24	892	28	330	92	475	557	263	1 790	2 565
98	47	638	-	11	233	-	-	59	352	83	-	975	-
2	8	-	1 146	4	197	5	31	13	31	149	83	258	771
4	-	76	891	-	38	4	49	11	19	67	62	130	263
3	-	- 103	-5 200	-	38	-	-	78	3	-	8	- 72	562
3	-	- 103	-4 948	-	38	-	-	78	3	-	8	- 72	562
3	-	-	-1 239	-	- 95	-	-	-	-	-	-	22	211
-	-	- 103	-3 709	-	133	-	-	78	3	-	8	- 94	351
-	-	-	- 252	-	-	-	-	-	-	-	-	-	-
-	90	37	231	6	306	12	179	-	-	26	159	536	4 069
-	416	9 537	2 725	-	3 469	17	- 5	4 273	22 272	2 127	997	5 265	10 666
-	-	1 414	2 874	-	2 135	17	- 36	4 011	22 286	871	1 134	4 005	18 456
-	-	832	- 799	-	- 290	-	31	262	- 14	1 256	500	- 447	3 299
-	-	-	- 52	-	- 646	-	-	-	-	-	- 638	-	- 365
-	416	7 292	702	-	2 270	-	-	-	-	-	-	1 706	-10 724
229	**741**	**10 846**	**11 264**	**129**	**6 947**	**142**	**1 437**	**4 622**	**23 471**	**3 952**	**2 054**	**10 230**	**25 252**
0.20	**0.93**	**1.01**	**0.23**	**0.75**	**1.85**	**0.32**	**0.91**	**4.45**	**4.25**	**1.76**	**0.80**	**0.72**	**0.25**
226	235	1 599	16 300	123	3 226	113	1 270	416	1 388	1 799	893	4 552	10 863
1	-	60	6 882	-	-	-	4	4	310	19	-	31	-
4	-	32	42	1	14	1	17	2	6	8	18	10	1 135
3	-	103	4 938	-	133	-	-	79	3	5	8	178	1 626
3	-	-	1 179	-	-	-	-	-	-	-	-	22	1 132
-	-	1 329	5 552	-	501	-	94	275	-	2 238	873	-	-
226	235	1 616	17 113	123	3 441	120	1 125	416	1 388	1 438	906	4 552	12 609
97	155	538	5 533	99	2 834	92	769	320	603	1 071	654	2 563	9 829
-	-	201	372	-	143	-	-	164	57	-	-	113	21
1	-	191	8 321	-	-	-	26	4	310	22	21	195	200
-	-	201	414	1	154	-	9	171	60	38	6	155	21
-	-	201	414	-	100	-	-	164	57	-	-	113	21
-	-	201	414	1	154	-	9	26	17	38	6	155	20
1	-	3	-	-	163	-	98	-	11	83	19	-	451

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	Total DAC Countries	Australia	Austria	Belgium	Canada	Denmark	Finland	France	Germany
NET DISBURSEMENTS									
I. Official Development Assistance (ODA) (A + B)	52 336	873	533	867	1 533	1 634	389	4 198	4 990
ODA as % of GNI	**0.22**	**0.25**	**0.29**	**0.37**	**0.22**	**1.03**	**0.32**	**0.32**	**0.27**
A. Bilateral Official Development Assistance (1 + 2)	35 022	660	342	502	1 200	1 035	224	2 596	2 853
1. Grants and grant-like contributions	33 409	660	334	507	1 222	1 048	229	2 920	2 858
of which: Technical co-operation	13 602	401	89	214	346	138	71	1 337	1 588
Developmental food aid	1 007	17	3	8	86	-	-	52	18
Emergency and distress relief	3 276	49	26	27	210	114	40	211	235
Contributions to NGOs	1 137	1	2	5	168	9	4	27	-
Administrative costs	2 964	47	16	23	137	82	16	179	223
2. Development lending and capital	1 613	-	7	- 4	- 22	- 14	- 4	- 325	- 5
of which: New development lending	2 536	-	7	- 1	- 22	- 19	- 5	- 191	18
B. Contributions to Multilateral Institutions	17 314	212	191	365	333	600	165	1 602	2 136
Grants and capital subscriptions, total	17 293	212	191	365	333	600	165	1 530	2 144
of which: EC	4 949	-	94	191	-	88	55	1 043	1 147
IDA	3 572	66	25	49	-	50	31	232	349
Regional Development Banks	1 491	62	14	41	79	36	9	109	79
II. Other Official Flows (OOF) net (C + D)	- 549	56	13	7	- 98	- 4	5	- 39	- 663
C. Bilateral Other Official Flows (1 + 2)	- 651	- 27	13	7	- 98	- 4	5	- 39	- 663
1. Official export credits (a)	- 300	- 70	13	5	- 91	-	- 3	-	- 154
2. Equities and other bilateral assets	- 352	44	-	2	- 7	- 4	8	- 39	- 509
D. Multilateral Institutions	102	83	-	-	-	-	-	-	-
III. Grants by Private Voluntary Agencies	7 289	211	57	141	116	17	9	-	808
IV. Private Flows at Market Terms (long-term) (1 to 4)	49 117	43	279	- 712	- 12	998	915	12 168	737
1. Direct investment	66 602	357	277	530	633	998	624	8 049	1 798
2. Private export credits	2 735	-	2	142	- 44	-	361	280	551
3. Securities of multilateral agencies	-4 082	-	-	-	-	-	-	-	- 863
4. Bilateral portfolio investment	-16 138	- 314	-	-1 383	- 601	-	- 70	3 838	- 748
V. Total Resource Flows (long-term) (I to IV)	**108 193**	**1 183**	**882**	**304**	**1 538**	**2 645**	**1 317**	**16 327**	**5 872**
Total Resource Flows as a % of GNI	**0.46**	**0.34**	**0.48**	**0.13**	**0.22**	**1.67**	**1.09**	**1.24**	**0.32**
For reference:									
GROSS DISBURSEMENTS									
Official Development Assistance (b)	58 578	873	602	886	1 556	1 683	397	5 112	5 864
New development lending	7 025	-	75	13	-	-	-	352	673
Food aid, Total bilateral	1 467	25	3	9	86	-	5	60	98
Other Official Flows	12 650	141	36	40	1 256	7	8	368	591
of which: Official export credits	4 531	14	36	5	1 173	-	-	-	302
Private export credits	16 905	-	125	410	68	-	372	-	3 344
COMMITMENTS									
Official Development Assistance, total (b)	61 382	966	722	925	1 569	1 516	451	4 832	6 178
Bilateral grants, Total	33 847	737	395	543	1 235	880	280	2 652	2 646
Debt forgiveness	2 172	7	-	54	11	11	5	589	74
Bilateral loans, Total	8 919	-	120	17	-	43	1	577	847
Memo items:									
Gross ODA debt reorganisation grants	2 517	9	146	54	11	11	5	596	174
of which: debt forgiveness	2 271	7	-	54	11	11	5	593	174
Net ODA debt reorganisation grants	1 977	9	146	50	11	0	1	348	24
Refugees in donor countries	1 332	0	21	0	137	114	15	203	80

a) Including funds in support of private export credits.
b) Including debt reorganisation.

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Table 13

Comparison of Flows by Type in 2001

$ million

Greece	Ireland	Italy	Japan	Luxem-bourg	Nether-lands	New Zealand	Norway	Portugal	Spain	Sweden	Switzer-land	United Kingdom	United States
202	287	1 627	9 847	141	3 172	112	1 346	268	1 737	1 666	908	4 579	11 429
0.17	**0.33**	**0.15**	**0.23**	**0.82**	**0.82**	**0.25**	**0.83**	**0.25**	**0.30**	**0.81**	**0.34**	**0.32**	**0.11**
83	184	442	7 458	106	2 224	85	940	183	1 150	1 205	644	2 622	8 284
81	184	546	4 742	106	2 392	85	938	166	966	1 185	643	2 643	8 954
16	11	92	1 942	5	634	41	150	117	185	57	113	773	5 282
-	-	76	54	1	13	-	-	-	6	-	-	-	673
4	18	65	30	13	285	3	180	2	38	242	135	257	1 092
-	28	84	179	1	310	5	-	2	6	85	32	189	-
-	14	32	715	1	183	7	66	7	54	69	18	288	788
1	-	- 104	2 716	-	- 167	-	2	18	184	20	1	- 21	- 670
1	-	- 108	2 716	-	- 55	-	- 4	16	177	20	- 6	- 7	-
119	102	1 185	2 389	35	948	27	406	85	588	461	263	1 957	3 145
119	102	1 185	2 389	35	948	27	406	85	588	461	263	1 985	3 160
94	61	619	-	16	194	-	-	69	342	112	-	824	-
5	8	240	869	4	115	4	80	-	98	-	83	491	773
6	-	76	428	-	56	4	47	6	49	59	38	81	213
-	-	55	- 854	-	42	-	-	- 1	146	1	6	23	755
-	-	55	- 873	-	42	-	-	- 1	146	1	6	23	755
-	-	31	- 427	-	- 79	-	-	-	-	-	-	125	351
-	-	23	- 447	-	121	-	-	- 1	146	1	6	- 102	404
-	-	-	19	-	-	-	-	-	-	-	-	-	-
-	101	32	235	5	240	11	210	5	-	16	180	327	4 569
-	347	-1 903	5 380	-	-6 886	16	- 71	1 503	9 640	1 394	-1 252	4 669	21 864
-	-	1 221	6 473	-	2 526	16	- 131	1 273	10 160	507	-1 107	8 164	24 236
-	-	494	- 384	-	182	-	60	230	- 520	888	- 144	- 493	1 130
-	-	-	- 355	-	-1 133	-	-	-	-	-	- 1	-	-1 729
-	347	-3 617	- 354	-	-8 462	-	-	-	-	-	-	-3 001	-1 773
202	**735**	**- 189**	**14 608**	**146**	**-3 432**	**139**	**1 485**	**1 775**	**11 523**	**3 077**	**- 158**	**9 597**	**38 618**
0.17	**0.85**	**-0.02**	**0.35**	**0.85**	**-0.89**	**0.32**	**0.91**	**1.66**	**2.01**	**1.49**	**-0.06**	**0.67**	**0.38**
202	287	1 814	12 625	141	3 340	112	1 350	268	1 852	1 666	913	4 727	12 309
1	-	79	5 494	-	-	-	-	16	291	20	-	10	-
-	-	76	54	2	45	-	15	-	9	8	18	23	930
-	-	89	7 549	-	304	-	-	-	146	2	6	248	1 858
-	-	59	1 237	-	184	-	-	-	-	-	-	125	1 397
-	-	118	3 255	-	339	-	124	243	-	1 987	191	-	6 329
202	287	2 144	14 186	141	3 701	110	1 490	268	1 852	1 365	875	4 727	12 876
81	184	576	5 002	106	2 390	83	1 080	166	966	1 058	740	2 643	9 406
-	-	10	480	-	134	-	-	17	382	-	-	374	23
1	-	66	6 601	-	1	-	5	18	299	10	19	99	194
-	11	10	446	-	167	-	21	17	382	44	-	374	39
-	-	10	446	-	163	-	-	17	382	-	-	374	23
-	11	10	446	-	54	-	21	17	382	44	-	374	28
0	-	16	-	-	155	-	68	-	7	81	20	-	416

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	Australia				
	1990-1991	1998	1999	2000	2001
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 002	960	982	987	873
ODA as % of GNI	**0.36**	**0.27**	**0.26**	**0.27**	**0.25**
A. Bilateral Official Development Assistance (1 + 2)	739	752	730	758	660
1. Grants and grant-like contributions	739	752	730	758	660
of which: Technical co-operation	243	364	361	407	401
Developmental food aid (a)	51	10	3	24	17
Emergency and distress relief (a)	13	66	127	84	49
Contributions to NGOs	13	-	-	-	1
Administrative costs	39	54	52	47	47
2. Development lending and capital	-	-	-	-	-
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	264	209	252	229	212
Grants and capital subscriptions, total	264	209	252	229	212
of which: EC	-	-	-	-	-
IDA	99	52	73	74	66
Regional Development Banks	40	36	70	71	62
II. Other Official Flows (OOF) net (C + D)	152	146	671	573	56
C. Bilateral Other Official Flows (1 + 2)	211	53	626	502	- 27
1. Official export credits (b)	211	41	- 18	- 49	- 70
2. Equities and other bilateral assets	-	12	645	551	44
D. Multilateral Institutions	- 59	94	45	71	83
III. Grants by Private Voluntary Agencies	78	111	95	150	211
IV. Private Flows at Market Terms (long-term) (1 to 4)	-1 529	528	- 470	- 219	43
1. Direct investment	-1 440	355	218	- 726	357
2. Private export credits	- 165	-	-	-	-
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	76	173	- 688	507	- 314
V. Total Resource Flows (long-term) (I to IV)	**- 297**	**1 745**	**1 279**	**1 491**	**1 183**
Total Resource Flows as a % of GNI	**-0.11**	**0.49**	**0.33**	**0.40**	**0.34**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	1 002	960	982	987	873
New development lending	-	-	-	-	-
Food aid, Total bilateral	51	38	24	47	25
Other Official Flows	402	246	761	657	141
of which: Official export credits	250	141	71	35	14
Private export credits	387	-	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	827	771	1 253	1 146	966
Bilateral grants, Total	492	565	974	1 041	737
Debt forgiveness	-	13	4	8	7
Bilateral loans, Total	-	-	-	-	-
Memo items:					
Gross ODA debt reorganisation grants	-	13	4	8	9
of which: debt forgiveness	-	13	4	8	7
Net ODA debt reorganisation grants (d)	-	13	4	8	9
Refugees in donor countries	-	-	57	10	0

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.

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Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations

$ million

Austria					Belgium				
1990-1991	1998	1999	2000	2001	1990-1991	1998	1999	2000	2001
470	456	527	423	533	860	883	760	820	867
0.29	**0.22**	**0.26**	**0.23**	**0.29**	**0.43**	**0.35**	**0.30**	**0.36**	**0.37**
366	292	344	257	342	521	537	437	477	502
203	274	381	260	334	476	546	454	477	507
73	123	105	87	89	190	290	276	221	214
6	2	1	1	3	16	21	-	11	8
69	34	68	30	26	5	20	34	26	27
2	1	1	2	2	1	5	5	86	5
10	20	19	18	16	27	44	49	36	23
164	18	- 37	- 3	7	45	- 10	- 17	-	- 4
164	18	46	- 3	7	44	- 6	- 13	3	- 1
104	164	183	167	191	339	346	323	343	365
104	164	183	167	191	339	347	330	344	365
-	80	120	87	94	150	195	218	191	191
46	28	-	26	25	88	48	46	51	49
13	14	15	23	14	15	38	8	8	41
128	81	23	21	13	196	79	- 76	- 9	7
128	81	23	21	13	201	79	- 76	- 9	7
128	81	23	21	13	40	7	5	6	5
-	-	-	-	-	160	73	- 80	- 15	2
-	-	-	-	-	- 4	-	-	-	-
41	46	80	63	57	44	36	78	75	141
- 4	306	1 334	560	279	- 285	6 727	4 765	1 394	- 712
62	215	831	421	277	800	1 011	277	1 441	530
- 66	91	503	139	2	- 103	- 457	- 148	447	142
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	- 982	6 172	4 636	- 494	-1 383
635	**889**	**1 963**	**1 067**	**882**	**815**	**7 725**	**5 528**	**2 281**	**304**
0.40	**0.42**	**0.95**	**0.57**	**0.48**	**0.41**	**3.08**	**2.21**	**1.00**	**0.13**
529	517	692	546	602	880	908	795	842	886
223	76	127	118	75	63	15	12	21	13
6	2	2	2	3	16	22	10	11	9
136	109	79	43	36	297	163	8	52	40
136	109	79	43	36	40	7	5	6	5
59	172	612	270	125	727	454	550	952	410
532	754	868	573	722	880	908	795	842	925
232	435	429	330	395	476	546	454	477	543
23	-	86	-	-	1	122	38	35	54
184	110	209	48	120	65	15	12	21	17
4	46	124	56	146	1	122	38	35	54
4	-	86	-	-	1	122	38	35	54
-	46	42	56	146	-	117	34	32	50
-	29	41	23	21	-	-	-	0	0

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	Canada				
	1990-1991	1998	1999	2000	2001
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	2 537	1 707	1 706	1 744	1 533
ODA as % of GNI	**0.45**	**0.30**	**0.28**	**0.25**	**0.22**
A. Bilateral Official Development Assistance (1 + 2)	1 740	1 222	1 172	1 160	1 200
1. Grants and grant-like contributions	2 032	1 248	1 195	1 184	1 222
of which: Technical co-operation	490	427	347	352	346
Developmental food aid (a)	173	115	61	80	86
Emergency and distress relief (a)	65	151	164	201	210
Contributions to NGOs	244	151	184	169	168
Administrative costs	171	109	135	132	137
2. Development lending and capital	- 293	- 26	- 23	- 24	- 22
of which: New development lending	- 293	- 26	- 23	- 24	- 22
B. Contributions to Multilateral Institutions	797	484	534	583	333
Grants and capital subscriptions, total	797	484	535	584	333
of which: EC	-	-	-	-	-
IDA	256	132	136	136	-
Regional Development Banks	123	92	70	89	79
II. Other Official Flows (OOF) net (C + D)	525	1 896	665	5	- 98
C. Bilateral Other Official Flows (1 + 2)	525	1 896	665	5	- 98
1. Official export credits (b)	525	1 973	694	8	- 91
2. Equities and other bilateral assets	-	- 77	- 29	- 3	- 7
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	262	155	137	113	116
IV. Private Flows at Market Terms (long-term) (1 to 4)	413	5 469	4 484	4 621	- 12
1. Direct investment	480	5 656	4 052	3 814	633
2. Private export credits	64	127	- 29	- 14	- 44
3. Securities of multilateral agencies	- 16	-	-	-	-
4. Bilateral portfolio investment	- 115	- 313	460	821	- 601
V. Total Resource Flows (long-term) (I to IV)	**3 736**	**9 227**	**6 992**	**6 483**	**1 538**
Total Resource Flows as a % of GNI	**0.66**	**1.60**	**1.14**	**0.95**	**0.22**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	2 865	1 739	1 731	1 768	1 556
New development lending	35	7	2	1	-
Food aid, Total bilateral	173	115	61	80	86
Other Official Flows	1 036	3 684	1 559	1 209	1 256
of which: Official export credits	1 036	3 684	1 559	1 209	1 173
Private export credits	215	446	106	76	68
COMMITMENTS					
Official Development Assistance, total (c)	2 655	1 861	1 909	1 996	1 569
Bilateral grants, Total	1 705	1 266	1 171	1 412	1 235
Debt forgiveness	-	77	40	3	11
Bilateral loans, Total	82	4	-	-	-
Memo items:					
Gross ODA debt reorganisation grants	288	93	57	12	11
of which: debt forgiveness	288	77	40	3	11
Net ODA debt reorganisation grants (d)	-	93	57	12	11
Refugees in donor countries	-	105	105	143	137

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.

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Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations (continued)

$ million

Denmark					Finland				
1990-1991	1998	1999	2000	2001	1990-1991	1998	1999	2000	2001
1 186	1 704	1 733	1 664	1 634	888	396	416	371	389
0.95	**0.99**	**1.01**	**1.06**	**1.03**	**0.72**	**0.31**	**0.33**	**0.31**	**0.32**
691	1 014	1 026	1 024	1 035	542	209	241	217	224
701	1 026	1 023	1 011	1 048	512	217	286	219	229
122	113	83	128	138	117	68	72	71	71
-	-	-	-	-	-	-	-	-	-
81	92	87	124	114	86	26	55	39	40
4	7	7	3	9	8	5	5	4	4
41	87	86	81	82	27	17	18	16	16
- 10	- 12	3	13	- 14	30	- 8	- 45	- 2	- 4
- 10	- 29	- 24	- 18	- 19	33	- 9	- 10	- 6	- 5
495	690	708	641	600	347	187	176	154	165
495	690	708	641	600	347	187	176	154	165
76	110	75	93	88	-	65	57	51	55
76	82	93	51	50	52	10	13	14	31
15	54	22	68	36	34	28	25	22	9
27	127	- 189	- 3	- 4	-	56	140	2	5
25	5	2	- 3	- 4	-	56	140	2	5
26	-	-	-	-	-	56	126	-	- 3
- 2	5	2	- 3	- 4	-	-	13	2	8
3	123	- 191	-	-	-	-	-	-	-
28	35	37	32	17	25	5	6	5	9
- 169	- 60	410	482	998	102	1 176	296	709	915
37	- 60	344	482	998	46	- 17	128	530	624
- 223	-	67	-	-	56	42	98	673	361
-	-	-	-	-	-	-	-	-	-
17	-	-	-	-	-	1 151	70	- 494	- 70
1 072	**1 806**	**1 992**	**2 176**	**2 645**	**1 015**	**1 633**	**858**	**1 087**	**1 317**
0.86	**1.05**	**1.16**	**1.39**	**1.67**	**0.82**	**1.30**	**0.68**	**0.91**	**1.09**
1 212	1 747	1 764	1 682	1 683	891	407	465	378	397
16	-	-	-	-	33	1	-	-	-
-	-	-	-	-	-	-	3	3	5
127	173	29	9	7	-	334	564	2	8
82	-	-	-	-	-	334	551	-	-
94	-	170	-	-	58	45	107	3	372
1 122	1 373	1 343	1 577	1 516	995	432	435	353	451
628	674	777	940	880	657	254	256	183	280
6	-	-	-	11	20	1	37	-	5
-	-	-	-	43	32	3	7	17	1
13	54	9	4	11	8	1	37	-	5
13	13	6	-	11	8	1	37	-	5
-	41	3	4	0	-	-	1	-	1
-	92	87	124	114	-	8	16	16	15

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	France				
	1990-1991	1998	1999	2000	2001
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	7 275	5 742	5 639	4 105	4 198
ODA as % of GNI	**0.61**	**0.40**	**0.39**	**0.32**	**0.32**
A. Bilateral Official Development Assistance (1 + 2)	5 692	4 185	4 128	2 829	2 596
1. Grants and grant-like contributions	3 887	4 540	4 323	3 116	2 920
of which: Technical co-operation	2 101	2 081	1 965	1 283	1 337
Developmental food aid (a)	35	52	51	47	52
Emergency and distress relief (a)	-	89	195	159	211
Contributions to NGOs	27	22	32	29	27
Administrative costs	166	271	249	189	179
2. Development lending and capital	1 805	- 355	- 195	- 287	- 325
of which: New development lending	1 650	170	140	- 82	- 191
B. Contributions to Multilateral Institutions	1 583	1 557	1 512	1 276	1 602
Grants and capital subscriptions, total	1 583	1 296	1 304	1 368	1 530
of which: EC	830	782	799	792	1 043
IDA	352	234	224	238	232
Regional Development Banks	82	141	142	83	109
II. Other Official Flows (OOF) net (C + D)	733	- 191	- 3	14	- 39
C. Bilateral Other Official Flows (1 + 2)	733	- 191	- 3	14	- 39
1. Official export credits (b)	68	-	-	-	-
2. Equities and other bilateral assets	665	- 191	- 3	14	- 39
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	187	-	-	-	-
IV. Private Flows at Market Terms (long-term) (1 to 4)	-2 103	2 851	3 524	1 439	12 168
1. Direct investment	1 328	6 188	5 517	2 740	8 049
2. Private export credits	-1 066	- 442	- 605	-	280
3. Securities of multilateral agencies	- 6	-	-	-	-
4. Bilateral portfolio investment	-2 359	-2 895	-1 388	-1 301	3 838
V. Total Resource Flows (long-term) (I to IV)	**6 092**	**8 402**	**9 160**	**5 557**	**16 327**
Total Resource Flows as a % of GNI	**0.51**	**0.59**	**0.64**	**0.43**	**1.24**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	7 734	6 947	6 597	4 999	5 112
New development lending	1 930	668	634	411	352
Food aid, Total bilateral	35	52	51	59	60
Other Official Flows	1 475	405	1 152	352	368
of which: Official export credits	144	-	-	-	-
Private export credits	38	-	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	7 627	7 205	6 528	4 688	4 832
Bilateral grants, Total	3 470	4 362	4 314	2 984	2 652
Debt forgiveness	-	1 221	1 168	680	589
Bilateral loans, Total	2 574	1 185	702	428	577
Memo items:					
Gross ODA debt reorganisation grants	586	1 232	1 176	685	596
of which: debt forgiveness	586	1 221	1 168	680	593
Net ODA debt reorganisation grants (d)	-	687	834	409	348
Refugees in donor countries	-	80	-	147	203

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.

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Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations (continued)

$ million

Germany					Greece				
1990-1991	1998	1999	2000	2001	1990-1991	1998	1999	2000	2001
6 605	5 581	5 515	5 030	4 990	-	179	194	226	202
0.40	**0.26**	**0.26**	**0.27**	**0.27**	**-**	**0.15**	**0.15**	**0.20**	**0.17**
4 527	3 491	3 278	2 687	2 853	-	63	79	99	83
4 224	3 315	3 236	2 696	2 858	-	53	77	97	81
1 769	1 988	1 911	1 640	1 588	-	15	24	22	16
110	40	32	21	18	-	1	-	-	-
230	173	262	178	235	-	1	15	8	4
188	-	-	-	-	-	-	-	-	-
187	268	267	235	223	-	-	1	-	-
303	176	42	- 10	- 5	-	10	2	1	1
231	167	41	- 4	18	-	10	2	1	1
2 078	2 090	2 238	2 343	2 136	-	116	115	127	119
2 089	2 100	2 246	2 352	2 144	-	116	115	127	119
1 005	1 236	1 324	1 242	1 147	-	91	91	98	94
549	341	416	384	349	-	3	-	2	5
157	111	96	209	79	-	6	6	4	6
1 989	- 321	- 179	- 456	- 663	-	9	1	3	-
1 989	- 37	- 43	- 456	- 663	-	9	1	3	-
232	298	357	- 125	- 154	-	9	1	3	-
1 757	- 335	- 400	- 331	- 509	-	-	-	-	-
-	- 284	- 136	-	-	-	-	-	-	-
760	972	992	846	808	-	-	-	-	-
3 976	16 205	13 678	6 911	737	-	-	-	-	-
612	5 721	5 629	4 488	1 798	-	-	-	-	-
1 634	2 023	1 167	1 478	551	-	-	-	-	-
- 318	1 327	- 247	-1 669	- 863	-	-	-	-	-
2 049	7 134	7 130	2 614	- 748	-	-	-	-	-
13 329	**22 436**	**20 006**	**12 331**	**5 872**	**-**	**189**	**195**	**229**	**202**
0.81	**1.05**	**0.96**	**0.66**	**0.32**	**-**	**0.16**	**0.16**	**0.20**	**0.17**
8 333	6 654	6 513	5 805	5 864	-	179	194	226	202
1 896	1 179	917	709	673	-	10	2	1	1
110	89	80	69	98	-	1	12	4	-
3 486	1 565	1 575	1 124	591	-	9	1	3	-
929	912	785	345	302	-	9	1	3	-
4 519	5 301	4 461	4 402	3 344	-	-	-	-	-
8 236	7 252	7 284	5 719	6 178	-	179	194	226	202
3 906	3 475	3 297	2 609	2 646	-	53	77	97	81
315	193	285	64	74	-	-	-	-	-
2 024	882	1 113	359	847	-	10	2	1	1
949	183	111	193	174	-	-	-	-	-
949	179	88	193	174	-	-	-	-	-
-	183	111	193	24	-	-	-	-	-
-	59	110	67	80	-	-	-	1	0

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	Ireland				
	1990-1991	1998	1999	2000	2001
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	65	199	245	235	287
ODA as % of GNI	**0.17**	**0.30**	**0.31**	**0.30**	**0.33**
A. Bilateral Official Development Assistance (1 + 2)	26	124	149	155	184
1. Grants and grant-like contributions	26	124	149	155	184
of which: Technical co-operation	11	-	-	-	11
Developmental food aid (a)	3	-	-	-	-
Emergency and distress relief (a)	2	10	31	24	18
Contributions to NGOs	1	3	4	13	28
Administrative costs	3	-	-	8	14
2. Development lending and capital	-	-	-	-	-
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	39	75	97	80	102
Grants and capital subscriptions, total	39	75	97	80	102
of which: EC	27	49	57	47	61
IDA	6	7	7	8	8
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	26	45	6	90	101
IV. Private Flows at Market Terms (long-term) (1 to 4)	42	90	-	416	347
1. Direct investment	-	-	-	-	-
2. Private export credits	42	-	-	-	-
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	-	90	-	416	347
V. Total Resource Flows (long-term) (I to IV)	**133**	**333**	**251**	**741**	**735**
Total Resource Flows as a % of GNI	**0.36**	**0.50**	**0.32**	**0.93**	**0.85**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	65	199	245	235	287
New development lending	-	-	-	-	-
Food aid, Total bilateral	3	-	-	-	-
Other Official Flows	-	-	-	-	-
of which: Official export credits	-	-	-	-	-
Private export credits	42	-	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	65	199	245	235	287
Bilateral grants, Total	26	124	149	155	184
Debt forgiveness	-	-	-	-	-
Bilateral loans, Total	-	-	-	-	-
Memo items:					
Gross ODA debt reorganisation grants	-	-	-	-	11
of which: debt forgiveness	-	-	-	-	-
Net ODA debt reorganisation grants (d)	-	-	-	-	11
Refugees in donor countries	-	2	-	-	-

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.

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Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations (continued)

$ million

Italy					Japan				
1990-1991	1998	1999	2000	2001	1990-1991	1998	1999	2000	2001
3 371	2 278	1 806	1 376	1 627	10 011	10 640	15 323	13 508	9 847
0.30	**0.20**	**0.15**	**0.13**	**0.15**	**0.32**	**0.27**	**0.34**	**0.28**	**0.23**
2 178	697	451	377	442	7 823	8 553	10 476	9 768	7 458
1 391	624	551	525	546	3 199	4 901	5 475	5 678	4 742
363	40	53	27	92	1 354	1 819	2 136	2 430	1 942
83	39	44	32	76	37	56	42	42	54
280	22	103	72	65	23	124	181	85	30
-	17	21	28	84	107	257	251	212	179
119	30	23	22	32	341	657	767	932	715
787	73	- 100	- 148	- 104	4 625	3 652	5 001	4 090	2 716
650	- 42	- 103	- 163	- 108	6 040	3 652	5 001	4 090	2 716
1 193	1 581	1 355	999	1 185	2 187	2 087	4 848	3 740	2 389
1 193	1 581	1 355	999	1 185	2 187	2 087	4 848	3 740	2 389
533	707	679	638	619	-	-	-	-	-
146	490	297	-	240	1 035	703	155	1 146	869
80	183	147	76	76	295	471	3 689	891	428
1 082	- 209	19	- 103	55	2 974	10 804	9 507	-5 200	- 854
1 053	- 209	19	- 103	55	2 802	8 727	8 276	-4 948	- 873
378	26	-	-	31	- 758	1 806	- 708	-1 239	- 427
675	- 235	19	- 103	23	3 560	6 921	8 983	-3 709	- 447
30	-	-	-	-	172	2 076	1 231	- 252	19
-	40	28	37	32	136	203	261	231	235
915	11 061	9 484	9 537	-1 903	7 739	-3 744	-4 297	2 725	5 380
288	1 813	1 655	1 414	1 221	5 560	5 850	5 277	2 874	6 473
190	1 416	- 506	832	494	288	-2 638	-2 355	- 799	- 384
-	-	-	-	-	11	-4 556	-4 070	- 52	- 355
436	7 832	8 335	7 292	-3 617	1 880	-2 400	-3 149	702	- 354
5 368	**13 171**	**11 337**	**10 846**	**- 189**	**20 860**	**17 902**	**20 794**	**11 264**	**14 608**
0.48	**1.13**	**0.97**	**1.01**	**-0.02**	**0.66**	**0.45**	**0.46**	**0.23**	**0.35**
3 432	2 447	1 999	1 599	1 814	11 427	13 176	18 301	16 300	12 625
696	126	90	60	79	6 040	6 188	7 979	6 882	5 494
83	39	44	32	76	37	56	42	42	54
1 461	155	190	103	89	6 484	18 539	22 877	4 938	7 549
670	26	-	-	59	1 122	3 041	1 962	1 179	1 237
2 687	3 126	330	1 329	118	2 011	5 410	1 142	5 552	3 255
4 244	1 816	1 959	1 616	2 144	13 975	15 235	16 316	17 113	14 186
1 523	550	562	538	576	3 241	4 750	5 256	5 533	5 002
-	269	102	201	10	179	300	-	372	480
1 006	128	53	191	66	8 465	8 739	8 384	8 321	6 601
-	269	102	201	10	152	381	270	414	446
-	269	102	201	10	152	381	270	414	446
-	269	102	201	10	-	381	270	414	446
-	-	17	3	16	-	-	-	-	-

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	Luxembourg				
	1990-1991	1998	1999	2000	2001
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	34	112	119	123	141
ODA as % of GNI	**0.27**	**0.65**	**0.66**	**0.71**	**0.82**
A. Bilateral Official Development Assistance (1 + 2)	20	77	89	99	106
1. Grants and grant-like contributions	20	77	89	99	106
of which: Technical co-operation	-	2	1	2	5
Developmental food aid (a)	1	1	2	1	1
Emergency and distress relief (a)	7	10	24	10	13
Contributions to NGOs	-	1	2	2	1
Administrative costs	-	1	2	1	1
2. Development lending and capital	-	-	-	-	-
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	13	35	30	24	35
Grants and capital subscriptions, total	13	35	30	24	35
of which: EC	8	19	16	11	16
IDA	3	4	4	4	4
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	2	6	6	6	5
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)	**36**	**118**	**124**	**129**	**146**
Total Resource Flows as a % of GNI	**0.29**	**0.68**	**0.69**	**0.75**	**0.85**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	34	112	119	123	141
New development lending	-	-	-	-	-
Food aid, Total bilateral	1	2	2	1	2
Other Official Flows	-	-	-	-	-
of which: Official export credits	-	-	-	-	-
Private export credits	-	-	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	21	109	124	123	141
Bilateral grants, Total	13	73	93	99	106
Debt forgiveness	-	-	-	-	-
Bilateral loans, Total	-	-	-	-	-
Memo items:					
Gross ODA debt reorganisation grants	-	-	-	1	-
of which: debt forgiveness	-	-	-	-	-
Net ODA debt reorganisation grants (d)	-	-	-	1	-
Refugees in donor countries	-	-	-	-	-

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.

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Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations (continued)

$ million

Netherlands					New Zealand				
1990-1991	1998	1999	2000	2001	1990-1991	1998	1999	2000	2001
2 527	3 042	3 134	3 135	3 172	98	130	134	113	112
0.90	**0.80**	**0.79**	**0.84**	**0.82**	**0.24**	**0.27**	**0.27**	**0.25**	**0.25**
1 794	2 133	2 162	2 243	2 224	81	98	101	85	85
1 765	2 323	2 359	2 334	2 392	81	98	101	85	85
876	912	598	579	634	35	54	53	41	41
36	2	2	2	13	-	-	-	-	-
87	297	400	366	285	3	5	5	3	3
-	311	361	338	310	5	6	5	4	5
84	164	230	210	183	6	7	8	7	7
30	- 190	- 198	- 92	- 167	-	-	-	-	-
226	- 190	- 198	- 92	- 55	-	-	-	-	-
733	909	972	892	948	17	32	33	28	27
733	909	972	892	948	17	32	33	28	27
220	307	244	233	194	-	-	-	-	-
162	226	246	197	115	5	6	8	5	4
53	62	58	38	56	1	4	5	4	4
47	253	- 8	38	42	-	-	-	-	-
47	253	- 8	38	42	-	-	-	-	-
-	45	- 200	- 95	- 79	-	-	-	-	-
47	208	192	133	121	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
232	158	278	306	240	13	12	13	12	11
1 386	9 300	4 581	3 469	-6 886	-	11	16	17	16
1 505	7 673	4 103	2 135	2 526	-	11	16	17	16
227	81	418	- 290	182	-	-	-	-	-
- 364	760	387	- 646	-1 133	-	-	-	-	-
18	787	- 327	2 270	-8 462	-	-	-	-	-
4 193	**12 752**	**7 985**	**6 947**	**-3 432**	**110**	**154**	**163**	**142**	**139**
1.49	**3.35**	**2.02**	**1.85**	**-0.89**	**0.27**	**0.31**	**0.33**	**0.32**	**0.32**
2 737	3 232	3 332	3 226	3 340	98	130	134	113	112
226	-	-	-	-	-	-	-	-	-
36	12	7	14	45	-	-	-	1	-
85	571	274	133	304	-	-	-	-	-
-	363	82	-	184	-	-	-	-	-
416	159	970	501	339	-	-	-	-	-
2 701	2 984	2 788	3 441	3 701	91	129	130	120	110
1 720	2 078	1 835	2 834	2 390	72	99	98	92	83
144	208	52	143	134	-	-	-	-	-
203	-	-	-	1	-	-	-	-	-
140	154	159	154	167	-	-	-	-	-
140	76	96	100	163	-	-	-	-	-
-	154	159	154	54	-	-	-	-	-
-	72	130	163	155	-	-	-	-	-

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	Norway				
	1990-1991	1998	1999	2000	2001
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 191	1 321	1 370	1 264	1 346
ODA as % of GNI	**1.15**	**0.90**	**0.90**	**0.80**	**0.83**
A. Bilateral Official Development Assistance (1 + 2)	745	950	1 007	934	940
1. Grants and grant-like contributions	744	944	993	925	938
of which: Technical co-operation	104	178	134	109	150
Developmental food aid (a)	8	-	-	-	-
Emergency and distress relief (a)	83	213	244	204	180
Contributions to NGOs	90	-	-	-	-
Administrative costs	40	60	67	64	66
2. Development lending and capital	1	6	14	9	2
of which: New development lending	1	4	3	- 2	- 4
B. Contributions to Multilateral Institutions	446	371	363	330	406
Grants and capital subscriptions, total	446	371	363	330	406
of which: EC	-	-	-	-	-
IDA	77	60	53	31	80
Regional Development Banks	47	48	42	49	47
II. Other Official Flows (OOF) net (C + D)	2	-	-	-	-
C. Bilateral Other Official Flows (1 + 2)	-	-	-	-	-
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	-	-	-	-	-
D. Multilateral Institutions	3	-	-	-	-
III. Grants by Private Voluntary Agencies	130	126	168	179	210
IV. Private Flows at Market Terms (long-term) (1 to 4)	- 34	535	522	- 5	- 71
1. Direct investment	33	391	340	- 36	- 131
2. Private export credits	- 67	144	182	31	60
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	-	-	-	-	-
V. Total Resource Flows (long-term) (I to IV)	**1 289**	**1 983**	**2 060**	**1 437**	**1 485**
Total Resource Flows as a % of GNI	**1.25**	**1.35**	**1.36**	**0.91**	**0.91**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	1 195	1 327	1 375	1 270	1 350
New development lending	5	10	9	4	-
Food aid, Total bilateral	8	11	29	17	15
Other Official Flows	22	-	-	-	-
of which: Official export credits	-	-	-	-	-
Private export credits	36	179	248	94	124
COMMITMENTS					
Official Development Assistance, total (c)	1 065	1 082	1 515	1 125	1 490
Bilateral grants, Total	671	694	1 149	769	1 080
Debt forgiveness	6	-	-	-	-
Bilateral loans, Total	5	6	7	26	5
Memo items:					
Gross ODA debt reorganisation grants	6	37	23	9	21
of which: debt forgiveness	6	-	-	-	-
Net ODA debt reorganisation grants (d)	-	37	23	9	21
Refugees in donor countries	-	33	56	98	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.

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Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations (continued)

$ million

Portugal					Spain				
1990-1991	1998	1999	2000	2001	1990-1991	1998	1999	2000	2001
174	259	276	271	268	1 113	1 376	1 363	1 195	1 737
0.27	**0.24**	**0.26**	**0.26**	**0.25**	**0.22**	**0.24**	**0.23**	**0.22**	**0.30**
131	176	207	179	183	697	838	829	720	1 150
71	156	273	320	166	235	666	653	603	966
36	85	97	90	117	174	148	118	107	185
-	-	-	-	-	20	12	7	4	6
-	1	3	3	2	7	27	68	38	38
-	2	2	1	2	19	1	1	2	6
1	6	5	5	7	15	38	30	49	54
60	20	- 65	- 141	18	462	171	176	117	184
18	8	9	4	16	454	214	188	161	177
43	82	69	92	85	416	538	534	475	588
43	82	69	92	85	416	538	534	475	588
33	59	61	59	69	274	370	367	352	342
-	6	-	13	-	42	51	66	31	98
5	7	-	11	6	48	33	32	19	49
31	114	107	78	- 1	-	35	11	3	146
31	114	107	78	- 1	-	35	11	3	146
-	-	-	-	-	-	-	-	-	-
31	114	107	78	- 1	-	35	11	3	146
-	-	-	-	-	-	-	-	-	-
1	7	-	-	5	78	133	-	-	-
8	1 636	2 074	4 273	1 503	- 29	10 297	27 655	22 272	9 640
14	1 333	1 770	4 011	1 273	-	10 370	27 710	22 286	10 160
- 6	303	304	262	230	- 29	- 72	- 55	- 14	- 520
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
214	**2 015**	**2 457**	**4 622**	**1 775**	**1 163**	**11 841**	**29 029**	**23 471**	**11 523**
0.33	**1.89**	**2.28**	**4.45**	**1.66**	**0.23**	**2.10**	**4.90**	**4.25**	**2.01**
174	260	352	416	268	1 126	1 530	1 476	1 388	1 852
18	10	11	4	16	464	325	281	310	291
-	-	-	2	-	22	13	14	6	9
31	132	108	79	-	-	35	18	3	146
-	-	-	-	-	-	-	-	-	-
184	346	323	275	243	275	-	-	-	-
78	260	352	416	268	887	1 637	1 382	1 388	1 852
22	156	273	320	166	122	666	653	603	966
11	45	97	164	17	-	147	62	57	382
7	21	11	4	18	515	433	195	310	299
1	57	123	171	17	-	161	73	60	382
1	45	97	164	17	-	147	62	57	382
-	57	49	26	17	-	118	54	17	382
-	-	-	-	-	-	-	18	11	7

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	Sweden				
	1990-1991	1998	1999	2000	2001
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	2 062	1 573	1 630	1 799	1 666
ODA as % of GNI	**0.90**	**0.72**	**0.70**	**0.80**	**0.81**
A. Bilateral Official Development Assistance (1 + 2)	1 428	1 041	1 146	1 242	1 205
1. Grants and grant-like contributions	1 424	1 045	1 143	1 222	1 185
of which: Technical co-operation	191	58	47	70	57
Developmental food aid (a)	-	-	-	-	-
Emergency and distress relief (a)	153	212	271	265	242
Contributions to NGOs	152	108	102	106	85
Administrative costs	76	83	90	83	69
2. Development lending and capital	4	- 5	3	19	20
of which: New development lending	-	-	-	19	20
B. Contributions to Multilateral Institutions	634	532	484	557	461
Grants and capital subscriptions, total	634	532	484	557	461
of which: EC	-	97	90	83	112
IDA	138	124	105	149	-
Regional Development Banks	43	86	64	67	59
II. Other Official Flows (OOF) net (C + D)	5	13	- 1	-	1
C. Bilateral Other Official Flows (1 + 2)	5	13	- 1	-	1
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	5	13	- 1	-	1
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	135	40	71	26	16
IV. Private Flows at Market Terms (long-term) (1 to 4)	115	1 221	1 192	2 127	1 394
1. Direct investment	127	1 221	665	871	507
2. Private export credits	- 12	-	527	1 256	888
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	-	-	-	-	-
V. Total Resource Flows (long-term) (I to IV)	**2 317**	**2 847**	**2 892**	**3 952**	**3 077**
Total Resource Flows as a % of GNI	**1.01**	**1.30**	**1.24**	**1.76**	**1.49**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	2 062	1 581	1 630	1 799	1 666
New development lending	-	-	-	19	20
Food aid, Total bilateral	-	11	10	8	8
Other Official Flows	5	14	6	5	2
of which: Official export credits	-	-	-	-	-
Private export credits	702	1	1 334	2 238	1 987
COMMITMENTS					
Official Development Assistance, total (c)	2 021	1 919	2 154	1 438	1 365
Bilateral grants, Total	1 410	1 440	1 709	1 071	1 058
Debt forgiveness	3	-	-	-	-
Bilateral loans, Total	-	4	-	22	10
Memo items:					
Gross ODA debt reorganisation grants	18	8	32	38	44
of which: debt forgiveness	18	8	-	-	-
Net ODA debt reorganisation grants (d)	-	0	32	38	44
Refugees in donor countries	-	98	80	83	81

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.

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Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations (continued)

$ million

Switzerland					United Kingdom				
1990-1991	1998	1999	2000	2001	1990-1991	1998	1999	2000	2001
806	898	984	890	908	2 919	3 864	3 426	4 501	4 579
0.34	**0.32**	**0.35**	**0.34**	**0.34**	**0.30**	**0.27**	**0.24**	**0.32**	**0.32**
639	633	732	627	644	1 646	2 132	2 249	2 710	2 622
625	632	728	608	643	1 748	2 328	2 067	2 563	2 643
-	287	110	100	113	772	727	667	685	773
28	-	-	-	-	29	-	-	-	-
57	131	251	146	135	77	187	223	344	257
108	29	35	32	32	18	111	132	169	189
18	19	20	5	18	100	226	243	227	288
14	-	5	20	1	- 101	- 196	182	146	- 21
14	-	4	- 2	- 6	- 41	- 2	- 8	15	- 7
167	265	252	263	263	1 273	1 732	1 178	1 792	1 957
167	265	252	263	263	1 275	1 732	1 178	1 790	1 985
-	-	-	-	-	652	835	819	975	824
-	74	92	83	83	337	441	-	258	491
41	55	47	62	38	30	88	34	130	81
- 5	35	21	8	6	572	- 54	- 24	- 72	23
- 5	35	21	8	6	572	- 54	- 24	- 72	23
- 3	-	-	-	-	403	70	40	22	125
- 2	35	21	8	6	170	- 125	- 64	- 94	- 102
-	-	-	-	-	-	-	-	-	-
122	167	-	159	180	353	408	480	536	327
2 396	3 583	2 236	997	-1 252	2 231	7 919	11 416	5 265	4 669
2 323	3 583	1 834	1 134	-1 107	3 654	9 286	11 618	4 005	8 164
- 372	-	402	500	- 144	74	- 55	- 104	- 447	- 493
445	-	-	- 638	- 1	-	-	-	-	-
-	-	-	-	-	-1 497	-1 313	- 98	1 706	-3 001
3 320	**4 683**	**3 241**	**2 054**	**- 158**	**6 075**	**12 136**	**15 299**	**10 230**	**9 597**
1.39	**1.67**	**1.17**	**0.80**	**-0.06**	**0.62**	**0.86**	**1.05**	**0.72**	**0.67**
809	898	984	893	913	3 065	4 228	3 434	4 552	4 727
16	-	4	-	-	12	39	-	31	10
28	22	23	18	18	29	47	4	10	23
-	35	21	8	6	653	192	258	178	248
-	-	-	-	-	401	70	40	22	125
493	-	834	873	191	2 753	-	-	-	-
992	548	1 658	906	875	3 719	4 228	3 434	4 552	4 727
722	454	818	654	740	2 121	2 328	2 067	2 563	2 643
66	-	-	-	-	108	422	113	113	374
-	-	-	21	19	36	161	189	195	99
66	10	19	6	-	52	422	113	155	374
66	-	-	-	-	52	422	113	113	374
-	10	19	6	-	-	114	113	155	374
-	10	15	19	20	-	-	-	-	-

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	United States				
	1990-1991	1998	1999	2000	2001
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	11 328	8 786	9 145	9 955	11 429
ODA as % of GNI	**0.20**	**0.10**	**0.10**	**0.10**	**0.11**
A. Bilateral Official Development Assistance (1 + 2)	8 882	5 988	6 848	7 405	8 284
1. Grants and grant-like contributions	10 291	6 574	7 638	8 093	8 954
of which: Technical co-operation	2 815	3 278	3 877	4 316	5 282
Developmental food aid (a)	973	568	799	914	673
Emergency and distress relief (a)	409	898	1 603	1 165	1 092
Contributions to NGOs	-	-	-	-	-
Administrative costs	587	652	688	716	788
2. Development lending and capital	-1 409	- 585	- 790	- 688	- 670
of which: New development lending	174	- 489	- 620	- 591	-
B. Contributions to Multilateral Institutions	2 447	2 798	2 297	2 550	3 145
Grants and capital subscriptions, total	2 457	2 814	2 310	2 565	3 160
of which: EC	-	-	-	-	-
IDA	997	1 035	800	771	773
Regional Development Banks	359	341	448	263	213
II. Other Official Flows (OOF) net (C + D)	- 613	618	4 793	562	755
C. Bilateral Other Official Flows (1 + 2)	- 613	618	4 793	562	755
1. Official export credits (b)	- 846	417	451	211	351
2. Equities and other bilateral assets	233	201	4 342	351	404
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	2 588	2 906	3 981	4 069	4 569
IV. Private Flows at Market Terms (long-term) (1 to 4)	2 622	36 112	32 218	10 666	21 864
1. Direct investment	9 155	22 815	22 724	18 456	24 236
2. Private export credits	- 82	1 543	2 031	3 299	1 130
3. Securities of multilateral agencies	2 070	410	-1 856	- 365	-1 729
4. Bilateral portfolio investment	-8 522	11 344	9 319	-10 724	-1 773
V. Total Resource Flows (long-term) (I to IV)	**15 925**	**48 421**	**50 138**	**25 252**	**38 618**
Total Resource Flows as a % of GNI	**0.29**	**0.55**	**0.54**	**0.25**	**0.38**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	16 053	9 580	10 060	10 863	12 309
New development lending	174	2	- 1	-	-
Food aid, Total bilateral	1 585	737	1 350	1 135	930
Other Official Flows	1 602	2 384	6 582	1 626	1 858
of which: Official export credits	343	1 339	1 424	1 132	1 397
Private export credits	4 292	7 262	7 994	-	6 329
COMMITMENTS					
Official Development Assistance, total (c)	20 840	9 901	12 459	12 609	12 876
Bilateral grants, Total	15 364	6 875	9 982	9 829	9 406
Debt forgiveness	7 084	38	68	21	23
Bilateral loans, Total	2 950	178	157	200	194
Memo items:					
Gross ODA debt reorganisation grants	2 883	38	68	21	39
of which: debt forgiveness	2 883	38	68	21	23
Net ODA debt reorganisation grants (d)	-	38	68	20	28
Refugees in donor countries	-	387	2	451	416

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.

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Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations (continued)

$ million

Total DAC Countries					EC				
1990-1991	1998	1999	2000	2001	1990-1991	1998	1999	2000	2001
54 813	52 084	56 428	53 734	52 336	3 343	5 140	4 937	4 912	5 961
0.33	**0.23**	**0.24**	**0.22**	**0.22**	**-**	**-**	**-**	**-**	**-**
40 908	35 204	37 878	36 048	35 022	3 106	5 124	4 911	4 414	5 517
34 393	32 465	33 922	33 028	33 409	3 032	4 462	4 514	4 019	4 810
11 835	13 056	13 036	12 767	13 602	34	215	195	211	179
1 609	919	1 045	1 180	1 007	507	364	382	320	350
1 738	2 787	4 414	3 574	3 276	525	501	677	519	526
987	1 037	1 151	1 200	1 137	100	162	184	120	-
2 059	2 814	3 049	3 083	2 964	-	106	101	102	139
6 515	2 739	3 956	3 021	1 613	74	662	397	395	707
9 354	3 451	4 436	3 306	2 536	74	662	397	395	707
15 614	16 880	18 551	17 685	17 314	237	16	26	498	444
15 637	16 646	18 371	17 799	17 293	237	16	26	498	444
3 807	5 002	5 017	4 950	4 949	-	-	-	-	-
4 467	4 155	2 834	3 672	3 572	-	-	-	378	313
1 480	1 895	5 020	2 187	1 491	-	-	-	-	-
7 846	13 491	15 477	-4 537	- 549	209	846	637	427	331
7 703	11 483	14 528	-4 355	- 651	209	846	637	427	331
404	4 829	770	-1 237	- 300	-	-	-	-	-
7 298	6 653	13 758	-3 118	- 352	209	846	637	427	331
144	2 008	949	- 182	102	-	-	-	-	-
5 240	5 609	6 715	6 934	7 289	-	-	-	-	-
17 792	111 223	115 119	77 657	49 117	-	-	-	-	-
24 584	83 416	94 708	70 359	66 602	-	-	-	-	-
385	2 104	1 896	7 352	2 735	-	-	-	-	-
1 821	-2 059	-5 786	-3 369	-4 082	-	-	-	-	-
-8 998	27 762	24 301	3 315	-16 138	-	-	-	-	-
85 691	**182 407**	**193 740**	**133 788**	**108 193**	**3 552**	**5 985**	**5 574**	**5 339**	**6 293**
0.52	**0.81**	**0.81**	**0.56**	**0.46**	**-**	**-**	**-**	**-**	**-**
65 722	58 758	63 172	60 008	58 578	3 402	5 412	5 264	5 261	6 352
11 846	8 657	10 066	8 571	7 025	133	934	725	744	1 099
2 224	1 269	1 767	1 561	1 467	507	364	382	320	350
17 303	28 744	36 059	10 521	12 650	423	1 029	855	608	662
5 155	10 035	6 560	3 974	4 531	-	-	-	-	-
19 989	22 900	19 180	16 566	16 905	-	-	-	-	-
73 572	60 781	65 127	62 202	61 382	3 764	7 887	7 610	8 371	5 816
38 592	31 918	36 393	35 133	33 847	3 396	6 980	7 099	6 625	4 981
7 965	3 055	2 153	1 862	2 172	-	-	-	-	-
18 149	11 879	11 041	10 166	8 919	110	771	395	601	649
5 167	3 283	2 541	2 224	2 517	-	-	-	-	-
5 167	3 012	2 277	1 989	2 271	-	-	-	-	-
-	2 359	1 976	1 755	1 977	-	-	-	-	-
-	975	733	1 361	1 332	-	-	-	-	-

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Net disbursements

	Total	World Bank Group	of which: IDA	Regional Development Banks	of which: African Dev. Bank	Asian Dev. Bank	Inter-American Dev. Bank
Australia	212	69	66	62	-	62	-
Austria	191	26	25	14	8	6	0
Belgium	365	56	49	41	41	0	-
Canada	333	-	-	79	35	35	1
Denmark	600	64	50	36	25	3	1
Finland	165	31	31	9	3	-	0
France	1 602	232	232	109	78	30	2
Germany	2 136	349	349	79	74	3	1
Greece	119	6	5	6	-	-	-
Ireland	102	8	8	-	-	-	-
Italy	1 185	253	240	76	70	-	6
Japan	2 389	871	869	428	111	310	8
Luxembourg	35	4	4	0	-	-	0
Netherlands	948	115	115	56	1	2	53
New Zealand	27	5	4	4	-	4	-
Norway	406	81	80	47	35	6	1
Portugal	85	0	0	6	5	-	-
Spain	588	108	98	49	14	4	26
Sweden	461	-	-	59	32	14	-
Switzerland	263	101	83	38	28	9	1
United Kingdom	1 957	535	465	81	47	33	-
United States	3 145	1 022	773	198	106	72	25
TOTAL DAC	**17 314**	**3 935**	**3 546**	**1 476**	**713**	**592**	**125**
of which:							
EU Members	10 539	1 787	1 670	620	399	95	89

a) IMF PRGF.

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Table 15

ODA *from* DAC *Countries to* Multilateral Organisations *in* 2001

$ million

United Nations Agencies	of which: UNDP	WFP	UNICEF	UNHCR	EC	of which: EDF	Other Multilateral	of which: IFAD	IMF [a]	
51	4	12	2	7	-	-	31	1	6	Australia
18	4	0	1	0	94	-	40	5	28	Austria
36	10	-	3	2	191	28	41	3	18	Belgium
124	27	35	9	7	-	-	130	15	24	Canada
271	60	38	33	37	88	14	141	8	-	Denmark
67	12	9	11	6	55	-	4	-	0	Finland
109	14	2	7	9	1 043	396	110	6	72	France
461	22	21	4	5	1 142	265	105	8	34	Germany
6	0	-	-	-	94	9	8	-	-	Greece
25	6	2	4	3	61	6	8	0	1	Ireland
182	16	10	16	14	619	98	56	1	14	Italy
844	119	60	75	88	-	-	246	1	90	Japan
8	1	-	0	1	16	4	6	0	1	Luxembourg
453	81	24	65	38	194	39	130	15	9	Netherlands
10	3	0	1	1	-	-	9	0	-	New Zealand
245	79	24	34	19	-	-	33	-	-	Norway
8	1	0	0	0	69	12	3	0	-	Portugal
51	5	2	2	3	342	41	38	-	29	Spain
273	78	20	29	57	112	42	16	13	-	Sweden
82	31	1	10	8	-	-	42	11	9	Switzerland
349	67	-	35	19	823	187	170	-	15	United Kingdom
1 562	88	666	117	245	-	-	363	5	-	United States
5 233	**731**	**926**	**459**	**569**	**4 942**	**1 141**	**1 728**	**92**	**350**	**TOTAL DAC**
										of which:
2 315	379	128	210	194	4 942	1 141	874	60	222	EU Members

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Table 16

Capital Subscriptions to Multilateral Organisations[a] on a Deposit and an Encashment Basis

Net disbursements — $ million

	Deposit basis					Encashment basis				
	1990	1998	1999	2000	2001	1990	1998	1999	2000	2001
Australia	91	88	10	2	-	122	164	142	-	128
Austria	68	44	19	50	41	64	72	65	60	-
Belgium	140	-	-	-	41	-	107	108	131	111
Canada	453	283	322	233	81	427	382	546	352	275
Denmark	112	122	103	114	86	103	121	115	114	109
Finland	146	36	29	36	35	-	64	38	26	24
France	453	383	374	325	347	-	-	-	-	455
Germany	741	488	568	690	516	718	644	593	548	567
Greece	-	13	-	13	16	-	13	14	13	-
Ireland	7	-	-	-	-	-	-	-	-	-
Italy	490	677	499	144	346	265	388	587	193	417
Japan	1 758	757	4 120	2 436	1 545	-	-	3 208	-	-
Luxembourg	3	-	-	-	-	-	-	-	-	-
Netherlands	241	287	308	235	171	66	60	57	38	53
New Zealand	5	10	13	9	8	-	11	13	12	8
Norway	156	107	96	83	127	-	-	-	-	-
Portugal	10	0	1	0	0	-	12	12	10	11
Spain	98	110	70	13	185	-	-	-	-	-
Sweden	199	-	-	202	38	-	181	-	202	150
Switzerland	63	3	-	145	133	-	3	123	99	125
United Kingdom	352	-	54	413	698	-	328	416	428	471
United States	2 094	1 411	1 374	1 066	1 321	1 304	1 574	1 415	1 457	1 643
TOTAL DAC	**7 678**	**4 822**	**7 958**	**6 207**	**5 737**	..	..	..	..	..
of which:										
EU Members	3 057	2 161	2 023	2 235	2 521	..	..	..	..	..

a) World Bank, IMF-PRGF, 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.

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$ million, at current prices and exchange rates

	Gross disbursements						
	1985-1986 average	1990-1991 average	1997	1998	1999	2000	2001
CONCESSIONAL FLOWS							
International Financial Institutions							
AfDF	244	638	641	624	516	360	464
AsDF	423	1 130	1 157	1 149	1 114	1 135	1 031
Caribbean Dev. Bank	23	36	23	25	33	36	50
EBRD	-	-	17	23	11	5	17
IDA	3 110	4 393	5 902	5 742	6 135	5 468	6 160
IDB	511	404	574	610	512	442	545
IFAD	299	248	199	232	231	250	254
IMF [b]	48	864	-	1 215	1 007	667	1 111
Nordic Dev. Fund	-	-	47	45	38	39	33
Total IFIs	**4 658**	**7 713**	**8 560**	**9 667**	**9 597**	**8 402**	**9 664**
United Nations [c]							
UNDP	702	923	670	604	508	390	282
UNFPA	114	175	216	214	185	133	311
UNHCR	402	626	261	236	253	493	545
UNICEF	302	586	514	484	564	576	600
UNRWA	187	300	264	298	286	301	359
UNTA	275	257	434	282	428	454	410
WFP [d]	714	1 134	279	270	354	357	-
Other UN	353	671	70	134	161	568	574
Total UN	**3 050**	**4 671**	**2 707**	**2 521**	**2 741**	**3 272**	**3 082**
EC	1 418	3 079	5 394	5 396	5 238	4 763	5 908
Global Environment Facility	-	-	72	76	66	86	101
Montreal Protocol Fund	-	-	42	152	44	56	72
Arab Funds	287	353	98	133	227	215	381
Total concessional	**9 413**	**15 817**	**16 874**	**17 943**	**17 912**	**16 793**	**19 208**
NON-CONCESSIONAL FLOWS							
International Financial Institutions							
African Dev. Bank	341	1 361	926	635	723	506	614
Asian Dev. Bank	616	1 878	5 304	5 623	3 710	2 884	2 850
Caribbean Dev. Bank	14	23	36	61	77	65	50
EBRD	-	-	338	428	366	439	548
IBRD	8 999	12 290	13 624	14 899	13 256	11 778	10 729
IFC	465	1 406	1 410	1 724	1 596	1 276	1 061
IDB	1 762	2 467	4 933	6 051	7 934	6 662	6 016
IFAD	-	-	33	-	40	33	33
Total IFIs	**12 197**	**19 424**	**26 604**	**29 421**	**27 703**	**23 643**	**21 902**
EC	248	423	1 010	1 029	855	608	662
Arab Funds	108	43	-	-	-	-	-
Total non-concessional	**12 553**	**19 890**	**27 614**	**30 450**	**28 559**	**24 251**	**22 564**

a) To countries and territories on Part I of the DAC List of Aid Recipients.
b) IMF Trust Fund and PRGF.
c) The data for UN agencies have 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. Since 2000, UNHCR operates an Annual Programme Budget which includes country operations, global operations and administrative costs under a unified budget.
d) Data are not available for 2001.

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Table 17

Concessional and Non-concessional Flows by Multilateral Organisations[a]

$ million, at current prices and exchange rates

	Net disbursements						
	1985-1986 average	1990-1991 average	1997	1998	1999	2000	2001
CONCESSIONAL FLOWS							
International Financial Institutions							
AfDF	241	615	589	576	459	300	419
AsDF	405	1 080	1 010	1 001	937	927	812
Caribbean Dev. Bank	23	32	0	3	12	20	32
EBRD	-	-	17	23	11	5	17
IDA	2 982	4 118	5 253	4 822	4 509	4 179	4 965
IDB	317	121	292	328	223	153	276
IFAD	278	181	109	135	131	143	166
IMF [b]	- 268	647	178	373	194	- 132	107
Nordic Dev. Fund	-	-	47	45	38	38	32
Total IFIs	**3 977**	**6 793**	**7 495**	**7 307**	**6 513**	**5 633**	**6 826**
United Nations [c]							
UNDP	702	923	670	604	508	390	282
UNFPA	114	175	216	214	185	133	311
UNHCR	402	626	261	236	253	493	545
UNICEF	302	586	514	484	564	576	600
UNRWA	187	300	264	298	286	301	359
UNTA	275	257	434	282	428	454	410
WFP [d]	714	1 134	279	270	354	357	-
Other UN	353	671	70	134	161	568	574
Total UN	**3 050**	**4 671**	**2 707**	**2 521**	**2 741**	**3 272**	**3 082**
EC	1 396	3 021	5 156	5 124	4 911	4 414	5 517
Global Environment Facility	-	-	72	76	66	86	101
Montreal Protocol Fund	-	-	42	152	44	56	72
Arab Funds	135	114	- 37	- 8	37	35	145
Total concessional	**8 558**	**14 599**	**15 435**	**15 170**	**14 311**	**13 496**	**15 743**
NON-CONCESSIONAL FLOWS							
International Financial Institutions							
African Dev. Bank	258	1 100	- 33	- 197	- 114	- 304	- 5
Asian Dev. Bank	382	1 347	3 971	4 654	2 580	1 049	1 654
Caribbean Dev. Bank	14	18	23	44	61	50	31
EBRD	-	-	244	320	218	237	222
IBRD	5 230	3 385	3 145	5 746	3 802	2 762	1 759
IFC	125	939	246	678	663	229	22
IDB	1 311	1 212	2 697	4 112	5 956	4 360	4 104
IFAD	-	-	9	- 23	13	5	6
Total IFIs	**7 320**	**8 001**	**10 301**	**15 334**	**13 178**	**8 388**	**7 792**
EC	171	209	836	846	637	427	331
Arab Funds	76	- 20	-	-	-	-	-
Total non-concessional	**7 567**	**8 190**	**11 137**	**16 180**	**13 815**	**8 814**	**8 123**

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	Social and administrative infrastructure		Economic infrastructure		Agriculture		Industry and other production	
	1980-1981	2000-2001	1980-1981	2000-2001	1980-1981	2000-2001	1980-1981	2000-2001
Australia	13.3	50.7	6.0	9.3	6.6	8.1	2.2	0.8
Austria	12.7	42.4	35.9	1.2	0.7	1.5	41.2	1.5
Belgium	8.7	42.3	2.2	6.2	4.1	8.6	20.9	1.6
Canada	10.2	30.6	16.4	4.7	21.7	3.8	16.8	2.5
Denmark	24.0	22.8	0.3	18.8	10.4	9.6	14.4	2.2
Finland	16.4	42.2	7.2	1.1	13.9	6.5	34.3	0.9
France	52.4	38.9	14.0	6.1	6.7	6.3	12.0	1.1
Germany	22.1	42.3	25.3	16.9	8.4	4.4	11.7	1.1
Greece	..	70.9	..	4.1	..	1.0	..	2.3
Ireland	..	57.6	..	2.6	..	7.8	..	1.3
Italy	11.6	23.4	5.9	3.7	9.6	3.7	9.6	8.5
Japan	10.3	20.6	40.0	32.9	11.4	9.0	15.3	2.1
Luxembourg	..	69.8	..	-	..	4.0	..	3.2
Netherlands	29.9	26.2	20.1	5.4	20.9	3.5	7.1	0.8
New Zealand	25.7	49.2	25.4	3.9	25.0	3.5	3.5	2.0
Norway	12.4	41.8	23.8	12.4	25.0	4.9	14.8	2.2
Portugal	..	36.7	..	6.7	..	1.5	..	0.6
Spain	..	34.9	..	7.3	..	3.3	..	1.9
Sweden	18.5	32.2	4.0	9.6	10.8	3.2	31.9	0.5
Switzerland	15.6	18.3	9.3	6.8	19.8	4.1	13.0	1.7
United Kingdom	23.1	25.3	10.9	7.3	5.9	5.4	31.8	4.8
United States	18.4	42.2	4.7	8.8	17.5	3.9	10.7	1.7
TOTAL DAC	**24.6**	**32.1**	**17.2**	**15.7**	**11.8**	**5.9**	**13.8**	**2.0**

a) On a disbursements basis.

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Table 18

Major Aid Uses by Individual DAC Donors

Per cent of total bilateral commitments

Commodity aid and programme assistance		Emergency aid		Other		*Memo:* Share of total ODA to / through NGO's [a]	
1980-1981	2000-2001	1980-1981	2000-2001	1980-1981	2000-2001	2000-2001	
62.7	2.9	1.5	8.9	7.8	19.3	4.4	Australia
-	0.5	0.1	6.2	9.4	46.7	8.5	Austria
1.9	4.9	1.0	5.5	61.1	31.0	12.6	Belgium
11.5	6.5	1.8	15.5	21.6	36.5	10.3	Canada
-	2.4	4.2	11.6	46.7	32.4	7.9	Denmark
-	1.2	2.9	14.9	25.4	33.3	7.7	Finland
4.9	3.1	1.8	2.5	8.2	42.0	0.7	France
2.2	0.6	0.6	6.5	29.8	28.3	6.9	Germany
..	10.7	..	6.5	..	4.4	2.3	Greece
..	-	..	11.1	..	19.6	7.9	Ireland
19.9	10.2	4.5	10.8	38.9	39.8	7.3	Italy
7.5	3.2	0.2	0.5	15.2	31.7	1.7	Japan
..	1.6	..	11.0	..	10.4	17.6	Luxembourg
2.6	9.2	1.7	12.5	17.8	42.6	10.3	Netherlands
13.3	8.0	0.2	3.2	6.9	30.2	4.9	New Zealand
8.3	2.2	8.5	17.7	7.2	18.9	10.5	Norway
..	3.0	..	1.1	..	50.3	0.6	Portugal
..	0.5	..	3.5	..	48.6	9.6	Spain
2.7	7.4	9.1	19.9	22.9	27.2	15.2	Sweden
7.0	6.4	4.8	21.9	30.6	40.8	9.4	Switzerland
3.6	11.3	0.3	10.9	24.4	35.0	5.9	United Kingdom
23.0	15.8	2.1	11.4	23.6	16.1	-	United States
10.2	**7.0**	**1.6**	**7.4**	**20.7**	**30.0**	**4.7**	**TOTAL DAC**

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Commitments

Per cent of bilateral total

	Australia	Austria	Belgium	Canada	Den-mark	Finland	France	Germany	Greece	Ireland	Italy	Japan
Social and administrative infrastructure	47.9	44.0	41.3	29.4	23.8	41.5	38.6	40.4	80.5	59.4	26.6	17.0
Education [a]	9.0	12.9	12.6	9.6	2.1	8.7	24.0	16.4	9.9	20.2	9.5	6.8
of which: Basic education	4.3	0.1	1.4	3.6	0.7	1.9	5.8	1.2	-	-	0.0	0.7
Health	9.4	11.0	10.5	4.2	3.1	5.0	4.7	2.1	6.6	15.4	2.5	2.5
of which: Basic health	4.3	10.8	6.9	1.9	0.9	2.4	1.1	1.5	5.5	-	0.8	0.9
Population [b]	3.8	0.0	1.3	3.1	0.5	2.6	0.3	1.4	0.0	-	0.3	0.1
Water supply and sanitation	3.4	12.0	1.8	1.6	2.0	3.8	2.9	10.9	0.4	4.3	2.3	5.4
Government and civil society	18.5	7.5	11.4	9.3	14.5	14.9	0.9	5.4	59.3	-	1.9	0.5
Other social infrastructure/service	3.9	0.6	3.6	1.5	1.6	6.5	5.8	4.1	4.3	19.5	10.1	1.6
Economic infrastructure	9.8	0.9	7.5	4.9	2.8	0.9	7.7	19.4	4.7	2.9	4.9	34.0
Transport and communications	8.2	-	3.2	1.5	1.2	0.4	4.8	7.2	1.3	2.9	0.5	25.7
Energy	0.4	0.6	0.2	1.6	1.0	0.1	0.8	7.1	-	-	2.4	8.0
Other	1.1	0.3	4.2	1.8	0.6	0.4	2.1	5.0	3.4	-	2.0	0.3
Production	10.5	2.2	9.3	5.5	7.6	8.5	8.3	4.8	3.5	9.6	8.5	14.5
Agriculture	9.7	0.7	8.2	2.9	4.0	8.0	7.5	4.2	0.9	8.0	3.0	12.3
Industry, mining and construction	0.3	1.3	0.9	2.5	3.2	0.2	0.7	0.5	2.4	1.0	5.3	1.9
Trade and tourism	0.5	0.3	0.3	0.1	0.3	0.2	0.2	0.1	0.3	0.6	0.2	0.2
Multisector	13.4	1.8	7.4	7.8	9.1	22.0	9.9	12.9	3.9	1.6	9.4	5.9
Programme assistance	2.2	0.6	6.1	7.4	0.3	1.5	3.8	0.6	1.6	-	16.0	0.4
Action relating to debt [c]	1.4	39.9	10.3	0.9	4.3	1.9	24.3	5.4	-	5.9	2.2	15.2
Emergency aid	6.6	4.8	5.1	17.0	12.4	13.5	0.3	6.9	5.1	9.7	11.0	0.3
Administrative expenses	6.8	2.7	4.4	11.1	8.9	6.4	5.4	6.4	-	7.4	4.9	6.2
Unspecified	1.4	3.1	8.6	16.1	30.8	3.7	1.7	3.3	0.7	3.5	16.6	6.6
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**
Memo item:												
Food aid, total	3.0	0.6	1.8	7.0	-	2.2	2.5	2.9	0.5	-	11.8	0.4

a) Including students and trainees.
b) Population and reproductive health.
c) Including forgiveness of non-ODA debt.
d) Approximate.
e) Including the African Development Bank, Asian Development Bank and Inter-American Development Bank.

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Table 19

Aid by Major Purposes in 2001

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	EC[d]	World Bank	Regional Dev. Banks[e]
..	31.3	51.2	44.4	56.2	34.5	33.6	18.4	23.8	45.4	32.4	38.3	28.5	37.4	43.1
..	8.8	33.3	7.0	17.0	11.0	3.8	4.2	7.1	3.3	8.6	3.1	3.9	3.1	3.0
..	7.0	2.5	1.4	2.0	1.2	0.5	1.3	2.5	2.1	2.1	1.2	0.5	1.3	1.4
..	4.2	4.1	10.7	3.9	6.7	2.2	5.2	4.7	4.4	4.1	2.7	4.4	2.8	1.8
..	3.4	2.9	1.5	0.2	5.4	1.1	2.8	1.6	4.4	2.4	1.2	1.9	1.8	-
..	1.5	0.8	2.9	0.0	0.5	1.6	0.3	2.2	8.5	2.7	1.3	1.8	1.6	0.7
..	4.9	1.6	4.2	0.7	3.0	4.9	3.3	1.5	4.7	4.8	4.2	3.6	4.6	3.8
..	6.7	9.6	13.7	25.3	4.3	14.6	5.1	5.5	13.3	6.8	17.4	6.8	16.8	22.0
..	5.3	1.8	5.9	9.2	8.9	6.6	0.3	2.8	11.3	5.4	9.7	8.0	8.5	11.8
..	6.8	4.0	13.8	11.2	11.5	11.1	7.4	8.0	3.6	14.9	31.3	15.4	36.3	30.3
..	5.0	1.3	4.8	3.9	2.8	5.9	2.3	3.0	0.2	9.2	12.8	5.2	13.5	14.7
..	1.3	1.5	7.0	0.3	4.3	2.7	0.0	1.7	1.0	3.7	6.8	7.4	6.5	7.0
..	0.5	1.2	1.9	7.0	4.3	2.5	5.0	3.4	2.3	2.0	11.7	2.9	16.4	8.7
..	6.2	5.4	7.0	4.0	6.1	5.2	5.8	7.7	6.4	8.8	10.1	11.8	9.5	10.3
..	5.3	3.1	4.1	2.9	3.3	4.5	4.3	4.4	3.7	6.7	7.3	7.7	8.0	6.0
..	0.4	0.5	2.7	0.8	2.6	0.4	0.5	3.1	0.7	1.4	1.3	2.6	0.7	1.7
..	0.5	1.8	0.2	0.3	0.2	0.3	1.0	0.2	2.0	0.6	1.5	1.5	0.8	2.6
..	7.5	8.0	7.0	3.8	8.5	10.9	26.9	4.0	3.9	7.2	9.4	21.4	3.8	12.6
..	12.2	2.4	2.2	7.9	0.5	3.6	6.1	6.6	19.3	6.8	3.6	8.8	3.9	1.2
..	5.8	-	1.9	10.7	30.8	0.5	-	13.7	1.3	9.8	-	-	-	-
..	10.8	3.0	11.9	1.3	3.0	19.5	20.7	9.4	11.8	7.1	1.4	9.7	-	0.1
..	0.3	8.4	2.3	3.6	4.4	6.2	2.8	10.5	8.2	6.5	0.3	2.4	-	-
..	19.2	17.6	9.4	1.4	0.9	9.3	11.9	16.3	-	6.6	5.6	1.9	9.0	2.3
..	**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**
..	1.8	0.2	1.4	-	0.7	0.8	2.8	0.8	11.1	3.8	0.3	1.9	-	-

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Table 20

Financial Terms of ODA *Commitments*[a]
2000-2001 *average*

	Grant element of total ODA Norm: 86%[b]		Grant share of:		Grant element of ODA loans	Grant element of ODA to LDCs[c]	Grant element of bilateral ODA to LDCs
	1990-1991	2000-2001	Bilateral ODA	Total ODA			
Australia	100.0	100.0	100.0	100.0	-	100.0	100.0
Austria	84.5	93.3	70.1	82.6	60.1	100.0	100.0
Belgium	98.7	99.5	96.1	97.7	78.8	99.1	98.8
Canada	99.7	100.0	100.0	100.0	-	100.0	100.0
Denmark	100.0	100.0	99.2	99.5	-	100.0	100.0
Finland	98.8	100.0	96.1	97.7	-	100.0	100.0
France	87.7	96.0	86.1	91.4	55.9	100.0	100.0
Germany	90.1	96.8	82.7	90.8	65.3	99.8	99.5
Greece	..	100.0	98.5	99.3	..	..	..
Ireland	100.0	100.0	100.0	100.0	-	100.0	100.0
Italy	92.8	99.3	79.1	93.3	88.6	100.0	100.0
Japan	76.2	87.9	39.4	51.0	72.9	98.8	98.2
Luxembourg	100.0	100.0	100.0	100.0	-	100.0	100.0
Netherlands	98.4	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	99.7	99.9	98.3	98.8	33.1	100.0	100.0
Portugal	91.5	96.9	93.8	96.0	55.9	97.3	97.0
Spain	74.6	93.7	65.2	78.4	70.6	96.9	93.8
Sweden	100.0	99.7	98.5	98.8	72.3	99.7	99.6
Switzerland	100.0	100.0	97.2	97.8	-	100.0	100.0
United Kingdom	100.0	100.0	94.1	96.6	43.4	100.0	100.0
United States	98.3	99.7	99.0	99.2	63.1	99.8	99.7
TOTAL DAC	**90.8**	**96.1**	**77.8**	**84.5**	**71.4**	**99.6**	**99.4**

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 GNI is below the DAC average are not considered as having met the terms target. This provision disqualified Greece and the United States in 2001.
c) Including imputed multilateral grant element. See note *a*) to Table 31.

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Table 21

DAC Members' Compliance in 2000 and 2001 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 GNI 2000 Norm: 0.19%	2001 Norm: 0.18%	Grant element of bilateral ODA commitments[a] to LDCs (two alternative norms) Annually for all LDCs Norm: 90%		3 years average for each LDC Norm: 86%
	2000	2001	2000	2001	2000	2001	2000	2001	1999-2001[d]
Australia	1 137	956	100.0	100.0	0.31	0.28	100.0	100.0	c
Austria	449	516	96.1	90.8	0.24	0.28	100.0	100.0	c
Belgium	807	871	99.4	99.6	0.35	0.37	98.3	99.2	c
Canada	1 983	1 558	100.0	100.0	0.29	0.22	100.0	100.0	c
Denmark	1 577	1 477	100.0	100.0	1.00	0.93	100.0	100.0	c
Finland	353	446	100.0	100.0	0.30	0.37	100.0	100.0	c
France	3 891	4 048	96.6	95.5	0.30	0.31	99.9	100.0	c
Germany	5 634	5 989	97.9	95.8	0.30	0.33	99.4	99.6	c
Greece[c]	226	202	..	..	0.20	0.17	..	..	..
Ireland[c]	235	276	100.0	100.0	0.30	0.32	100.0	100.0	c
Italy	1 400	2 130	98.5	99.8	0.13	0.20	100.0	100.0	c
Japan	16 741	13 706	87.6	88.2	0.35	0.33	99.9	97.0	c
Luxembourg[c]	122	141	100.0	100.0	0.71	0.82	100.0	100.0	c
Netherlands	3 251	3 562	100.0	100.0	0.87	0.92	100.0	100.0	c
New Zealand	120	110	100.0	100.0	0.27	0.25	100.0	100.0	c
Norway	1 117	1 469	99.9	100.0	0.71	0.90	100.0	100.0	c
Portugal[c]	245	249	99.1	94.7	0.24	0.23	99.9	89.6	c
Spain[c]	1 327	1 463	92.2	95.1	0.24	0.25	97.7	90.9	c
Sweden	1 402	1 360	99.5	99.8	0.62	0.66	100.0	99.3	c
Switzerland	896	875	100.0	100.0	0.35	0.33	100.0	100.0	c
United Kingdom[c]	4 396	4 352	100.0	100.0	0.31	0.30	100.0	100.0	c
United States	12 483	12 751	99.7	99.7	0.13	0.13	99.6	99.7	c
TOTAL DAC	**59 793**	**58 504**	**95.9**	**96.4**	**0.25**	**0.25**	**99.8**	**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 Commitments as a percentage of GNI is below the DAC average are not considered as having met the terms target. This provision disqualified Greece and the United States in 2001.
c) Gross disbursements.
d) c = compliance, n = non-compliance.

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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)	
	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
Australia	100.0	100.0	-	-	-	-	-	-	-	-
Austria	89.3	76.7	61.3	59.6	23.6	21.6	8.7	8.5	1.9	1.9
Belgium	97.4	98.0	78.9	78.7	30.3	29.5	10.4	10.0	0.5	0.5
Canada	100.0	100.0	-	-	-	-	-	-	-	-
Denmark	100.0	99.0	-	..	-	..	-	..	-	..
Finland	95.1	99.7	..	..	..	..	..	..	..	..
France	94.2	88.7	55.2	52.4	22.1	20.3	7.2	7.4	2.3	2.5
Germany	94.0	87.8	65.2	65.4	35.5	37.1	7.5	6.0	2.0	1.9
Greece	99.3	99.4	..	..	..	..	..	..	..	..
Ireland	100.0	100.0	-	-	-	-	-	-	-	-
Italy	87.4	97.1	88.4	89.3	36.9	36.9	23.3	24.2	0.5	0.5
Japan	50.3	51.8	73.1	72.3	34.8	34.1	11.0	9.8	1.3	1.4
Luxembourg	100.0	100.0	-	-	-	-	-	-	-	-
Netherlands	100.0	100.0	-	-	-	-	-	-	-	-
New Zealand	100.0	100.0	-	-	-	-	-	-	-	-
Norway	97.7	99.7	33.0	..	7.8	..	4.1	..	2.3	..
Portugal	98.4	93.8	80.3	44.1	30.7	12.5	8.9	4.1	0.1	1.6
Spain	76.6	80.1	69.4	72.2	26.5	27.6	9.2	9.7	1.1	1.0
Sweden	98.4	99.3	71.1	75.0	15.2	19.1	10.0	9.1	0.0	0.0
Switzerland	97.7	97.8	..	..	..	..	..	..	..	..
United Kingdom	95.5	97.7	..	43.4	..	6.0	..	6.0	..	0.0
United States	99.2	99.2	56.2	69.2	24.3	30.0	4.6	5.0	2.0	1.0
TOTAL DAC	**83.6**	**85.4**	**71.9**	**70.2**	**33.7**	**33.0**	**10.8**	**9.2**	**1.4**	**1.5**

a) Excluding debt reorganisation. Equities are treated as having 100% grant element, but are not treated as loans.

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Table 23

Tying Status of ODA by Individual DAC Members, 2001

Commitments (excluding technical co-operation and administrative costs)

Per cent

	Bilateral ODA				Memo:
	Untied	Partially Untied	Tied	Total	Reporting Rate [b]
Australia	59.3	-	40.7	100.0	100.0
Austria	..	..	..	..	Not reported
Belgium	89.8	-	10.2	100.0	100.0
Canada	31.7	-	68.3	100.0	90.0
Denmark	93.3	-	6.7	100.0	100.0
Finland	87.5	-	12.5	100.0	100.0
France	66.6	24.3	9.1	100.0	100.0
Germany	84.6	-	15.4	100.0	100.0
Greece (a)	17.3	-	82.7	100.0	100.0
Ireland (a)	100.0	-	..	100.0	99.9
Italy	7.8	-	92.2	100.0	100.0
Japan	81.1	1.4	17.5	100.0	100.0
Luxembourg	..	..	..	..	Not reported
Netherlands	91.2	0.3	8.5	100.0	100.0
New Zealand	..	..	..	..	Not reported
Norway	98.9	-	1.1	100.0	100.0
Portugal (a)	57.7	1.7	40.6	100.0	100.0
Spain (a)	68.9	0.1	31.0	100.0	100.0
Sweden	86.5	10.1	3.5	100.0	100.0
Switzerland	96.1	-	3.9	100.0	100.0
United Kingdom (a)	93.9	-	6.1	100.0	61.1
United States	..	..	..	..	Not reported
TOTAL DAC	**(79.1)**	**(3.1)**	**(17.8)**	**100.0**	**(82.9)**

a) Gross disbursements.
b) Reporting rate is the percentage of bilateral ODA covered by tying status reporting (excluding technical co-operation and administrative costs).

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Table 24

Tying Status of ODA by Individual DAC Members, 2001

Commitments (excluding technical co-operation and administrative costs)

$ million

	Bilateral ODA				*Memo:*
	Untied	Partially Untied	Tied	Total	Technical Co-operation
Australia	134	-	92	226	461
Austria	..	..	..	..	89
Belgium	272	-	31	303	234
Canada	236	-	509	745	271
Denmark	635	-	46	681	160
Finland	139	-	20	159	104
France	1 178	429	161	1 768	1 288
Germany	1 370	-	249	1 619	1 651
Greece (a)	12	-	55	67	16
Ireland (a)	160	-	-	160	11
Italy	39	-	458	496	114
Japan	7 200	122	1 557	8 878	2 008
Luxembourg	..	..	..	..	5
Netherlands	1 726	6	161	1 893	492
New Zealand	..	..	..	..	41
Norway	695	-	8	703	357
Portugal (a)	34	1	24	59	117
Spain (a)	707	1	318	1 026	185
Sweden	824	96	33	953	49
Switzerland	604	-	24	629	130
United Kingdom (a)	964	-	63	1 027	773
United States	..	..	..	..	5 671
TOTAL DAC	**(16 928)**	**(656)**	**(3 808)**	**(21 392)**	**14 226**

a) Gross disbursements.

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	Net ODA Receipts ($ million)					GNI/CAP (c)	Population	Current GNI	ODA/GNI
	1997	1998	1999	2000	2001	2000 US$	2000 million	2000 $ million	2000 per cent
AFRICA									
NORTH OF SAHARA									
Algeria	250	394	89	162	182	1 580	30.40	50 606	0.32
Egypt	1 985	1 955	1 582	1 328	1 255	1 490	63.98	99 714	1.33
Libya (b)	7	7	7	-	-	..	5.29	..	-
Morocco	464	530	679	419	517	1 180	28.71	32 457	1.29
Tunisia	194	150	253	223	378	2 100	9.56	18 572	1.20
North of Sahara Unall.	21	21	64	36	19				
North of Sahara, Total	**2 921**	**3 057**	**2 674**	**2 168**	**2 350**	**..**	**137.93**	**(201 349)**	**..**
SOUTH OF SAHARA									
Angola	355	335	388	307	268	430	13.13	7 063	4.34
Benin	221	205	211	239	273	370	6.27	2 150	11.10
Botswana	122	106	61	31	29	3 650	1.60	5 693	0.54
Burkina Faso	368	400	398	336	389	210	11.27	2 172	15.47
Burundi	56	67	74	93	131	110	6.81	663	13.97
Cameroon	499	499	434	380	398	580	14.88	8 284	4.59
Cape Verde	111	130	137	94	76	1 330	0.44	547	17.21
Central African Rep.	91	120	118	75	76	280	3.72	952	7.92
Chad	228	168	188	131	179	200	7.69	1 398	9.36
Comoros	27	35	21	19	28	380	0.56	204	9.18
Congo, Dem. Rep.	158	125	132	184	251	..	50.95	..	..
Congo, Rep.	270	66	142	33	75	570	3.02	2 232	1.49
Côte d'Ivoire	446	967	448	352	187	680	16.01	9 838	3.58
Djibouti	85	81	75	71	55	880	0.63	569	12.55
Equatorial Guinea	24	22	20	21	13	710	0.46	448	4.75
Eritrea	123	167	149	176	280	180	4.10	725	24.28
Ethiopia	579	660	643	693	1 080	100	64.30	6 331	10.95
Gabon	39	45	48	12	9	3 190	1.23	4 240	0.28
Gambia	39	39	34	49	51	340	1.30	421	11.66
Ghana	494	702	609	609	652	330	19.31	4 831	12.62
Guinea	381	359	238	153	272	450	7.42	2 931	5.22
Guinea-Bissau	124	96	52	80	59	180	1.20	203	39.64
Kenya	448	415	310	512	453	350	30.09	10 223	5.01
Lesotho	92	61	31	37	54	580	2.04	1 146	3.20
Liberia	76	72	94	68	37	..	3.13	..	..
Madagascar	834	481	359	322	354	250	15.52	3 804	8.47
Malawi	344	435	447	446	402	170	10.31	1 666	26.79
Mali	429	347	354	360	350	240	10.84	2 307	15.60
Mauritania	238	165	219	212	262	380	2.67	963	22.01
Mauritius	43	42	42	20	22	3 660	1.19	4 389	0.47
Mayotte	104	104	112	103	120	..	0.15	..	..
Mozambique	948	1 040	805	877	935	230	17.69	3 581	24.49
Namibia	166	181	179	153	109	2 030	1.76	3 468	4.40
Niger	333	292	187	211	249	180	10.83	1 807	11.67
Nigeria	200	204	152	185	185	260	126.91	36 726	0.50
Rwanda	230	350	373	322	291	230	8.51	1 775	18.14
Sao Tome & Principe	33	28	28	35	38	290	0.15	44	80.39
Senegal	423	501	535	423	419	490	9.53	4 286	9.88
Seychelles	17	24	13	18	14	7 050	0.08	579	3.16
Sierra Leone	119	106	74	182	334	120	5.03	599	30.47
Somalia	81	80	115	104	149	..	8.78	..	..
South Africa	496	514	541	488	428	3 060	42.80	124 684	0.39
St. Helena	15	16	14	19	15	..	0.01	..	..
Sudan	139	209	243	225	172	350	31.10	10 252	2.20
Swaziland	28	35	29	13	29	1 370	1.05	1 435	0.92
Tanzania	945	1 000	990	1 022	1 233	270	33.70	8 984	11.38
Togo	125	128	71	70	47	290	4.53	1 192	5.86
Uganda	813	647	590	819	783	300	22.21	6 156	13.31
Zambia	610	349	624	795	374	310	10.09	3 094	25.70
Zimbabwe	336	262	245	178	159	440	12.63	6 961	2.56
South of Sahara Unall.	741	416	327	345	686				
South of Sahara, Total	**14 245**	**13 900**	**12 723**	**12 702**	**13 530**	**..**	**659.58**	**(302 011)**	**..**
Africa Unspecified	831	724	628	817	474				
AFRICA, TOTAL	**17 997**	**17 682**	**16 025**	**15 687**	**16 354**	**..**	**797.52**	**(503 360)**	**..**

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Table 25

ODA Receipts[a] and Selected Indicators for Developing Countries and Territories

	Net ODA Receipts ($ million)					GNI/CAP (c)	Population	Current GNI	ODA/GNI
	1997	1998	1999	2000	2001	2000 US$	2000 million	2000 $ million	2000 per cent
AMERICA									
NORTH AND CENTRAL AMERICA									
Anguilla	3	3	2	4	4	..	0.01	..	..
Antigua and Barbuda	4	10	11	10	9	8 960	0.07	617	1.59
Aruba (b)	25	11	- 7	-	-	..	0.10	..	-
Barbados	4	16	- 2	0	- 1	9 250	0.27	2 520	0.01
Belize	14	15	46	15	21	2 890	0.24	712	2.06
Costa Rica	- 8	30	- 8	12	2	3 830	3.81	14 692	0.08
Cuba	65	80	59	44	51	..	11.19	..	..
Dominica	15	19	10	15	20	3 190	0.07	238	6.40
Dominican Republic	71	121	195	62	105	2 120	8.37	18 545	0.34
El Salvador	279	181	184	180	234	2 000	6.28	12 957	1.39
Grenada	9	6	10	17	12	3 830	0.10	372	4.43
Guatemala	264	233	293	264	225	1 700	11.39	18 854	1.40
Haiti	325	407	263	208	166	510	7.96	3 965	5.25
Honduras	297	320	818	449	678	860	6.42	5 769	7.78
Jamaica	72	19	- 22	10	54	2 760	2.63	7 379	0.14
Mexico	105	44	37	- 54	75	5 110	97.97	565 717	-0.01
Montserrat	43	66	41	31	33	..	0.01	..	..
Netherlands Antilles (b)	111	129	127	-	-	..	0.22	..	-
Nicaragua	411	603	673	562	928	400	5.07	2 110	26.61
Panama	46	22	15	17	28	3 280	2.86	9 498	0.17
St. Kitts-Nevis	7	7	5	4	11	7 200	0.04	303	1.29
St. Lucia	25	6	26	11	16	4 090	0.16	669	1.64
St. Vincent and Grenadines	6	21	16	6	9	2 750	0.12	317	1.95
Trinidad & Tobago	33	14	26	- 2	- 2	5 160	1.30	7 091	-0.02
Turks & Caicos Islands	4	6	7	7	7	..	0.02	..	..
Virgin Islands (UK) (b)	2	1	3	-	-	..	0.02	..	-
West Indies Unall.	36	30	24	119	121				
N.& C. America Unall.	129	187	257	229	122				
North & Central America, Total	**2 397**	**2 607**	**3 107**	**2 218**	**2 926**	**..**	**166.67**	**(672 327)**	**..**
SOUTH AMERICA									
Argentina	105	84	100	76	151	7 480	37.03	277 582	0.03
Bolivia	700	629	569	475	729	990	8.33	8 065	5.89
Brazil	288	335	187	322	349	3 590	170.41	569 726	0.06
Chile	129	107	70	49	58	4 590	15.21	68 142	0.07
Colombia	196	169	302	187	380	2 030	42.30	80 780	0.23
Ecuador	155	179	149	147	171	1 190	12.65	12 197	1.20
Guyana	265	93	80	107	102	860	0.76	661	16.24
Paraguay	108	77	78	82	61	1 440	5.50	7 554	1.08
Peru	395	503	451	401	451	2 080	25.66	51 969	0.77
Suriname	76	59	36	34	23	1 790	0.42	774	4.44
Uruguay	34	25	22	17	15	6 080	3.34	19 715	0.09
Venezuela	9	42	44	77	45	4 310	24.17	120 054	0.06
South America Unall.	69	63	113	379	87				
South America, Total	**2 528**	**2 365**	**2 202**	**2 354**	**2 622**	**..**	**345.77**	**(1 217 218)**	**..**
America Unspecified	605	716	736	393	429				
AMERICA, TOTAL	**5 530**	**5 688**	**6 045**	**4 965**	**5 977**	**..**	**512.43**	**(1 889 545)**	**..**

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	Net ODA Receipts ($ million)					GNI/CAP (c)	Population	Current GNI	ODA/GNI
	1997	1998	1999	2000	2001	2000 US$	2000 million	2000 $ million	2000 per cent
ASIA									
MIDDLE EAST									
Bahrain	92	47	4	49	18	..	0.69	7 600	0.65
Iran	200	165	162	130	115	1 650	63.66	101 396	0.13
Iraq	220	116	76	101	122	..	23.26	..	..
Jordan	462	411	432	552	432	1 720	4.89	8 425	6.56
Lebanon	249	238	194	197	241	4 010	4.33	17 420	1.13
Oman	65	44	40	46	2	..	2.40	..	..
Palestinian Adm. Areas	603	607	516	637	865	1 650	2.97	5 089	12.52
Saudi Arabia	11	25	29	31	27	7 230	20.72	173 657	0.02
Syria	197	155	228	158	153	950	16.19	16 308	0.97
Yemen	356	370	458	265	426	420	17.51	8 746	3.03
Middle East Unall.	67	55	245	168	39				
Middle East, Total	**2 523**	**2 235**	**2 384**	**2 334**	**2 439**	**..**	**156.61**	**(338 640)**	**..**
SOUTH AND CENTRAL ASIA									
Afghanistan	230	154	143	141	402	..	26.55	..	..
Armenia	166	194	209	216	212	520	3.80	1 931	11.18
Azerbaijan	184	120	169	139	226	600	8.05	4 923	2.83
Bangladesh	1 011	1 158	1 215	1 171	1 024	370	131.05	46 885	2.50
Bhutan	69	56	67	53	59	590	0.81	497	10.71
Georgia	242	209	245	169	290	630	5.02	3 033	5.58
India	1 647	1 610	1 491	1 485	1 705	450	1 015.92	453 179	0.33
Kazakhstan	140	223	175	189	148	1 260	14.87	17 066	1.11
Kyrgyz Rep.	240	240	283	215	188	280	4.92	1 290	16.66
Maldives	26	25	31	19	25	1 960	0.28	526	3.66
Myanmar	50	72	81	107	127	..	47.75	..	..
Nepal	402	402	351	390	388	240	23.04	5 687	6.85
Pakistan	596	1 053	733	703	1 938	440	138.08	59 605	1.18
Sri Lanka	331	425	264	276	330	850	19.36	16 000	1.73
Tajikistan	86	161	123	142	159	180	6.17	936	15.20
Turkmenistan	12	24	24	32	72	750	5.20	4 227	0.75
Uzbekistan	140	158	155	186	153	620	24.75	13 510	1.38
South & Central Asia Unall.	35	26	229	139	46				
South and Central Asia, Total	**5 608**	**6 309**	**5 987**	**5 773**	**7 493**	**..**	**1 475.62**	**(629 295)**	**..**
FAR EAST ASIA									
Cambodia	335	337	277	398	409	260	12.02	3 173	12.56
China	2 053	2 448	2 385	1 733	1 460	840	1 262.46	1065 283	0.16
East Timor	0	2	153	233	195	..	0.71	..	..
Indonesia	848	1 291	2 219	1 731	1 501	570	210.42	141 283	1.23
Korea (b)	- 160	- 50	- 55	-	-	8 960	47.28	459 103	-
Korea, Dem. Rep.	88	109	201	75	119	..	22.27	..	..
Laos	329	276	296	282	243	290	5.28	1 670	16.87
Macao (b)	0	1	0	-	-	14 580	0.44	6 208	-
Malaysia	- 240	208	144	45	27	3 370	23.27	82 145	0.06
Mongolia	251	204	222	217	212	390	2.40	954	22.79
Philippines	696	632	696	578	577	1 040	75.58	78 999	0.73
Thailand	626	705	1 010	641	281	2 010	60.73	120 363	0.53
Viet Nam	998	1 177	1 429	1 683	1 435	390	78.52	31 348	5.37
Far East Asia Unall.	97	64	104	104	29				
Far East Asia, Total	**5 923**	**7 403**	**9 081**	**7 721**	**6 487**	**..**	**1 801.37**	**(1 990 530)**	**..**
Asia Unspecified	242	195	199	249	323				
ASIA, TOTAL	**14 296**	**16 142**	**17 651**	**16 076**	**16 741**	**..**	**3 433.60**	**(2 958 466)**	**..**

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Table 25

ODA Receipts[a] and Selected Indicators for Developing Countries and Territories (continued)

	Net ODA Receipts ($ million)					GNI/CAP (c)	Population	Current GNI	ODA/GNI
	1997	1998	1999	2000	2001	2000 US$	2000 million	2000 $ million	2000 per cent
EUROPE									
Albania	166	269	488	319	269	1 120	3.41	3 858	8.27
Bosnia and Herzegovina	862	905	1 040	737	639	1 230	3.98	4 619	15.96
Croatia	40	39	48	66	113	4 620	4.38	18 721	0.35
Gibraltar (b)	0	0	0	-	-	..	0.03	..	..
Macedonia/FYROM	98	105	277	252	248	1 820	2.03	3 527	7.14
Malta	22	22	25	21	2	9 120	0.39	3 412	0.62
Moldova	65	40	107	123	119	400	4.28	1 361	9.01
Slovenia	99	42	31	61	126	10 070	1.99	18 104	0.34
Turkey	1	23	7	325	167	3 080	65.29	200 887	0.16
Yugoslavia, Fed. Rep.	97	108	676	1 135	1 306	..	10.64	..	..
States Ex-Yugoslavia Unsp.	69	106	438	306	139				
Europe Unallocated	236	342	563	390	220				
EUROPE, TOTAL	**1 757**	**2 001**	**3 701**	**3 734**	**3 346**	**..**	**96.42**	**(254 491)**	**..**
OCEANIA									
Cook Islands	10	8	6	4	5	..	0.02	..	..
Fiji	44	37	35	29	26	2 160	0.81	1 669	1.75
French Polynesia (b)	367	370	352	-	-	17 290	0.24	3 929	-
Kiribati	16	17	21	18	12	940	0.09	82	21.77
Marshall Islands	63	50	63	57	74	2 190	0.05	114	50.39
Micronesia, Fed. States	96	80	108	102	138	2 070	0.12	258	39.44
Nauru	3	2	7	4	7	..	0.01	..	..
New Caledonia (b)	339	338	315	-	-	15 060	0.21	3 057	-
Niue	5	4	4	3	3	..	0.00	..	..
Northern Marianas (b)	1	0	0	-	-	..	0.07	..	-
Palau	38	89	29	39	34	7 150	0.02	140	27.90
Papua New Guinea	346	362	216	275	203	670	5.13	3 309	8.32
Samoa	27	36	23	27	43	1 420	0.17	235	11.67
Solomon Islands	42	43	40	68	59	640	0.42	276	24.79
Tokelau	4	4	5	4	4	..	0.00	..	..
Tonga	28	25	21	19	20	1 630	0.10	159	11.87
Tuvalu	10	5	7	4	10	..	0.01	..	..
Vanuatu	27	41	37	46	32	1 100	0.20	213	21.50
Wallis & Futuna	1	47	50	52	50	..	0.02	..	..
Oceania Unallocated	88	92	89	65	60				
OCEANIA, TOTAL	**1 556**	**1 651**	**1 426**	**817**	**781**	**..**	**7.69**	**(13 440)**	**..**
Developing countries unspecified	7 581	7 937	7 863	9 049	8 482				
Developing countries, TOTAL	**48 718**	**51 102**	**52 712**	**50 328**	**51 680**	**..**	**4 847.66**	**(5 619 302)**	**..**
By Income Group (d)									
LDCs	13 037	12 704	12 326	12 450	13 384	..	660.01	(150 385)	(8.28)
Other LICs	10 637	12 708	13 580	11 987	13 256	..	2 997.53	(1 853 293)	(0.65)
LMICs	11 993	12 094	13 169	11 735	12 121	..	655.52	(964 331)	(1.22)
UMICs	1 457	1 855	1 399	1 594	1 656	..	478.33	(2 157 479)	(0.07)
HICs	122	64	56	82	127	..	2.38	(21 516)	(0.38)
Part I unallocated	10 779	10 870	11 441	12 480	11 136				
MADCTs	693	808	741	-	-	..	53.89	(472 298)	-

a) ODA receipts are total net ODA flows from DAC countries, multilateral organisations, and non-DAC countries (see Table 33 for the list of non-DAC countries for which data are available).

b) These countries transferred to Part II of the DAC List of Aid Recipients on 1 January 2000; as of 2000 aid to these countries is counted as OA (see Table 40).

c) World Bank Atlas basis.

Definition of country categories:

d) *Least developed countries* (LDCs) are the 49 countries in the United Nations list. For details on other income groups see the 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 the DAC List of Aid Recipients in 2000, as per note *b*) above.

Source: World Bank, Secretariat estimates. Group totals and averages are calculated on available data only.

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Table 26

Distribution of ODA by Income Group[a]

Net disbursements as per cent of total ODA

	ODA to LDCs		ODA to Other LICs		ODA to LMICs		ODA to UMICs		ODA to HICs	
	1990-1991	2000-2001	1990-1991	2000-2001	1990-1991	2000-2001	1990-1991	2000-2001	1990-1991	2000-2001
Australia	22.8	24.2	26.3	36.3	46.6	37.0	4.4	2.3	0.0	0.1
Austria	24.8	26.3	46.5	41.3	22.7	25.6	6.0	5.8	- 0.0	1.0
Belgium	57.0	45.9	20.5	25.0	17.4	23.9	5.1	4.8	0.0	0.4
Canada	45.4	39.3	30.3	30.5	20.6	25.7	3.7	4.5	- 0.0	0.1
Denmark	58.6	49.8	27.0	26.3	11.8	20.0	2.6	3.8	0.0	0.1
Finland	50.3	42.1	27.8	25.8	17.8	29.1	4.2	2.7	0.0	0.3
France	44.2	36.3	26.5	21.0	19.9	33.9	9.4	8.4	0.0	0.4
Germany	35.9	32.0	28.4	26.1	26.3	33.3	9.4	8.3	- 0.0	0.3
Greece	..	13.4	..	10.3	..	68.3	..	7.2	..	0.8
Ireland	63.5	67.2	16.5	12.9	17.1	15.7	2.8	3.9	0.0	0.3
Italy	44.3	45.5	15.3	17.4	31.0	29.3	9.4	5.9	0.0	1.9
Japan	20.1	21.9	39.2	48.2	30.7	25.0	10.0	4.9	0.0	0.0
Luxembourg	61.6	42.6	14.2	20.0	15.1	31.5	9.2	5.7	-	0.2
Netherlands	42.4	42.3	36.0	28.2	18.2	25.9	3.4	3.5	0.0	0.1
New Zealand	28.1	38.9	12.7	20.6	41.7	33.9	17.5	6.6	-	0.0
Norway	60.1	47.4	23.7	19.7	11.0	28.1	5.2	4.7	0.0	0.0
Portugal	97.5	54.2	0.8	31.5	1.3	11.2	0.4	2.7	0.0	0.4
Spain	25.4	15.9	30.4	39.8	29.4	38.3	14.8	5.6	0.0	0.4
Sweden	56.4	43.5	27.4	25.1	11.6	27.6	4.7	3.7	0.0	0.2
Switzerland	51.8	42.2	25.4	26.5	20.8	28.2	2.1	3.0	0.0	0.0
United Kingdom	44.9	45.2	35.1	28.4	13.1	20.2	6.8	5.9	0.0	0.3
United States	25.0	28.0	18.1	30.8	53.8	40.0	3.1	1.2	0.0	0.0
TOTAL DAC	**35.2**	**32.7**	**28.1**	**32.5**	**29.7**	**29.8**	**7.0**	**4.7**	**0.0**	**0.2**
of which:										
EU Members	43.4	38.9	27.6	26.3	21.2	28.4	7.8	6.1	0.0	0.4

a) Including imputed multilateral ODA. Excluding amounts unspecified by region.

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	Sub-Saharan Africa			South and Central Asia			Other Asia and Oceania		
	1990-1991	1995-1996	2000-2001	1990-1991	1995-1996	2000-2001	1990-1991	1995-1996	2000-2001
Australia	8.6	7.6	4.5	7.2	7.0	7.9	81.8	83.8	85.3
Austria	15.7	17.3	25.6	5.5	2.4	6.1	38.6	33.3	26.0
Belgium	63.3	49.8	61.0	4.5	1.9	3.1	9.9	13.3	13.9
Canada	51.8	33.6	31.4	14.8	14.9	17.1	12.5	15.1	16.1
Denmark	58.8	55.7	52.2	22.4	15.0	15.1	4.9	10.7	12.6
Finland	56.4	42.6	41.2	12.0	9.6	11.6	11.5	21.4	18.5
France	58.3	51.4	52.1	3.0	2.1	3.4	18.3	21.2	10.6
Germany	37.8	24.1	23.8	11.5	11.9	13.1	11.7	21.4	20.4
Greece	..	22.9	2.1	..	15.2	6.1	..	0.2	0.1
Ireland	78.6	80.8	79.0	2.5	3.7	4.2	0.9	3.5	2.9
Italy	45.1	48.3	46.7	2.4	1.9	5.2	4.2	3.4	4.1
Japan	11.1	11.4	10.0	17.8	19.3	20.5	45.9	51.0	50.4
Luxembourg	49.6	56.8	44.6	6.9	6.0	7.2	2.9	7.0	11.9
Netherlands	35.9	37.1	42.9	18.6	16.8	13.5	16.5	5.1	13.7
New Zealand	1.9	3.9	6.4	0.9	2.6	4.7	96.2	91.8	86.0
Norway	64.1	52.0	41.5	19.9	14.6	14.5	4.0	7.2	7.1
Portugal	100.0	97.7	74.8	-	0.0	0.2	-	0.0	22.6
Spain	19.7	19.8	12.0	2.4	2.3	1.6	18.8	13.0	12.2
Sweden	61.5	44.4	42.5	11.4	13.3	12.1	10.7	12.0	12.2
Switzerland	45.8	40.0	33.0	17.2	17.4	19.2	10.9	8.2	7.8
United Kingdom	48.2	45.3	56.0	26.2	26.1	19.8	10.5	10.3	7.6
United States	12.0	16.6	20.5	6.7	9.8	18.4	3.7	8.6	8.7
TOTAL DAC	**30.1**	**28.3**	**27.0**	**10.7**	**12.3**	**15.2**	**18.2**	**26.6**	**25.2**
of which:									
EU Members	47.1	40.2	41.9	9.5	9.0	10.3	13.5	16.7	13.3
EC	59.4	44.6	33.6	5.5	9.8	7.4	5.7	6.3	5.9
IFIs [b]	41.7	43.3	39.5	36.0	27.7	31.8	12.9	15.6	14.4
UN Agencies [c]	42.9	41.8	35.5	15.5	14.5	16.0	12.1	10.4	9.4
OVERALL TOTAL	**33.8**	**33.0**	**30.4**	**14.1**	**15.0**	**17.6**	**16.6**	**22.1**	**20.6**

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.

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Table 27

Regional Distribution of ODA by Individual DAC Donors and Multilateral Agencies[a]

Per cent of total gross disbursements

Middle East and North Africa			Europe			Latin America and Caribbean			
1990-1991	1995-1996	2000-2001	1990-1991	1995-1996	2000-2001	1990-1991	1995-1996	2000-2001	
2.4	1.1	1.7	0.0	0.4	0.5	0.1	0.0	0.1	Australia
22.8	11.2	10.4	12.6	29.6	19.2	4.8	6.3	12.6	Austria
10.4	8.6	6.3	1.8	1.6	3.7	10.1	24.8	12.0	Belgium
7.7	15.1	5.9	0.2	2.8	8.7	12.9	18.5	20.8	Canada
7.4	8.1	5.8	0.1	0.4	4.4	6.4	10.2	9.8	Denmark
9.4	6.0	6.8	2.7	6.4	12.4	8.0	14.1	9.4	Finland
14.1	18.7	25.8	1.5	0.8	2.1	4.9	5.9	6.1	France
21.0	16.5	15.7	8.2	9.9	12.3	9.8	16.2	14.5	Germany
..	8.2	6.3	..	53.4	84.9	..	0.1	0.5	Greece
16.0	3.0	1.5	0.7	5.9	8.2	1.2	3.1	4.3	Ireland
15.2	18.2	13.9	12.1	13.2	17.7	21.0	15.0	12.3	Italy
11.3	6.1	6.6	4.7	1.1	2.0	9.3	11.1	10.4	Japan
25.0	4.6	7.8	2.0	5.0	10.5	13.7	20.5	17.9	Luxembourg
5.4	8.2	5.1	0.6	6.4	10.9	23.0	26.6	13.9	Netherlands
0.2	0.1	0.2	0.0	0.2	0.1	0.7	1.4	2.6	New Zealand
1.0	8.3	9.0	0.3	9.2	17.6	10.6	8.7	10.3	Norway
-	1.2	0.5	-	0.4	1.4	-	0.6	0.5	Portugal
19.5	11.5	12.4	0.2	1.4	6.9	39.4	52.0	54.8	Spain
6.2	8.6	5.6	1.6	7.7	9.9	8.7	14.0	17.6	Sweden
9.7	5.8	5.2	0.7	10.5	21.2	15.6	18.2	13.5	Switzerland
5.8	3.2	2.3	1.3	4.7	5.3	8.1	10.4	9.0	United Kingdom
57.0	45.3	19.2	1.7	4.2	8.8	18.9	15.5	24.5	United States
24.8	**15.3**	**11.2**	**3.5**	**4.2**	**6.8**	**12.7**	**13.3**	**14.5**	**TOTAL DAC**
									of which:
14.4	14.0	12.1	4.5	5.8	8.5	11.0	14.3	13.8	EU Members
15.3	16.0	15.9	5.0	9.0	26.9	9.1	14.2	10.3	EC
1.1	1.8	2.4	0.1	1.4	2.0	8.3	10.1	9.9	IFIs [b]
19.4	16.1	20.5	1.2	8.0	7.0	9.0	9.3	11.7	UN Agencies [c]
20.9	**13.0**	**10.5**	**2.9**	**4.3**	**7.8**	**11.7**	**12.5**	**13.1**	**OVERALL TOTAL**

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	Sub-Saharan Africa			South and Central Asia			Other Asia and Oceania		
	1990-1991	1995-1996	2000-2001	1990-1991	1995-1996	2000-2001	1990-1991	1995-1996	2000-2001
Australia	15.2	13.2	9.9	13.8	9.6	14.9	66.4	73.1	68.5
Austria	24.7	21.7	35.2	9.2	4.2	11.0	35.5	28.8	15.3
Belgium	61.0	49.5	54.7	9.2	8.7	7.8	9.7	12.9	11.4
Canada	43.2	37.2	34.2	20.8	15.7	17.0	14.5	15.3	16.2
Denmark	55.4	53.4	50.4	21.7	17.1	15.6	7.4	11.7	11.2
Finland	52.5	46.6	41.0	16.2	14.3	15.1	12.3	18.7	14.2
France	57.4	47.6	47.1	5.0	4.5	6.6	18.0	22.0	9.7
Germany	37.3	34.0	34.4	14.6	13.3	13.3	11.3	18.9	13.2
Greece	..	33.4	15.1	..	14.5	8.7	..	5.1	3.4
Ireland	66.9	72.5	66.7	9.7	6.8	7.4	4.9	5.3	4.4
Italy	46.6	44.8	46.6	6.1	8.4	12.4	5.8	7.4	4.1
Japan	17.6	19.3	17.9	19.9	20.0	21.6	38.5	39.5	41.5
Luxembourg	48.8	53.8	42.4	11.3	8.5	8.9	4.8	8.0	11.2
Netherlands	39.4	40.6	42.6	20.1	16.9	13.9	15.5	5.0	13.4
New Zealand	7.8	7.6	10.6	4.9	4.5	7.4	84.4	84.2	76.8
Norway	59.0	50.0	42.8	19.9	16.1	16.5	7.1	9.1	8.1
Portugal	97.9	91.5	58.6	0.3	1.5	3.3	0.3	1.0	25.8
Spain	28.2	24.4	18.0	4.8	5.9	5.5	16.6	13.6	10.7
Sweden	56.3	44.1	42.3	14.8	15.4	14.6	11.4	12.3	11.6
Switzerland	46.2	40.5	38.7	17.7	19.4	20.4	11.3	10.6	8.5
United Kingdom	50.2	44.3	48.7	24.2	25.2	19.7	9.6	11.5	8.1
United States	19.2	25.5	29.1	10.7	10.5	19.3	6.2	8.2	9.9
TOTAL DAC	**35.4**	**33.8**	**33.1**	**13.9**	**13.7**	**16.4**	**17.7**	**21.5**	**19.3**
of which:									
EU Members	47.8	42.2	42.4	12.1	11.6	12.7	13.1	15.9	10.8

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 amounts unspecified by region.

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Table 28

Regional Distribution of ODA by Individual DAC Donors[a]

Per cent of total net disbursements

Middle East and North Africa			Europe			Latin America and Caribbean			
1990-1991	1995-1996	2000-2001	1990-1991	1995-1996	2000-2001	1990-1991	1995-1996	2000-2001	
3.2	1.9	2.7	0.1	1.1	2.1	1.4	1.1	1.8	Australia
15.1	10.2	2.1	10.0	28.0	21.8	5.5	7.1	14.6	Austria
9.6	7.6	7.6	1.3	1.7	7.4	9.2	19.6	11.1	Belgium
8.5	13.3	6.2	0.2	3.3	7.5	12.8	15.2	18.9	Canada
8.5	6.4	7.1	0.4	2.2	5.6	6.6	9.2	10.2	Denmark
9.2	6.9	8.2	1.9	5.6	11.9	7.8	8.0	9.6	Finland
13.0	18.1	23.5	1.4	1.4	6.6	5.2	6.4	6.5	France
20.2	11.7	13.1	5.5	6.8	12.6	11.1	15.3	13.4	Germany
..	12.3	9.4	..	27.1	57.3	..	7.5	6.1	Greece
13.4	4.8	4.8	1.4	6.1	10.5	3.8	4.6	6.2	Ireland
13.7	15.8	9.8	9.6	12.0	20.0	18.3	11.6	7.1	Italy
10.7	7.3	6.1	4.4	1.2	2.0	9.0	12.6	11.0	Japan
21.3	5.7	9.4	1.7	5.2	11.1	12.1	18.8	16.9	Luxembourg
5.9	8.3	6.7	0.5	6.4	10.8	18.6	22.8	12.6	Netherlands
1.3	0.9	0.9	0.1	0.6	0.6	1.5	2.2	3.7	New Zealand
4.3	8.6	9.1	0.4	7.8	13.6	9.3	8.5	9.8	Norway
0.9	2.4	3.4	0.3	1.4	6.0	0.3	2.1	2.9	Portugal
17.2	11.3	9.0	0.6	2.4	11.0	32.6	42.4	45.7	Spain
7.9	9.2	7.4	1.3	6.8	9.5	8.2	12.2	14.6	Sweden
10.3	6.3	5.7	0.5	8.0	15.1	13.9	15.2	11.5	Switzerland
7.1	4.9	5.7	0.9	4.7	8.2	8.0	9.4	9.7	United Kingdom
48.0	39.9	15.4	1.1	4.0	7.9	14.8	11.9	18.5	United States
19.2	**14.4**	**10.2**	**2.8**	**4.1**	**7.9**	**11.1**	**12.5**	**13.1**	**TOTAL DAC**
									of which:
13.1	12.0	10.9	3.2	5.2	10.5	10.7	13.2	12.6	EU Members

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	$ million at 2000 prices and exchange rates						
	1985-1986 average	1990-1991 average	1997	1998	1999	2000	2001
DAC BILATERAL							
Australia	40	52	40	35	31	34	25
Austria	23	59	55	66	49	72	111
Belgium	353	237	180	225	143	194	235
Canada	410	389	226	301	234	180	188
Denmark	263	291	338	372	387	395	407
Finland	114	184	56	58	61	62	70
France	1 944	2 723	1 814	1 274	1 230	1 209	957
Germany	1 087	1 274	763	837	782	766	652
Greece	..	..	1	3	1	2	2
Ireland	20	15	80	81	82	103	124
Italy	1 061	699	241	381	218	261	191
Japan	705	1 154	860	1 112	1 027	968	972
Luxembourg	..	9	27	30	29	45	34
Netherlands	514	488	499	554	394	570	801
New Zealand	1	1	4	3	5	5	5
Norway	347	378	384	384	332	299	278
Portugal	..	138	142	143	116	111	111
Spain	..	100	167	143	138	91	86
Sweden	459	503	336	308	306	369	349
Switzerland	208	214	153	143	147	149	142
United Kingdom	598	718	626	777	747	1 124	1 180
United States	1 584	1 199	837	740	969	1 139	1 346
TOTAL DAC	**9 733**	**10 826**	**7 830**	**7 970**	**7 427**	**8 149**	**8 264**
MULTILATERAL [a]							
AfDF	383	632	533	533	406	286	399
EC	1 316	1 475	1 522	1 416	1 350	1 101	1 689
IBRD	6	-	-	-	-	-	-
IDA	1 803	2 019	2 146	1 869	1 659	1 920	2 419
IFAD	140	74	39	53	40	65	74
Nordic Dev. Fund	-	-	18	22	18	19	15
UNTA	80	64	80	60	92	108	75
UNICEF	175	227	157	147	147	166	189
UNDP	398	347	281	242	202	146	132
UNHCR	325	256	144	129	142	190	237
WFP [b]	490	631	84	114	170	191	-
Other UN	171	160	74	72	61	108	177
Arab Agencies	110	14	- 7	- 1	25	1	88
Other Multilateral	- 178	487	21	250	22	75	- 33
TOTAL MULTILATERAL	**5 219**	**6 385**	**5 092**	**4 906**	**4 333**	**4 376**	**5 459**
Other Countries [c]	1 521	540	110	79	121	177	133
OVERALL TOTAL	**16 473**	**17 751**	**13 032**	**12 955**	**11 880**	**12 702**	**13 855**

a) The data for UN agencies have 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. Since 2000, UNHCR operates an Annual Programme Budget which includes country operations, global operations and administrative costs under a unified budget.

b) No data available for 2001.

c) See Table 33 for the list of non-DAC countries for which data are available.

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Table 29

Net Disbursements of ODA to Sub-Saharan Africa by Donor

	As percentage of donor's ODA						
	1985-1986 average	1990-1991 average	1997	1998	1999	2000	2001
DAC BILATERAL							
Australia	5.7	8.1	6.4	4.8	4.6	4.5	3.4
Austria	8.7	17.4	21.6	26.6	16.3	28.1	32.2
Belgium	68.6	48.8	48.3	49.3	37.3	40.7	46.2
Canada	30.5	24.9	18.3	23.5	19.2	15.5	15.2
Denmark	52.9	43.9	38.2	41.6	42.2	38.6	39.3
Finland	54.7	46.6	33.0	32.5	28.5	28.7	30.9
France	47.6	53.4	45.4	36.3	34.2	42.7	36.4
Germany	29.5	30.1	25.4	28.9	27.7	28.5	22.4
Greece	..	..	2.4	4.7	1.7	2.1	1.8
Ireland	59.2	56.8	74.1	73.2	60.7	66.8	68.2
Italy	61.0	39.2	61.4	63.6	54.7	69.3	43.1
Japan	11.3	11.5	12.1	11.1	9.5	9.9	11.4
Luxembourg	..	46.3	45.9	44.7	36.7	45.6	31.8
Netherlands	35.3	28.9	26.7	29.7	20.3	25.4	36.6
New Zealand	1.1	1.4	5.0	4.1	5.1	6.1	6.2
Norway	55.5	50.3	42.5	38.2	32.0	32.1	29.5
Portugal	..	98.5	98.1	92.3	63.0	61.9	61.4
Spain	..	17.4	24.8	19.4	18.6	12.7	7.6
Sweden	47.4	44.8	32.5	33.5	29.3	29.7	26.2
Switzerland	45.7	35.3	30.4	25.9	22.7	23.8	22.4
United Kingdom	32.8	39.1	31.9	38.2	34.9	41.5	43.9
United States	14.0	11.1	16.1	11.9	13.8	15.4	16.6
TOTAL DAC	**26.9**	**25.3**	**25.6**	**23.0**	**20.4**	**22.6**	**22.8**
MULTILATERAL [a]							
AfDF	97.3	97.6	94.8	95.0	92.6	95.2	91.8
EC	54.1	51.8	34.6	32.6	31.3	24.9	30.4
IBRD	18.9	-	-	-	-	-	-
IDA	37.2	46.6	42.8	39.8	38.4	45.9	46.9
IFAD	30.5	38.4	37.5	40.6	31.6	45.6	42.7
Nordic Dev. Fund	-	-	40.7	48.7	48.0	49.1	43.9
UNTA	17.5	23.6	19.4	21.9	22.4	23.8	17.6
UNICEF	35.3	36.9	31.9	31.2	27.2	28.9	30.3
UNDP	34.5	35.7	43.9	41.1	41.4	37.3	45.1
UNHCR	48.6	39.1	57.8	56.1	58.5	38.6	41.9
WFP [b]	41.0	53.0	31.4	43.6	49.9	53.6	-
Other UN	15.8	13.3	14.0	11.5	10.1	10.8	13.7
Arab Agencies	49.3	11.5	19.3	14.3	70.0	2.2	58.2
Other Multilateral	- 31.4	24.7	1.4	13.3	1.5	6.7	- 2.3
TOTAL MULTILATERAL	**37.3**	**42.5**	**35.9**	**34.8**	**32.6**	**32.4**	**33.8**
Other Countries [c]	12.5	8.8	13.6	10.7	23.0	22.5	13.9
OVERALL TOTAL	**26.4**	**27.7**	**28.6**	**26.2**	**23.6**	**25.2**	**26.0**

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 2000. 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.

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Table 30

Net Disbursements of ODA to Sub-Saharan Africa by Recipient

$ million at 2000 prices and exchange rates

	1985-1986 average	1990-1991 average	1998	1999	2000	2001
Angola	194	289	327	371	307	279
Benin	192	282	200	202	239	284
Botswana	168	147	104	58	31	30
Burkina Faso	390	398	390	381	336	404
Burundi	267	281	66	71	93	136
Cameroon	301	506	486	416	380	413
Cape Verde	151	114	127	131	94	79
Central African Rep.	202	226	117	113	75	79
Chad	287	307	163	180	131	186
Comoros	79	57	34	21	19	29
Congo, Dem. Rep.	595	726	122	127	184	260
Congo, Rep.	128	195	64	136	33	78
Côte d'Ivoire	237	695	942	429	352	194
Djibouti	160	160	79	72	71	57
Equatorial Guinea	37	66	21	19	21	14
Eritrea	-	-	163	142	176	291
Ethiopia	1 345	1 145	643	616	693	1 121
Gabon	120	146	43	46	12	9
Gambia	121	106	38	32	49	53
Ghana	441	756	684	583	609	677
Guinea	234	355	350	227	153	283
Guinea-Bissau	109	129	93	50	80	61
Kenya	731	1 117	404	297	512	470
Lesotho	150	141	60	30	37	56
Liberia	160	143	70	90	68	38
Madagascar	416	451	469	343	322	367
Malawi	248	554	423	428	446	417
Mali	635	497	338	339	360	363
Mauritania	389	229	160	209	212	272
Mauritius	74	83	41	40	20	23
Mayotte	40	70	102	107	103	125
Mozambique	750	1 143	1 013	770	877	970
Namibia	17	159	177	171	153	113
Niger	523	408	284	179	211	258
Nigeria	73	273	198	145	185	192
Rwanda	323	346	341	357	322	302
Sao Tome & Principe	25	56	27	26	35	39
Senegal	695	766	488	512	423	435
Seychelles	46	32	24	13	18	14
Sierra Leone	140	94	104	70	182	346
Somalia	703	361	78	110	104	154
South Africa	-	-	501	518	488	445
St. Helena	21	21	15	13	19	16
Sudan	1 753	892	204	233	225	178
Swaziland	47	56	34	28	13	30
Tanzania	962	1 230	974	947	1 022	1 280
Togo	232	243	125	68	70	48
Uganda	312	709	631	565	819	812
Zambia	636	714	340	597	795	388
Zimbabwe	401	393	255	234	178	165
South of Sahara Unall.	731	620	405	313	345	713
OVERALL TOTAL	**16 990**	**18 885**	**13 543**	**12 175**	**12 702**	**14 045**

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 2000. 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.

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Table 31

Aid from DAC Countries to Least Developed Countries[a]

Net disbursements

	1990-1991			2000			2001		
	$ million	Per cent of donor's total	Per cent of donor's GNI	$ million	Per cent of donor's total	Per cent of donor's GNI	$ million	Per cent of donor's total	Per cent of donor's GNI
Australia	198	20	0.07	211	21	0.06	187	21	0.05
Austria	101	21	0.06	102	24	0.05	100	19	0.05
Belgium	306	36	0.15	213	26	0.09	281	32	0.12
Canada	728	29	0.13	307	18	0.04	232	15	0.03
Denmark	451	38	0.36	537	32	0.34	530	32	0.33
Finland	315	35	0.25	109	29	0.09	111	29	0.09
France	2 194	30	0.18	1 141	28	0.09	1 036	25	0.08
Germany	1 737	26	0.11	1 207	24	0.06	1 102	22	0.06
Greece	..	..	..	18	8	0.02	23	11	0.02
Ireland	21	32	0.06	113	48	0.14	143	50	0.17
Italy	1 042	31	0.09	388	28	0.04	446	27	0.04
Japan	1 710	17	0.05	2 127	16	0.04	1 783	18	0.04
Luxembourg	12	35	0.09	46	37	0.26	45	32	0.26
Netherlands	736	29	0.26	793	25	0.21	977	31	0.25
New Zealand	18	18	0.04	27	24	0.06	29	26	0.07
Norway	534	45	0.52	424	34	0.27	451	33	0.28
Portugal	129	74	0.20	118	44	0.11	115	43	0.11
Spain	186	17	0.04	142	12	0.03	194	11	0.03
Sweden	806	39	0.35	528	29	0.24	461	28	0.22
Switzerland	302	37	0.13	269	30	0.10	258	28	0.10
United Kingdom	861	29	0.09	1 406	31	0.10	1 595	35	0.11
United States	1 933	17	0.03	1 986	20	0.02	1 687	15	0.02
TOTAL DAC	**14 318**	**25**	**0.09**	**12 212**	**23**	**0.05**	**11 784**	**23**	**0.05**
of which:									
EU Members	8 895	30	0.13	6 860	27	0.09	7 157	27	0.09

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.

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Gross disbursements

Australia					
1980-81		1990-91		2000-01	
Papua New Guinea	42.9	Papua New Guinea	26.2	Papua New Guinea	19.2
Indonesia	7.0	Indonesia	7.5	Indonesia	7.1
Bangladesh	3.0	China	3.6	East Timor	6.4
Philippines	1.9	Philippines	3.3	Viet Nam	4.0
Pakistan	1.8	Thailand	3.0	Philippines	3.6
Fiji	1.7	Malaysia	2.5	China	3.1
Myanmar	1.6	Fiji	2.0	Cambodia	2.2
Thailand	1.3	India	1.8	Bangladesh	1.9
Egypt	1.3	Bangladesh	1.2	Solomon Islands	1.8
Malaysia	1.2	Egypt	1.2	Thailand	1.4
Sri Lanka	1.0	Ethiopia	1.1	Laos	1.2
Tanzania	1.0	Solomon Islands	1.0	India	1.2
Solomon Islands	0.9	Vanuatu	1.0	Fiji	1.0
Tonga	0.7	Samoa	0.9	Vanuatu	1.0
Kenya	0.6	Tonga	0.8	Egypt	0.8
Total above	**67.9**	**Total above**	**57.2**	**Total above**	**55.9**
Multilateral ODA	21.3	Multilateral ODA	26.3	Multilateral ODA	23.7
Unallocated	4.2	Unallocated	7.0	Unallocated	10.8
Total ODA $ million	**662**	**Total ODA $ million**	**1 002**	**Total ODA $ million**	**930**
LDCs	14.5	LDCs	15.1	LDCs	19.5
Other LICs	14.1	Other LICs	22.4	Other LICs	35.6
LMICs	68.5	LMICs	56.0	LMICs	43.6
UMICs	2.5	UMICs	5.1	UMICs	1.3
HICs	0.1	HICs	0.0	HICs	-
MADCT	0.4	MADCT	1.4	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	0.1	Europe	0.0	Europe	0.5
North of Sahara	1.7	North of Sahara	1.8	North of Sahara	1.2
South of Sahara	5.7	South of Sahara	8.6	South of Sahara	4.5
N. and C. America	0.1	N. and C. America	0.1	N. and C. America	0.0
South America	0.0	South America	0.0	South America	0.1
Middle East	0.1	Middle East	0.6	Middle East	0.4
S. and C. Asia	10.8	S. and C. Asia	7.2	S. and C. Asia	7.9
Far East Asia	17.1	Far East Asia	32.5	Far East Asia	45.1
Oceania	64.4	Oceania	49.3	Oceania	40.3
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Austria			
1980-81		1990-91	
Indonesia	17.7	China	18.9
Algeria	15.3	Indonesia	7.9
Turkey	10.1	Algeria	7.5
Lebanon	6.8	Turkey	4.5
Malaysia	6.8	Iran	4.4
Jordan	4.7	Ex-Yugoslavia. Unsp.	3.9
India	4.4	Nicaragua	1.9
Cyprus	3.6	Rwanda	1.7
Tunisia	2.9	India	1.3
Egypt	2.1	Egypt	1.2
Iran	2.1	Jordan	1.1
Philippines	1.8	Burundi	1.1
Nigeria	1.7	Zimbabwe	1.0
Tanzania	1.6	Thailand	0.9
Ex-Yugoslavia. Unsp.	1.0	Uganda	0.9
Total above	**82.6**	**Total above**	**58.1**
Multilateral ODA	23.8	Multilateral ODA	19.6
Unallocated	- 16.8	Unallocated	5.7
Total ODA $ million	**209**	**Total ODA $ million**	**531**
LDCs	5.9	LDCs	14.6
Other LICs	27.2	Other LICs	45.4
LMICs	34.9	LMICs	30.1
UMICs	27.2	UMICs	7.6
HICs	0.1	HICs	0.0
MADCT	4.7	MADCT	2.3
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**
Europe	17.2	Europe	12.6
North of Sahara	21.6	North of Sahara	11.6
South of Sahara	7.8	South of Sahara	15.7
N. and C. America	2.1	N. and C. America	3.8
South America	1.6	South America	1.1
Middle East	15.2	Middle East	11.2
S. and C. Asia	5.1	S. and C. Asia	5.5
Far East Asia	29.3	Far East Asia	38.4
Oceania	0.2	Oceania	0.1
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**

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Table 32

Major Recipients of Individual DAC Members' Aid

Per cent of total ODA

2000-01		Belgium 1980-81		1990-91		2000-01	
Indonesia	10.2	Congo, Dem. Rep.	25.0	Congo, Dem. Rep.	7.2	Congo, Dem. Rep.	4.0
Cameroon	5.4	Rwanda	5.5	Rwanda	5.6	Viet Nam	2.8
Bolivia	5.3	Burundi	4.3	Burundi	3.7	Cameroon	2.4
Yugoslavia, Fed.Rep.	4.5	Indonesia	3.0	Indonesia	2.8	Rwanda	1.6
Egypt	4.2	Morocco	2.5	Algeria	1.9	Tanzania	1.5
China	3.7	Tunisia	2.1	Tanzania	1.5	Niger	1.3
Bosnia-Herzegovina	3.2	Niger	1.9	Kenya	1.4	Ethiopia	1.3
Turkey	2.1	India	1.9	Tunisia	1.2	Bolivia	1.1
Ghana	1.8	Philippines	1.6	Senegal	0.9	Burkina Faso	1.1
Afghanistan	1.4	China	1.6	Bangladesh	0.8	Côte d'Ivoire	1.0
Iran	1.1	Turkey	1.6	Turkey	0.8	Philippines	0.9
Bhutan	1.1	Côte d'Ivoire	1.3	Uganda	0.6	Burundi	0.8
East Timor	1.0	Senegal	1.0	Bolivia	0.6	East Timor	0.8
Sierra Leone	1.0	Bangladesh	0.9	Cape Verde	0.6	Senegal	0.8
Tanzania	0.9	Tanzania	0.8	India	0.6	Kenya	0.8
Total above	**46.7**	**Total above**	**54.9**	**Total above**	**30.4**	**Total above**	**22.2**
Multilateral ODA	31.3	Multilateral ODA	29.4	Multilateral ODA	38.5	Multilateral ODA	41.0
Unallocated	5.5	Unallocated	4.7	Unallocated	17.2	Unallocated	19.5
Total ODA $ million	**572**	**Total ODA $ million**	**590**	**Total ODA $ million**	**880**	**Total ODA $ million**	**864**
LDCs	16.7	LDCs	64.3	LDCs	57.7	LDCs	49.8
Other LICs	40.5	Other LICs	15.2	Other LICs	17.1	Other LICs	24.7
LMICs	36.8	LMICs	15.7	LMICs	18.7	LMICs	21.2
UMICs	5.2	UMICs	4.6	UMICs	6.3	UMICs	4.3
HICs	0.7	HICs	-	HICs	-	HICs	0.0
MADCT	-	MADCT	0.3	MADCT	0.1	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	19.2	Europe	2.4	Europe	1.8	Europe	3.7
North of Sahara	7.1	North of Sahara	8.8	North of Sahara	9.1	North of Sahara	4.1
South of Sahara	25.6	South of Sahara	66.0	South of Sahara	63.3	South of Sahara	61.0
N. and C. America	3.3	N. and C. America	1.2	N. and C. America	2.9	N. and C. America	3.7
South America	9.3	South America	3.8	South America	7.2	South America	8.3
Middle East	3.4	Middle East	1.0	Middle East	1.4	Middle East	2.3
S. and C. Asia	6.1	S. and C. Asia	5.0	S. and C. Asia	4.5	S. and C. Asia	3.1
Far East Asia	25.9	Far East Asia	11.8	Far East Asia	9.8	Far East Asia	13.9
Oceania	0.1	Oceania	0.0	Oceania	0.1	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

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Gross disbursements

Canada					
1980-81		1990-91		2000-01	
Bangladesh	5.0	Bangladesh	3.4	Bangladesh	2.1
India	4.2	Cameroon	3.2	China	1.6
Pakistan	3.7	Ghana	2.4	Ex-Yugoslavia. Unsp.	1.5
Sri Lanka	2.7	Kenya	2.2	India	1.4
Tanzania	2.0	Zambia	1.9	Indonesia	1.4
Kenya	2.0	China	1.9	Haiti	1.0
Egypt	1.8	Indonesia	1.7	Ghana	0.8
Indonesia	1.6	Pakistan	1.6	Pakistan	0.8
Cameroon	1.5	Côte d'Ivoire	1.6	Viet Nam	0.8
Mali	1.1	India	1.3	Jamaica	0.8
Zambia	1.0	Zimbabwe	1.2	Philippines	0.7
Ghana	1.0	Egypt	1.2	Ethiopia	0.7
Congo, Dem. Rep.	0.9	Mozambique	1.1	Mozambique	0.7
Senegal	0.9	Tanzania	1.1	Egypt	0.7
Jamaica	0.9	Senegal	1.1	Mali	0.7
Total above	**30.3**	**Total above**	**27.0**	**Total above**	**15.5**
Multilateral ODA	37.6	Multilateral ODA	27.8	Multilateral ODA	27.6
Unallocated	17.7	Unallocated	26.0	Unallocated	40.8
Total ODA $ million	**1 143**	**Total ODA $ million**	**2 854**	**Total ODA $ million**	**1 662**
LDCs	39.1	LDCs	35.2	LDCs	37.2
Other LICs	34.8	Other LICs	40.9	Other LICs	29.1
LMICs	21.2	LMICs	19.8	LMICs	29.9
UMICs	5.0	UMICs	4.0	UMICs	3.7
HICs	0.0	HICs	-	HICs	0.1
MADCT	0.0	MADCT	0.2	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	1.8	Europe	0.2	Europe	8.7
North of Sahara	6.1	North of Sahara	5.0	North of Sahara	3.8
South of Sahara	38.6	South of Sahara	51.8	South of Sahara	31.4
N. and C. America	9.0	N. and C. America	7.9	N. and C. America	13.1
South America	3.7	South America	5.1	South America	7.7
Middle East	0.1	Middle East	2.7	Middle East	2.1
S. and C. Asia	34.9	S. and C. Asia	14.8	S. and C. Asia	17.1
Far East Asia	5.7	Far East Asia	12.1	Far East Asia	15.6
Oceania	0.1	Oceania	0.4	Oceania	0.5
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Denmark			
1980-81		1990-91	
Tanzania	7.1	Tanzania	6.9
Bangladesh	5.5	Bangladesh	4.6
India	4.7	India	3.3
Kenya	3.8	Kenya	3.0
Sudan	3.0	Uganda	2.4
Mozambique	2.3	Mozambique	2.4
Myanmar	1.9	Egypt	1.7
Egypt	1.8	Zambia	1.6
Viet Nam	1.5	Nicaragua	1.5
Philippines	1.4	Zimbabwe	1.1
Sri Lanka	1.0	Yemen	1.1
Pakistan	0.9	Burkina Faso	0.9
Botswana	0.9	Sudan	0.9
Malawi	0.8	China	0.8
Angola	0.8	Nepal	0.7
Total above	**37.4**	**Total above**	**32.9**
Multilateral ODA	45.7	Multilateral ODA	40.9
Unallocated	7.2	Unallocated	16.8
Total ODA $ million	**455**	**Total ODA $ million**	**1 211**
LDCs	58.0	LDCs	60.8
Other LICs	26.7	Other LICs	26.0
LMICs	12.8	LMICs	11.1
UMICs	2.4	UMICs	1.8
HICs	0.0	HICs	-
MADCT	0.1	MADCT	0.3
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**
Europe	0.0	Europe	0.1
North of Sahara	3.8	North of Sahara	5.0
South of Sahara	51.6	South of Sahara	58.8
N. and C. America	0.6	N. and C. America	4.1
South America	1.5	South America	2.3
Middle East	2.4	Middle East	2.4
S. and C. Asia	31.2	S. and C. Asia	22.4
Far East Asia	8.9	Far East Asia	4.9
Oceania	0.0	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**

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Table 32

Major Recipients of Individual DAC Members' Aid (continued)

Per cent of total ODA

		Finland					
2000-01		1980-81		1990-91		2000-01	
Tanzania	4.0	Tanzania	13.7	Tanzania	5.1	Tanzania	3.3
Uganda	3.5	Viet Nam	8.7	Kenya	3.6	Yugoslavia, Fed.Rep.	3.1
Viet Nam	3.0	Zambia	6.0	Mozambique	2.9	Mozambique	2.9
Mozambique	2.8	Mozambique	2.7	Zambia	2.8	China	2.7
Ghana	2.3	Kenya	2.7	Egypt	2.6	Nicaragua	1.9
Bangladesh	2.2	Egypt	2.1	Ethiopia	2.2	Afghanistan	1.8
Egypt	2.0	Bangladesh	1.8	Nicaragua	2.1	Namibia	1.8
Nicaragua	1.6	Peru	1.1	Somalia	2.1	Viet Nam	1.4
Burkina Faso	1.6	Somalia	1.0	Viet Nam	1.9	Kenya	1.4
Nepal	1.5	Sri Lanka	1.0	Nepal	1.9	Ethiopia	1.4
India	1.5	Turkey	0.9	China	1.6	Nepal	1.3
Ex-Yugoslavia. Unsp.	1.5	Myanmar	0.7	Bangladesh	1.6	Bosnia-Herzegovina	1.2
Bolivia	1.4	Sudan	0.7	Sudan	1.6	Zambia	0.9
Malawi	1.4	Uganda	0.6	Sri Lanka	1.5	Egypt	0.9
Zambia	1.4	Liberia	0.5	Namibia	1.3	Palestinian Adm. Areas	0.9
Total above	**31.8**	**Total above**	**44.2**	**Total above**	**35.0**	**Total above**	**26.8**
Multilateral ODA	36.9	Multilateral ODA	41.2	Multilateral ODA	38.9	Multilateral ODA	41.1
Unallocated	17.8	Unallocated	10.1	Unallocated	16.2	Unallocated	17.9
Total ODA $ million	**1 682**	**Total ODA $ million**	**123**	**Total ODA $ million**	**891**	**Total ODA $ million**	**387**
LDCs	51.1	LDCs	59.7	LDCs	49.1	LDCs	41.8
Other LICs	26.9	Other LICs	26.3	Other LICs	26.4	Other LICs	24.9
LMICs	20.1	LMICs	11.5	LMICs	19.3	LMICs	31.5
UMICs	1.9	UMICs	2.3	UMICs	4.9	UMICs	1.8
HICs	-	HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	0.2	MADCT	0.2	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	4.4	Europe	1.8	Europe	2.7	Europe	12.4
North of Sahara	4.3	North of Sahara	4.4	North of Sahara	5.5	North of Sahara	2.3
South of Sahara	52.2	South of Sahara	60.5	South of Sahara	56.4	South of Sahara	41.2
N. and C. America	5.9	N. and C. America	1.7	N. and C. America	5.8	N. and C. America	7.3
South America	3.9	South America	2.4	South America	2.2	South America	2.1
Middle East	1.5	Middle East	0.4	Middle East	3.9	Middle East	4.5
S. and C. Asia	15.1	S. and C. Asia	7.5	S. and C. Asia	12.0	S. and C. Asia	11.6
Far East Asia	12.5	Far East Asia	20.9	Far East Asia	11.4	Far East Asia	18.4
Oceania	0.0	Oceania	0.2	Oceania	0.1	Oceania	0.1
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

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Gross disbursements

France					
1980-81		1990-91		2000-01	
New Caledonia	5.9	Côte d'Ivoire	5.5	Egypt	4.8
French Polynesia	5.1	New Caledonia	4.1	Morocco	4.2
Morocco	4.6	French Polynesia	3.8	Côte d'Ivoire	3.9
Senegal	3.8	Morocco	3.6	Senegal	3.2
Côte d'Ivoire	3.3	Senegal	3.4	Cameroon	2.5
Cameroon	2.9	Cameroon	2.5	Tunisia	2.4
Algeria	2.6	Madagascar	2.1	Mayotte	2.2
Tunisia	2.3	Egypt	2.0	Mali	1.9
Central African Rep.	2.2	Algeria	2.0	Burkina Faso	1.5
Burkina Faso	2.1	Congo, Rep.	1.9	Indonesia	1.4
Brazil	2.1	Indonesia	1.8	Benin	1.3
Niger	1.8	Congo, Dem. Rep.	1.7	Algeria	1.3
Mali	1.8	Gabon	1.7	Madagascar	1.3
Madagascar	1.8	Mali	1.5	Viet Nam	1.2
Egypt	1.7	China	1.5	China	1.1
Total above	**43.8**	**Total above**	**39.1**	**Total above**	**34.1**
Multilateral ODA	21.3	Multilateral ODA	20.5	Multilateral ODA	30.7
Unallocated	9.8	Unallocated	11.8	Unallocated	14.0
Total ODA $ million	**3 134**	**Total ODA $ million**	**7 734**	**Total ODA $ million**	**5 056**
LDCs	35.1	LDCs	37.1	LDCs	34.1
Other LICs	17.3	Other LICs	23.4	Other LICs	22.8
LMICs	19.7	LMICs	18.3	LMICs	31.7
UMICs	11.4	UMICs	9.2	UMICs	11.4
HICs	0.0	HICs	0.0	HICs	0.0
MADCT	16.4	MADCT	12.1	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	1.9	Europe	1.5	Europe	2.1
North of Sahara	16.0	North of Sahara	12.2	North of Sahara	22.4
South of Sahara	48.7	South of Sahara	58.3	South of Sahara	52.1
N. and C. America	2.2	N. and C. America	2.4	N. and C. America	2.5
South America	4.0	South America	2.4	South America	3.6
Middle East	2.1	Middle East	1.9	Middle East	3.3
S. and C. Asia	4.5	S. and C. Asia	3.0	S. and C. Asia	3.4
Far East Asia	3.9	Far East Asia	7.3	Far East Asia	8.4
Oceania	16.7	Oceania	11.0	Oceania	2.2
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Germany			
1980-81		1990-91	
Turkey	8.5	Turkey	4.5
Bangladesh	6.9	India	4.0
India	4.1	Israel	3.9
Sudan	3.3	Egypt	3.5
Indonesia	3.2	Kenya	3.4
Tanzania	3.1	Congo, Dem. Rep.	3.0
Egypt	2.2	Ghana	2.8
Israel	1.9	Indonesia	2.8
Brazil	1.8	Zambia	2.7
Yemen	1.4	China	2.6
Peru	1.4	Pakistan	1.9
Pakistan	1.4	Jordan	1.8
Thailand	1.3	Senegal	1.6
Tunisia	1.2	Madagascar	1.1
Somalia	1.0	Mozambique	1.1
Total above	**42.5**	**Total above**	**40.9**
Multilateral ODA	25.9	Multilateral ODA	25.0
Unallocated	7.2	Unallocated	8.2
Total ODA $ million	**4 226**	**Total ODA $ million**	**8 343**
LDCs	39.6	LDCs	28.7
Other LICs	18.5	Other LICs	30.6
LMICs	18.6	LMICs	22.4
UMICs	18.9	UMICs	11.1
HICs	0.0	HICs	0.0
MADCT	4.2	MADCT	7.2
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**
Europe	15.5	Europe	8.2
North of Sahara	6.4	North of Sahara	7.6
South of Sahara	29.2	South of Sahara	37.8
N. and C. America	3.0	N. and C. America	3.4
South America	8.6	South America	6.4
Middle East	7.7	Middle East	13.4
S. and C. Asia	20.4	S. and C. Asia	11.5
Far East Asia	8.9	Far East Asia	11.5
Oceania	0.4	Oceania	0.2
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**

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Table 32

Major Recipients of Individual DAC Members' Aid (continued)

Per cent of total ODA

		Greece					
	2000-01		1980-81		1990-91		2000-01
China	5.1					Yugoslavia, Fed.Rep.	23.0
India	2.4					Albania	5.8
Indonesia	2.3					Bosnia-Herzegovina	3.5
Turkey	2.0					Armenia	1.1
Egypt	1.7					Palestinian Adm. Areas	1.1
Yugoslavia, Fed.Rep.	1.5					Macedonia,FYROM	1.0
Jordan	1.5					Lebanon	0.8
Peru	1.2					Turkey	0.6
Bolivia	1.2					Georgia	0.4
Zambia	1.1					Ethiopia	0.4
Brazil	1.1					Ex-Yugoslavia. Unsp.	0.4
Bosnia-Herzegovina	1.1					Afghanistan	0.3
Syria	1.0					India	0.3
Morocco	0.9					Egypt	0.3
Pakistan	0.9					Moldova	0.2
Total above	**24.9**					**Total above**	**39.2**
Multilateral ODA	38.5		Multilateral ODA	-	Multilateral ODA	-	Multilateral ODA	57.6
Unallocated	11.0		Unallocated	-	Unallocated	-	Unallocated	1.7
Total ODA $ million	**5 835**		**Total ODA $ million**	**-**	**Total ODA $ million**	**-**	**Total ODA $ million**	**214**
LDCs	21.8		LDCs	-	LDCs	-	LDCs	2.3
Other LICs	32.0		Other LICs	-	Other LICs	-	Other LICs	4.7
LMICs	36.5		LMICs	-	LMICs	-	LMICs	89.1
UMICs	9.7		UMICs	-	UMICs	-	UMICs	3.6
HICs	0.0		HICs	-	HICs	-	HICs	0.2
MADCT	-		MADCT	-	MADCT	-	MADCT	-
Total Bilateral	**100.0**		**Total Bilateral**	**-**	**Total Bilateral**	**-**	**Total Bilateral**	**100.0**
Europe	12.3		Europe	-	Europe	-	Europe	84.9
North of Sahara	6.5		North of Sahara	-	North of Sahara	-	North of Sahara	1.1
South of Sahara	23.8		South of Sahara	-	South of Sahara	-	South of Sahara	2.1
N. and C. America	4.5		N. and C. America	-	N. and C. America	-	N. and C. America	0.2
South America	10.1		South America	-	South America	-	South America	0.2
Middle East	9.3		Middle East	-	Middle East	-	Middle East	5.2
S. and C. Asia	13.1		S. and C. Asia	-	S. and C. Asia	-	S. and C. Asia	6.1
Far East Asia	20.3		Far East Asia	-	Far East Asia	-	Far East Asia	0.1
Oceania	0.2		Oceania	-	Oceania	-	Oceania	-
Total Bilateral	**100.0**		**Total Bilateral**	**-**	**Total Bilateral**	**-**	**Total Bilateral**	**100.0**

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Gross disbursements

Ireland					
1980-81		1990-91		2000-01	
Lesotho	11.6	Tanzania	6.1	Ethiopia	8.2
Sudan	3.0	Lesotho	5.0	Uganda	7.0
Tanzania	2.6	Zambia	4.9	Mozambique	6.5
Zambia	2.2	Egypt	3.7	Tanzania	6.2
Swaziland	0.6	Sudan	2.4	Zambia	3.8
Kenya	0.4	Ethiopia	1.4	Lesotho	3.5
Rwanda	0.4	Zimbabwe	0.7	South Africa	1.5
Burundi	0.3	Iran	0.7	Kenya	1.3
Bangladesh	0.2	Kenya	0.5	Afghanistan	1.0
Liberia	0.1	Bangladesh	0.5	Bosnia-Herzegovina	0.7
Nigeria	0.1	Nigeria	0.2	East Timor	0.7
Gambia	0.1	Turkey	0.2	Angola	0.7
Mauritius	0.1	Jordan	0.2	India	0.6
Sierra Leone	0.1	Mozambique	0.2	Palestinian Adm. Areas	0.6
India	0.1	Malawi	0.2	Sudan	0.6
Total above	**21.9**	**Total above**	**26.9**	**Total above**	**42.9**
Multilateral ODA	65.5	Multilateral ODA	59.5	Multilateral ODA	35.0
Unallocated	11.9	Unallocated	11.5	Unallocated	13.2
Total ODA $ million	**29**	**Total ODA $ million**	**65**	**Total ODA $ million**	**261**
LDCs	91.5	LDCs	75.2	LDCs	80.7
Other LICs	3.7	Other LICs	5.8	Other LICs	9.4
LMICs	4.0	LMICs	17.8	LMICs	8.6
UMICs	0.8	UMICs	1.3	UMICs	1.3
HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	-	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	-	Europe	0.7	Europe	8.2
North of Sahara	-	North of Sahara	12.7	North of Sahara	0.1
South of Sahara	96.7	South of Sahara	78.6	South of Sahara	79.0
N. and C. America	0.3	N. and C. America	0.3	N. and C. America	2.4
South America	1.0	South America	0.9	South America	1.9
Middle East	0.3	Middle East	3.3	Middle East	1.4
S. and C. Asia	1.0	S. and C. Asia	2.5	S. and C. Asia	4.2
Far East Asia	0.4	Far East Asia	0.8	Far East Asia	2.9
Oceania	0.2	Oceania	0.1	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Italy			
1980-81		1990-91	
Somalia	3.9	Albania	4.3
Malta	2.8	Ethiopia	3.7
Ethiopia	1.7	Argentina	3.4
Tanzania	0.9	Tunisia	2.6
Mozambique	0.8	Egypt	2.5
Indonesia	0.7	Mozambique	2.4
Egypt	0.6	Somalia	2.4
Libya	0.5	Congo, Dem. Rep.	2.3
Zimbabwe	0.5	Tanzania	2.3
Nicaragua	0.4	Morocco	1.6
Congo, Dem. Rep.	0.4	China	1.5
Algeria	0.4	Peru	1.4
Ex-Yugoslavia. Unsp.	0.3	Ex-Yugoslavia. Unsp.	1.3
Viet Nam	0.3	Senegal	1.2
Zambia	0.3	Angola	1.1
Total above	**14.4**	**Total above**	**34.2**
Multilateral ODA	76.7	Multilateral ODA	34.8
Unallocated	4.7	Unallocated	10.1
Total ODA $ million	**713**	**Total ODA $ million**	**3 432**
LDCs	50.0	LDCs	41.1
Other LICs	13.5	Other LICs	12.3
LMICs	13.7	LMICs	35.2
UMICs	5.2	UMICs	10.6
HICs	14.8	HICs	0.1
MADCT	2.8	MADCT	0.7
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**
Europe	16.8	Europe	12.1
North of Sahara	9.5	North of Sahara	13.1
South of Sahara	55.6	South of Sahara	45.1
N. and C. America	3.4	N. and C. America	5.4
South America	4.0	South America	15.6
Middle East	2.4	Middle East	2.1
S. and C. Asia	1.7	S. and C. Asia	2.4
Far East Asia	6.5	Far East Asia	4.2
Oceania	-	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**

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Table 32

Major Recipients of Individual DAC Members' Aid (continued)

Per cent of total ODA

2000-01		Japan 1980-81		Japan 1990-91		Japan 2000-01	
Uganda	2.6	Indonesia	11.2	Indonesia	11.0	China	7.9
Eritrea	2.2	Korea	6.9	China	5.9	Indonesia	6.9
Yugoslavia, Fed.Rep.	1.5	Thailand	5.9	Philippines	5.6	Thailand	6.2
Tunisia	1.3	Bangladesh	5.0	India	5.2	India	5.2
Ethiopia	1.2	Philippines	4.7	Thailand	4.5	Viet Nam	4.8
Albania	1.2	Myanmar	4.1	Egypt	3.5	Philippines	4.8
Bosnia-Herzegovina	1.1	Pakistan	3.6	Malaysia	3.5	Bangladesh	2.5
Honduras	0.9	Egypt	2.7	Turkey	3.5	Sri Lanka	1.8
Somalia	0.9	Malaysia	2.3	Bangladesh	2.7	Tanzania	1.7
Cameroon	0.8	India	2.2	Jordan	2.7	Pakistan	1.7
Senegal	0.8	Sri Lanka	1.4	Korea	2.2	Peru	1.3
Palestinian Adm. Areas	0.8	Congo, Dem. Rep.	1.3	Sri Lanka	2.1	Brazil	1.3
Argentina	0.8	Tanzania	1.1	Pakistan	1.9	Turkey	1.0
Mozambique	0.8	Turkey	0.9	Peru	1.7	Malaysia	0.9
Zambia	0.7	Nepal	0.8	Kenya	1.3	Morocco	0.8
Total above	**17.7**	**Total above**	**54.2**	**Total above**	**57.3**	**Total above**	**48.9**
Multilateral ODA	64.0	Multilateral ODA	31.5	Multilateral ODA	19.1	Multilateral ODA	21.2
Unallocated	6.7	Unallocated	2.2	Unallocated	5.6	Unallocated	9.8
Total ODA $ million	**1 706**	**Total ODA $ million**	**3 592**	**Total ODA $ million**	**11 427**	**Total ODA $ million**	**14 462**
LDCs	44.4	LDCs	24.2	LDCs	13.5	LDCs	15.1
Other LICs	14.0	Other LICs	28.5	Other LICs	37.9	Other LICs	44.8
LMICs	32.8	LMICs	28.5	LMICs	33.3	LMICs	33.5
UMICs	6.6	UMICs	7.6	UMICs	11.9	UMICs	6.6
HICs	2.2	HICs	0.0	HICs	0.0	HICs	0.0
MADCT	-	MADCT	11.2	MADCT	3.4	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	17.7	Europe	1.5	Europe	4.7	Europe	2.0
North of Sahara	7.8	North of Sahara	5.0	North of Sahara	5.9	North of Sahara	3.2
South of Sahara	46.7	South of Sahara	10.0	South of Sahara	11.1	South of Sahara	10.0
N. and C. America	5.7	N. and C. America	1.5	N. and C. America	3.1	N. and C. America	4.0
South America	6.6	South America	5.3	South America	6.2	South America	6.4
Middle East	6.1	Middle East	1.8	Middle East	5.4	Middle East	3.3
S. and C. Asia	5.2	S. and C. Asia	25.8	S. and C. Asia	17.8	S. and C. Asia	20.5
Far East Asia	3.7	Far East Asia	48.3	Far East Asia	44.5	Far East Asia	48.9
Oceania	0.4	Oceania	0.8	Oceania	1.3	Oceania	1.5
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

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Gross disbursements

Luxembourg					
1980-81		1990-91		2000-01	
		Cape Verde	3.7	Yugoslavia, Fed.Rep.	5.4
		Senegal	3.3	Cape Verde	5.2
		Rwanda	3.2	Nicaragua	4.9
		Burundi	3.0	Burkina Faso	4.2
		Chile	2.4	El Salvador	3.9
		Gambia	2.2	Viet Nam	3.7
		Burkina Faso	2.1	Mali	3.3
		Niger	1.7	Namibia	3.0
		Colombia	1.6	Laos	2.7
		Peru	1.5	Niger	2.6
		India	1.4	Afghanistan	2.4
		Congo, Dem. Rep.	1.4	Senegal	2.3
		Jordan	1.2	India	2.1
		Djibouti	1.2	Morocco	1.8
		Bangladesh	1.1	Palestinian Adm. Areas	1.6
		Total above	**30.9**	**Total above**	**49.1**
Multilateral ODA	-	Multilateral ODA	39.4	Multilateral ODA	22.5
Unallocated	-	Unallocated	15.0	Unallocated	11.7
Total ODA $ million	**-**	**Total ODA $ million**	**34**	**Total ODA $ million**	**132**
LDCs	-	LDCs	63.6	LDCs	45.1
Other LICs	-	Other LICs	6.9	Other LICs	19.2
LMICs	-	LMICs	16.8	LMICs	31.4
UMICs	-	UMICs	11.0	UMICs	4.3
HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	1.6	MADCT	-
Total Bilateral	**-**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	-	Europe	2.0	Europe	10.5
North of Sahara	-	North of Sahara	1.9	North of Sahara	4.9
South of Sahara	-	South of Sahara	49.6	South of Sahara	44.6
N. and C. America	-	N. and C. America	1.7	N. and C. America	13.7
South America	-	South America	12.0	South America	4.2
Middle East	-	Middle East	23.0	Middle East	2.9
S. and C. Asia	-	S. and C. Asia	6.9	S. and C. Asia	7.2
Far East Asia	-	Far East Asia	2.9	Far East Asia	11.9
Oceania	-	Oceania	-	Oceania	-
Total Bilateral	**-**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Netherlands			
1980-81		1990-91	
India	9.6	Indonesia	7.5
Suriname	6.6	India	5.8
Indonesia	5.1	Tanzania	2.9
Netherlands Antilles	5.0	Netherlands Antilles	2.5
Tanzania	5.0	Bangladesh	2.5
Bangladesh	3.4	Sudan	2.0
Kenya	2.6	Kenya	2.0
Sudan	2.6	Mozambique	1.9
Sri Lanka	2.2	Zambia	1.6
Pakistan	1.7	Pakistan	1.4
Peru	1.6	Suriname	1.3
Zambia	1.4	Bolivia	1.2
Jamaica	1.3	Peru	1.2
Yemen	1.2	Mali	1.2
Burkina Faso	1.2	Burkina Faso	1.2
Total above	**50.6**	**Total above**	**36.1**
Multilateral ODA	23.6	Multilateral ODA	26.8
Unallocated	8.1	Unallocated	15.4
Total ODA $ million	**1 631**	**Total ODA $ million**	**2 737**
LDCs	33.4	LDCs	35.2
Other LICs	32.5	Other LICs	36.6
LMICs	23.5	LMICs	18.4
UMICs	3.1	UMICs	3.3
HICs	0.0	HICs	-
MADCT	7.6	MADCT	6.6
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**
Europe	1.0	Europe	0.6
North of Sahara	2.4	North of Sahara	2.3
South of Sahara	31.2	South of Sahara	35.9
N. and C. America	12.5	N. and C. America	12.8
South America	15.4	South America	10.1
Middle East	2.0	Middle East	3.1
S. and C. Asia	24.9	S. and C. Asia	18.6
Far East Asia	10.4	Far East Asia	16.3
Oceania	0.2	Oceania	0.2
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**

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Table 32

Major Recipients of Individual DAC Members' Aid (continued)

Per cent of total ODA

2000-01		New Zealand 1980-81		1990-91		2000-01	
Indonesia	4.0	Cook Islands	12.6	Cook Islands	8.8	Papua New Guinea	6.0
Tanzania	2.6	Samoa	5.6	Niue	7.4	Solomon Islands	5.2
India	2.3	Indonesia	5.4	Samoa	5.1	Samoa	3.7
Mozambique	2.3	Fiji	5.4	Fiji	4.6	Vanuatu	3.5
Ghana	2.2	Niue	4.8	Tokelau	4.3	Tonga	3.2
Yugoslavia, Fed.Rep.	1.9	Papua New Guinea	3.8	Tonga	3.3	Tokelau	3.1
Bolivia	1.6	Tonga	3.7	Papua New Guinea	3.0	Indonesia	2.6
Bosnia-Herzegovina	1.5	Thailand	2.5	Indonesia	2.8	Niue	2.2
Uganda	1.3	Tokelau	2.3	Vanuatu	2.2	Cook Islands	1.9
Mali	1.3	Philippines	1.8	Kiribati	2.0	Fiji	1.7
Afghanistan	1.3	Tanzania	1.3	Solomon Islands	1.9	Philippines	1.7
Zambia	1.2	Solomon Islands	0.9	Malaysia	1.7	Viet Nam	1.6
Bangladesh	1.2	Malaysia	0.8	Philippines	1.6	East Timor	1.5
Nicaragua	1.1	Nepal	0.6	Tuvalu	1.3	Kiribati	1.4
Ethiopia	1.1	Peru	0.6	Thailand	1.0	Cambodia	1.1
Total above	**26.7**	**Total above**	**51.7**	**Total above**	**51.1**	**Total above**	**40.7**
Multilateral ODA	28.0	Multilateral ODA	26.5	Multilateral ODA	16.9	Multilateral ODA	24.5
Unallocated	22.3	Unallocated	18.4	Unallocated	28.1	Unallocated	21.0
Total ODA $ million	**3 283**	**Total ODA $ million**	**70**	**Total ODA $ million**	**98**	**Total ODA $ million**	**112**
LDCs	40.4	LDCs	18.7	LDCs	23.9	LDCs	38.2
Other LICs	31.8	Other LICs	11.1	Other LICs	8.2	Other LICs	17.4
LMICs	26.4	LMICs	45.3	LMICs	46.5	LMICs	38.1
UMICs	1.5	UMICs	24.4	UMICs	19.8	UMICs	6.3
HICs	0.0	HICs	-	HICs	-	HICs	0.0
MADCT	-	MADCT	0.5	MADCT	1.6	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	10.9	Europe	0.0	Europe	0.0	Europe	0.1
North of Sahara	1.4	North of Sahara	0.0	North of Sahara	0.0	North of Sahara	0.0
South of Sahara	42.9	South of Sahara	2.5	South of Sahara	1.9	South of Sahara	6.4
N. and C. America	6.2	N. and C. America	0.3	N. and C. America	0.2	N. and C. America	0.9
South America	7.6	South America	0.8	South America	0.5	South America	1.7
Middle East	3.8	Middle East	-	Middle East	0.2	Middle East	0.2
S. and C. Asia	13.5	S. and C. Asia	2.1	S. and C. Asia	0.9	S. and C. Asia	4.7
Far East Asia	13.6	Far East Asia	15.5	Far East Asia	15.7	Far East Asia	21.9
Oceania	0.1	Oceania	78.7	Oceania	80.5	Oceania	64.1
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

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Gross disbursements

Norway					
1980-81		1990-91		2000-01	
Tanzania	8.8	Tanzania	7.9	Yugoslavia, Fed.Rep.	4.1
India	4.4	Mozambique	5.1	Mozambique	2.7
Bangladesh	4.4	Zambia	4.5	Tanzania	2.7
Kenya	4.4	Bangladesh	3.6	Palestinian Adm. Areas	2.5
Pakistan	3.1	Nicaragua	2.6	Afghanistan	2.0
Mozambique	2.4	Ethiopia	2.2	Bosnia-Herzegovina	1.8
Botswana	2.3	Botswana	2.0	Zambia	1.7
Sri Lanka	2.0	India	2.0	Uganda	1.6
Zambia	2.0	Zimbabwe	1.9	Ethiopia	1.5
Sudan	1.7	Sri Lanka	1.5	Bangladesh	1.5
Zimbabwe	1.2	Kenya	1.2	Angola	1.3
Turkey	1.1	Pakistan	1.1	Somalia	1.2
Viet Nam	1.0	Namibia	1.0	South Africa	1.2
Madagascar	0.9	Mali	0.8	Sri Lanka	1.1
Jamaica	0.8	Sudan	0.8	Nicaragua	1.1
Total above	**40.6**	**Total above**	**38.1**	**Total above**	**28.0**
Multilateral ODA	42.4	Multilateral ODA	37.3	Multilateral ODA	28.1
Unallocated	10.7	Unallocated	14.5	Unallocated	22.2
Total ODA $ million	**477**	**Total ODA $ million**	**1 195**	**Total ODA $ million**	**1 310**
LDCs	49.5	LDCs	62.5	LDCs	47.4
Other LICs	32.8	Other LICs	21.3	Other LICs	15.2
LMICs	10.2	LMICs	9.9	LMICs	33.5
UMICs	7.5	UMICs	6.1	UMICs	4.0
HICs	-	HICs	-	HICs	0.0
MADCT	0.0	MADCT	0.2	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	5.9	Europe	0.3	Europe	17.6
North of Sahara	0.7	North of Sahara	0.3	North of Sahara	0.4
South of Sahara	54.3	South of Sahara	64.1	South of Sahara	41.5
N. and C. America	2.1	N. and C. America	8.3	N. and C. America	7.4
South America	0.6	South America	2.4	South America	2.9
Middle East	0.1	Middle East	0.7	Middle East	8.6
S. and C. Asia	30.1	S. and C. Asia	19.9	S. and C. Asia	14.5
Far East Asia	4.8	Far East Asia	3.9	Far East Asia	7.0
Oceania	1.3	Oceania	0.0	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Portugal			
1980-81		1990-91	
		Mozambique	41.1
		Cape Verde	8.6
		Guinea-Bissau	7.8
		Sao Tome & Principe	7.2
		Angola	7.1
		Namibia	0.0
		Congo, Dem. Rep.	0.0
		Slovenia	0.0
		Croatia	0.0
		Bosnia-Herzegovina	0.0
		Macedonia,FYROM	0.0
		Yugoslavia, Fed.Rep.	0.0
		Algeria	0.0
		Morocco	0.0
		Tunisia	0.0
		Total above	**71.8**
Multilateral ODA	-	Multilateral ODA	24.7
Unallocated	-	Unallocated	3.5
Total ODA $ million	**-**	**Total ODA $ million**	**174**
LDCs	-	LDCs	100.0
Other LICs	-	Other LICs	-
LMICs	-	LMICs	-
UMICs	-	UMICs	-
HICs	-	HICs	-
MADCT	-	MADCT	-
Total Bilateral	**-**	**Total Bilateral**	**100.0**
Europe	-	Europe	-
North of Sahara	-	North of Sahara	-
South of Sahara	-	South of Sahara	100.0
N. and C. America	-	N. and C. America	-
South America	-	South America	-
Middle East	-	Middle East	-
S. and C. Asia	-	S. and C. Asia	-
Far East Asia	-	Far East Asia	-
Oceania	-	Oceania	-
Total Bilateral	**-**	**Total Bilateral**	**100.0**

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Table 32

Major Recipients of Individual DAC Members' Aid (continued)

Per cent of total ODA

2000-01		Spain 1980-81		1990-91		2000-01	
Mozambique	31.0			China	7.9	Nicaragua	12.9
East Timor	16.2			Morocco	5.9	Indonesia	3.3
Cape Verde	6.7			Mexico	5.0	Morocco	3.0
Guinea-Bissau	4.2			Algeria	3.5	China	2.7
Angola	3.7			Argentina	2.6	Bolivia	2.2
Sao Tome & Principe	3.6			Indonesia	2.0	El Salvador	2.1
Macedonia,FYROM	0.7			Equatorial Guinea	1.9	Honduras	2.1
Bosnia-Herzegovina	0.3			Angola	1.7	Bosnia-Herzegovina	1.9
Brazil	0.2			Cameroon	1.5	Ecuador	1.7
Palestinian Adm. Areas	0.2			Honduras	1.4	Peru	1.7
India	0.1			Cuba	1.4	Mozambique	1.6
China	0.1			Nicaragua	1.3	Colombia	1.3
Central African Rep.	0.1			Peru	1.3	Venezuela	1.3
Morocco	0.1			India	1.3	Dominican Republic	1.0
Zimbabwe	0.1			Bolivia	1.2	Guatemala	1.0
Total above	**67.2**			**Total above**	**39.7**	**Total above**	**39.8**
Multilateral ODA	25.9	Multilateral ODA	-	Multilateral ODA	37.5	Multilateral ODA	32.8
Unallocated	6.5	Unallocated	100.0	Unallocated	12.0	Unallocated	11.4
Total ODA $ million	**342**	**Total ODA $ million**	**169**	**Total ODA $ million**	**1 141**	**Total ODA $ million**	**1 620**
LDCs	73.0	LDCs	-	LDCs	17.2	LDCs	9.8
Other LICs	24.4	Other LICs	-	Other LICs	31.1	Other LICs	41.8
LMICs	2.2	LMICs	-	LMICs	32.8	LMICs	41.9
UMICs	0.4	UMICs	-	UMICs	18.9	UMICs	6.5
HICs	0.0	HICs	-	HICs	0.0	HICs	0.0
MADCT	-	MADCT	-	MADCT	0.1	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**-**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	1.4	Europe	-	Europe	0.2	Europe	6.9
North of Sahara	0.2	North of Sahara	-	North of Sahara	17.9	North of Sahara	9.4
South of Sahara	74.8	South of Sahara	-	South of Sahara	19.7	South of Sahara	12.0
N. and C. America	0.1	N. and C. America	-	N. and C. America	19.0	N. and C. America	38.3
South America	0.4	South America	-	South America	20.4	South America	16.6
Middle East	0.2	Middle East	-	Middle East	1.6	Middle East	3.0
S. and C. Asia	0.2	S. and C. Asia	-	S. and C. Asia	2.4	S. and C. Asia	1.6
Far East Asia	22.6	Far East Asia	-	Far East Asia	18.8	Far East Asia	12.2
Oceania	-	Oceania	-	Oceania	-	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**-**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

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Gross disbursements

Sweden					
1980-81		1990-91		2000-01	
Viet Nam	8.7	Tanzania	7.1	Tanzania	3.2
Tanzania	8.2	Mozambique	6.6	Mozambique	2.6
India	6.2	Zambia	3.1	Honduras	2.1
Mozambique	3.6	India	3.0	Viet Nam	2.1
Zambia	3.2	Viet Nam	2.7	Yugoslavia, Fed.Rep.	2.0
Bangladesh	2.8	Ethiopia	2.2	Bangladesh	1.7
Ethiopia	2.7	Nicaragua	2.2	South Africa	1.7
Sri Lanka	2.4	Zimbabwe	1.8	Nicaragua	1.6
Kenya	2.3	Angola	1.7	Palestinian Adm. Areas	1.6
Angola	2.0	Bangladesh	1.5	Bosnia-Herzegovina	1.5
Botswana	1.5	Kenya	1.4	Uganda	1.5
Guinea-Bissau	1.2	Uganda	1.2	Ethiopia	1.2
Pakistan	1.2	China	1.0	Bolivia	1.1
Zimbabwe	1.2	Botswana	0.9	Zambia	1.1
Laos	1.2	Laos	0.8	Sri Lanka	1.0
Total above	**48.3**	**Total above**	**37.1**	**Total above**	**26.0**
Multilateral ODA	29.9	Multilateral ODA	30.8	Multilateral ODA	29.4
Unallocated	14.9	Unallocated	21.1	Unallocated	27.4
Total ODA $ million	**941**	**Total ODA $ million**	**2 062**	**Total ODA $ million**	**1 732**
LDCs	51.1	LDCs	58.1	LDCs	44.0
Other LICs	36.9	Other LICs	25.6	Other LICs	23.5
LMICs	7.9	LMICs	10.6	LMICs	30.5
UMICs	4.1	UMICs	5.2	UMICs	1.9
HICs	-	HICs	-	HICs	0.1
MADCT	0.0	MADCT	0.5	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	1.8	Europe	1.6	Europe	9.9
North of Sahara	1.3	North of Sahara	2.6	North of Sahara	0.6
South of Sahara	52.5	South of Sahara	61.5	South of Sahara	42.5
N. and C. America	2.5	N. and C. America	5.9	N. and C. America	12.9
South America	0.3	South America	2.8	South America	4.7
Middle East	0.2	Middle East	3.6	Middle East	5.1
S. and C. Asia	22.6	S. and C. Asia	11.4	S. and C. Asia	12.1
Far East Asia	18.8	Far East Asia	10.5	Far East Asia	12.2
Oceania	-	Oceania	0.2	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Switzerland			
1980-81		1990-91	
India	4.5	India	3.5
Bangladesh	4.3	Mozambique	3.3
Tanzania	4.0	Madagascar	2.9
Nepal	3.6	Indonesia	2.1
Turkey	2.9	Bolivia	2.0
Rwanda	2.6	Tanzania	2.0
Mali	1.6	Peru	1.9
Honduras	1.3	Mali	1.9
Indonesia	1.3	China	1.7
Senegal	1.1	Nepal	1.7
Peru	1.1	Rwanda	1.7
Madagascar	1.1	Nicaragua	1.6
Thailand	1.0	Senegal	1.5
Bolivia	1.0	Pakistan	1.5
Egypt	0.9	Bangladesh	1.5
Total above	**32.3**	**Total above**	**30.8**
Multilateral ODA	30.4	Multilateral ODA	20.7
Unallocated	20.7	Unallocated	21.4
Total ODA $ million	**247**	**Total ODA $ million**	**809**
LDCs	55.6	LDCs	49.6
Other LICs	20.9	Other LICs	26.1
LMICs	15.5	LMICs	21.9
UMICs	7.5	UMICs	1.8
HICs	0.0	HICs	0.0
MADCT	0.4	MADCT	0.5
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**
Europe	6.0	Europe	0.7
North of Sahara	3.7	North of Sahara	4.9
South of Sahara	40.9	South of Sahara	45.8
N. and C. America	5.5	N. and C. America	6.5
South America	7.2	South America	9.2
Middle East	2.6	Middle East	4.9
S. and C. Asia	27.4	S. and C. Asia	17.2
Far East Asia	6.6	Far East Asia	10.5
Oceania	0.0	Oceania	0.4
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**

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Table 32

Major Recipients of Individual DAC Members' Aid (continued)

Per cent of total ODA

2000-01		United Kingdom 1980-81		1990-91		2000-01	
Yugoslavia, Fed.Rep.	3.5	India	12.1	India	5.2	Tanzania	4.8
Mozambique	2.7	Bangladesh	5.0	Bangladesh	3.2	India	4.4
Ex-Yugoslavia. Unsp.	2.4	Tanzania	2.9	Kenya	2.4	Uganda	3.4
India	2.2	Sri Lanka	2.9	Malawi	1.8	Mozambique	2.9
Tanzania	1.6	Kenya	2.7	Zambia	1.8	Bangladesh	2.5
Bangladesh	1.5	Sudan	2.6	Pakistan	1.8	Zambia	2.1
Burkina Faso	1.3	Zimbabwe	2.6	Zimbabwe	1.7	Ghana	1.9
Nepal	1.3	Pakistan	2.3	Tanzania	1.6	Malawi	1.8
Bosnia-Herzegovina	1.3	Zambia	1.9	Nigeria	1.5	Kenya	1.5
Viet Nam	1.2	Turkey	1.7	Ghana	1.4	China	1.4
Bolivia	1.2	Malawi	1.3	Uganda	1.4	Sierra Leone	1.3
China	1.0	Ghana	1.2	Sudan	1.4	South Africa	1.2
Pakistan	1.0	Egypt	1.0	Mozambique	1.4	Ex-Yugoslavia. Unsp.	1.2
Peru	0.9	Indonesia	0.9	Ethiopia	1.2	Rwanda	1.0
Niger	0.8	Solomon Islands	0.9	Indonesia	1.1	Indonesia	0.8
Total above	**23.9**	**Total above**	**42.0**	**Total above**	**29.0**	**Total above**	**32.0**
Multilateral ODA	29.1	Multilateral ODA	31.2	Multilateral ODA	41.6	Multilateral ODA	40.7
Unallocated	24.9	Unallocated	9.9	Unallocated	13.6	Unallocated	14.4
Total ODA $ million	**903**	**Total ODA $ million**	**2 232**	**Total ODA $ million**	**3 065**	**Total ODA $ million**	**4 639**
LDCs	39.6	LDCs	35.3	LDCs	39.3	LDCs	50.9
Other LICs	21.0	Other LICs	39.0	Other LICs	37.0	Other LICs	28.2
LMICs	36.3	LMICs	14.8	LMICs	13.3	LMICs	16.4
UMICs	3.1	UMICs	9.4	UMICs	9.6	UMICs	4.6
HICs	0.0	HICs	0.0	HICs	0.0	HICs	0.0
MADCT	-	MADCT	1.5	MADCT	0.8	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	21.2	Europe	3.8	Europe	1.3	Europe	5.3
North of Sahara	1.9	North of Sahara	2.7	North of Sahara	2.3	North of Sahara	0.2
South of Sahara	33.0	South of Sahara	37.0	South of Sahara	48.2	South of Sahara	56.0
N. and C. America	5.8	N. and C. America	4.5	N. and C. America	5.2	N. and C. America	4.9
South America	7.7	South America	1.7	South America	2.9	South America	4.1
Middle East	3.3	Middle East	1.8	Middle East	3.5	Middle East	2.1
S. and C. Asia	19.2	S. and C. Asia	40.0	S. and C. Asia	26.2	S. and C. Asia	19.8
Far East Asia	7.8	Far East Asia	3.9	Far East Asia	8.3	Far East Asia	7.3
Oceania	0.0	Oceania	4.6	Oceania	2.1	Oceania	0.4
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

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Gross disbursements

United States					
1980-81		1990-91		2000-01	
Egypt	12.6	Egypt	32.1	Egypt	7.0
Israel	11.5	Israel	8.3	Pakistan	3.8
India	3.3	Honduras	2.4	Colombia	2.0
Turkey	2.8	Nicaragua	2.2	Jordan	1.5
Bangladesh	2.2	Jamaica	2.1	Yugoslavia, Fed.Rep.	1.4
Indonesia	2.1	Bangladesh	1.9	Peru	1.4
Northern Marianas	1.7	Bolivia	1.8	Indonesia	1.4
Pakistan	1.4	Philippines	1.6	Honduras	1.3
El Salvador	1.0	Pakistan	1.4	India	1.2
Peru	0.9	El Salvador	1.4	Ethiopia	1.0
Sudan	0.9	Kenya	1.1	Bosnia-Herzegovina	1.0
Somalia	0.9	Turkey	1.1	Bolivia	0.9
Kenya	0.8	Iraq	1.1	Micronesia, Fed. States	0.9
Philippines	0.8	India	0.8	Mozambique	0.9
Liberia	0.7	Sudan	0.7	Philippines	0.8
Total above	**43.7**	**Total above**	**59.7**	**Total above**	**26.3**
Multilateral ODA	30.4	Multilateral ODA	15.4	Multilateral ODA	24.7
Unallocated	11.4	Unallocated	10.2	Unallocated	28.6
Total ODA $ million	**6 974**	**Total ODA $ million**	**15 984**	**Total ODA $ million**	**11 586**
LDCs	17.9	LDCs	12.5	LDCs	19.3
Other LICs	16.5	Other LICs	13.3	Other LICs	25.8
LMICs	35.2	LMICs	59.6	LMICs	52.0
UMICs	6.4	UMICs	3.1	UMICs	2.9
HICs	-	HICs	-	HICs	0.0
MADCT	23.9	MADCT	11.5	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	6.5	Europe	1.7	Europe	8.8
North of Sahara	22.4	North of Sahara	43.7	North of Sahara	13.6
South of Sahara	15.9	South of Sahara	12.0	South of Sahara	20.5
N. and C. America	8.0	N. and C. America	14.5	N. and C. America	12.1
South America	3.2	South America	4.4	South America	12.4
Middle East	21.8	Middle East	13.3	Middle East	5.5
S. and C. Asia	12.9	S. and C. Asia	6.7	S. and C. Asia	18.4
Far East Asia	6.3	Far East Asia	3.2	Far East Asia	5.6
Oceania	3.0	Oceania	0.5	Oceania	3.1
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

DAC			
1980-81		1990-91	
Egypt	4.4	Egypt	9.5
India	4.1	Indonesia	3.4
Bangladesh	3.6	India	2.6
Indonesia	3.5	Israel	2.6
Israel	3.2	China	2.2
Turkey	2.6	Bangladesh	1.8
Tanzania	2.1	Turkey	1.7
Pakistan	1.7	Philippines	1.7
Sudan	1.3	Kenya	1.6
Kenya	1.2	Tanzania	1.4
Thailand	1.2	Mozambique	1.3
Korea	1.1	Thailand	1.2
Congo, Dem. Rep.	1.1	Pakistan	1.2
Sri Lanka	1.1	Zambia	1.1
Papua New Guinea	1.1	Morocco	1.0
Total above	**33.3**	**Total above**	**34.3**
Multilateral ODA	30.0	Multilateral ODA	23.8
Unallocated	9.3	Unallocated	11.2
Total ODA $ million	**27 617**	**Total ODA $ million**	**65 667**
LDCs	31.2	LDCs	25.4
Other LICs	23.1	Other LICs	25.7
LMICs	25.3	LMICs	34.6
UMICs	9.3	UMICs	7.7
HICs	0.1	HICs	0.0
MADCT	10.7	MADCT	6.5
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**
Europe	5.7	Europe	3.5
North of Sahara	10.6	North of Sahara	17.3
South of Sahara	28.5	South of Sahara	30.1
N. and C. America	4.7	N. and C. America	7.2
South America	5.0	South America	5.5
Middle East	7.7	Middle East	7.5
S. and C. Asia	18.9	S. and C. Asia	10.7
Far East Asia	13.5	Far East Asia	15.4
Oceania	5.5	Oceania	2.8
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**

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Table 32

Major Recipients of Individual DAC Members' Aid (continued)

Per cent of total ODA

2000-01		EC 1980-81		EC 1990-91		EC 2000-01	
China	3.0	India	9.6	Egypt	5.1	Yugoslavia, Fed.Rep.	9.3
Indonesia	3.0	Sudan	4.1	Côte d'Ivoire	4.2	Turkey	3.3
India	2.4	Egypt	3.6	Ethiopia	4.1	Bosnia-Herzegovina	3.0
Egypt	2.3	Bangladesh	3.5	Turkey	3.6	Tunisia	2.6
Viet Nam	1.8	Senegal	3.4	Sudan	3.5	Morocco	2.4
Thailand	1.7	Somalia	3.1	Cameroon	3.3	Egypt	2.0
Philippines	1.6	Ethiopia	3.0	Jordan	3.0	South Africa	1.9
Tanzania	1.5	Congo, Dem. Rep.	2.8	Mozambique	2.8	Slovenia	1.7
Pakistan	1.4	Mali	2.7	Namibia	2.2	Mauritania	1.6
Bangladesh	1.4	Tanzania	2.6	Bangladesh	1.8	Algeria	1.6
Mozambique	1.3	Kenya	2.4	Angola	1.7	Palestinian Adm. Areas	1.6
Yugoslavia, Fed.Rep.	1.0	Zambia	1.9	India	1.4	Ethiopia	1.5
Nicaragua	0.9	Madagascar	1.9	Niger	1.4	Mozambique	1.3
Peru	0.9	Guinea	1.7	Burundi	1.4	Albania	1.3
Uganda	0.8	Rwanda	1.6	Malawi	1.4	Jordan	1.3
Total above	**25.0**	**Total above**	**47.9**	**Total above**	**40.8**	**Total above**	**36.5**
Multilateral ODA	29.8	Multilateral ODA	0.0	Multilateral ODA	7.1	Multilateral ODA	8.1
Unallocated	17.2	Unallocated	11.2	Unallocated	12.8	Unallocated	14.4
Total ODA $ million	**59 291**	**Total ODA $ million**	**1 244**	**Total ODA $ million**	**3 316**	**Total ODA $ million**	**5 807**
LDCs	26.5	LDCs	56.8	LDCs	46.8	LDCs	29.2
Other LICs	32.8	Other LICs	24.1	Other LICs	19.0	Other LICs	12.9
LMICs	35.0	LMICs	13.6	LMICs	25.0	LMICs	46.0
UMICs	5.6	UMICs	3.8	UMICs	7.8	UMICs	9.7
HICs	0.1	HICs	0.8	HICs	0.2	HICs	2.2
MADCT	-	MADCT	0.8	MADCT	1.3	MADCT	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	6.8	Europe	3.5	Europe	5.0	Europe	26.9
North of Sahara	7.0	North of Sahara	6.8	North of Sahara	9.8	North of Sahara	11.0
South of Sahara	27.0	South of Sahara	60.4	South of Sahara	59.4	South of Sahara	33.6
N. and C. America	7.0	N. and C. America	4.3	N. and C. America	4.3	N. and C. America	5.2
South America	7.5	South America	1.1	South America	4.8	South America	5.1
Middle East	4.3	Middle East	1.7	Middle East	5.6	Middle East	4.9
S. and C. Asia	15.2	S. and C. Asia	17.2	S. and C. Asia	5.5	S. and C. Asia	7.4
Far East Asia	22.9	Far East Asia	3.4	Far East Asia	3.7	Far East Asia	4.5
Oceania	2.2	Oceania	1.6	Oceania	1.9	Oceania	1.4
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

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Table 33

ODA from Non-DAC Donors

Net disbursements — $ million

	1997	1998	1999	2000	2001
OECD Non-DAC					
Czech Republic	..	16	15	16	26
Iceland	8	7	8	9	10
Korea	186	183	317	212	265
Poland	..	19	20	29	36
Slovak Republic	..	..	7	6	8
Turkey	77	69	120	82	64
Arab countries					
Kuwait	373	278	147	165	73
Saudi Arabia	251	288	185	295	490
United Arab Emirates	115	63	92	150	127
Other donors					
Chinese Taipei	65	27	..	..	..
Estonia	..	0	0	1	0
Israel [a]	89	87	114	164	76
TOTAL	**1 164**	**1 037**	**1 026**	**1 128**	**1 176**
of which: Bilateral					
OECD Non-DAC					
Czech Republic	..	6	7	6	15
Iceland	3	3	4	4	5
Korea	111	125	131	131	172
Poland	..	14	15	13	31
Slovak Republic	..	..	4	2	3
Turkey	53	45	37	26	19
Arab countries					
Kuwait	355	247	147	164	73
Saudi Arabia	79	123	- 1	129	395
United Arab Emirates	115	63	92	150	127
Other donors					
Chinese Taipei	65	27	..	..	..
Estonia	..	0	0	0	0
Israel [a]	75	75	100	158	69
TOTAL	**857**	**728**	**535**	**784**	**909**

a) These figures include $66.8 million in 2000 and $50.1 million in 2001, for first year sustenance expenses for persons arriving from developing countries (many of which are experiencing civil war or severe unrest), or individuals who have left due to humanitarian or political reasons.

Note: China also provides aid, but does not disclose the amount.

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Table 34

Share of Debt Relief in DAC Members' Total Net ODA in 2001

	Net ODA ($ million)	Net ODA Debt Relief [a] ($ million)	*of which: Bilateral ($ million)*	Debt Relief as per cent of Net ODA	Net ODA Debt Relief for HIPC Countries[b] ($ million)	HIPC Debt Relief as per cent of Net ODA
Australia	873	18	*9*	2.1	9	1.1
Austria	533	172	*146*	32.3	145	27.2
Belgium	867	52	*50*	6.0	52	6.0
Canada	1 533	22	*11*	1.4	22	1.4
Denmark	1 634	27	*20*	1.7	21	1.3
Finland	389	6	*1*	1.5	6	1.5
France	4 198	462	*462*	11.0	127	3.0
Germany	4 990	173	*146*	3.5	51	1.0
Greece	202	2	*0*	1.1	2	1.1
Ireland	287	19	*11*	6.5	8	2.7
Italy	1 627	28	*14*	1.7	25	1.6
Japan	9 847	446	*446*	4.5	267	2.7
Luxembourg	141	0	*0*	0.0	0	0.0
Netherlands	3 172	55	*55*	1.7	41	1.3
New Zealand	112	..	..	..	..	..
Norway	1 346	39	*21*	2.9	18	1.4
Portugal	268	20	*20*	7.3	19	7.2
Spain	1 737	414	*389*	23.9	409	23.5
Sweden	1 666	74	*44*	4.4	30	1.8
Switzerland	908	..	..	..	..	..
United Kingdom	4 579	388	*374*	8.5	362	7.9
United States	11 429	245	*115*	2.1	151	1.3
TOTAL DAC	**52 336**	**2 663**	***2 334***	**5.1**	**1 766**	**3.4**

a) Comprises: 1) *Bilateral*: grants for forgiveness of ODA, Other Official Flows (OOF) or private claims; other action on debt such as debt conversions, debt buybacks or service payments to third parties; and new ODA resulting from concessional rescheduling operations; net of offsetting entries for the cancellation of any ODA principal involved; and 2) *Multilateral*: contributions to the HIPC Trust Fund (source: World Bank).

b) Bilateral debt relief to HIPC countries (includes all items described in footnote *a*), except for grants for other action on debt), plus multilateral contributions to the HIPC Initiative.

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Table 35

Economic Indicators for DAC Member Countries in 2001

	GNI 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	17 800	2.8	3.3	6.7	0.0	-2.0	32.7
Austria	22 800	1.0	1.7	4.9	0.0	-2.2	50.1
Belgium	22 900	0.8	1.9	6.6	0.4	3.8	46.9
Canada	22 700	1.5	1.0	7.2	1.8	2.8	39.8
Denmark	29 600	1.0	2.8	4.3	3.0	2.5	53.6
Finland	23 200	0.7	3.0	9.2	4.9	6.4	49.2
France	22 200	1.8	1.4	8.7	-1.4	1.6	47.4
Germany	22 400	0.6	1.4	7.3	-2.8	0.1	43.0
Greece	10 700	4.1	3.4	10.4	-1.2	-6.2	41.7
Ireland	22 600	6.0	5.4	3.9	1.7	-0.3	31.7
Italy	18 900	1.8	2.6	9.6	-2.2	0.0	44.2
Japan	33 000	-0.3	-1.2	5.0	-7.2	2.1	29.6
Luxembourg	39 000	1.0	2.3	2.6	6.1	8.7	44.7
Netherlands	24 100	1.3	5.3	2.0	0.1	0.6	42.1
New Zealand	11 400	1.4	4.7	5.3	1.7	-2.8	38.2
Norway	36 100	1.4	1.7	3.5	15.0	15.4	56.1
Portugal	10 300	1.6	4.7	4.1	-4.2	-9.4	37.8
Spain	14 200	2.7	4.2	10.5	-0.1	-2.6	37.4
Sweden	23 200	1.2	2.0	4.0	4.8	3.0	57.0
Switzerland	36 900	0.9	1.4	1.9	..	8.2	..
United Kingdom	24 300	2.0	1.9	5.1	0.7	-2.1	39.0
United States	35 600	0.3	2.4	4.8	-0.5	-3.9	30.7
TOTAL DAC	**27 800**	**0.7**	**2.9**	**6.4**	**-1.4**	**-1.1**	**35.9**

a) GDP deflators.
Source: OECD *Economic Outlook*, December 2002 and country submissions.

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	1984	1985	1986	1987	1988	1989	1990	1991
Australia	86.64	72.91	74.32	83.96	101.68	110.27	114.13	116.58
Austria	52.51	52.31	72.90	89.93	93.26	89.52	107.64	108.81
Belgium	51.47	52.18	71.40	86.62	90.02	88.18	107.02	107.58
Canada	77.58	75.87	76.85	84.24	94.82	103.10	107.95	113.20
Denmark	48.54	49.50	67.78	83.94	88.18	85.45	104.64	104.07
Finland	64.23	65.65	83.67	100.59	114.22	118.33	139.95	134.75
France	55.81	57.25	78.08	92.57	96.39	92.93	112.03	111.39
Germany	53.21	52.51	73.44	90.41	93.94	89.87	107.87	109.18
Greece	49.99	48.55	57.13	67.94	75.65	75.69	93.57	97.41
Ireland	52.70	54.09	73.00	82.83	87.55	85.98	99.62	98.66
Italy	53.33	53.43	73.84	90.14	95.89	96.87	120.00	124.70
Japan	41.10	41.91	60.32	70.22	79.80	75.53	73.73	81.73
Luxembourg	50.83	50.88	68.16	83.82	85.65	83.41	103.43	103.54
Netherlands	56.89	55.91	75.93	91.16	94.51	89.15	106.26	106.27
New Zealand	61.60	61.99	75.54	96.71	115.27	110.64	113.98	111.12
Norway	59.60	59.54	68.57	80.45	87.29	87.11	99.77	98.68
Portugal	38.41	40.28	55.64	64.47	70.10	70.98	88.66	96.22
Spain	48.27	49.57	66.77	80.16	90.06	94.69	118.02	123.81
Sweden	59.61	61.08	78.58	92.54	101.83	104.59	123.99	130.24
Switzerland	51.22	50.13	70.61	87.52	91.71	84.56	103.83	106.63
United Kingdom	46.18	47.05	55.42	65.21	75.28	74.38	86.87	92.00
United States	66.74	68.85	70.36	72.48	74.94	77.80	80.83	83.77
TOTAL DAC	**53.74**	**54.21**	**68.01**	**78.61**	**85.11**	**83.92**	**93.20**	**96.95**
EC	48.18	49.33	67.15	81.99	87.74	85.90	104.52	107.23

a) Including the effect of exchange rate changes, *i.e.* applicable to US dollar figures only.

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Table 36

Deflators for Resource Flows from DAC Donors[a] (2000 = 100)

1992	1993	1994	1995	1996	1997	1998	1999	2001	
111.28	104.14	113.23	116.69	126.29	121.78	103.28	106.99	92.07	Australia
119.72	116.43	121.83	141.43	136.57	119.50	118.42	114.28	98.94	Austria
118.50	114.37	120.27	138.85	133.78	117.45	117.55	114.07	98.95	Belgium
108.79	103.41	98.80	100.54	102.89	102.47	95.26	96.42	97.02	Canada
113.37	107.07	111.00	128.21	126.98	113.93	113.49	111.77	99.80	Denmark
122.50	98.31	109.83	136.77	129.76	117.24	117.19	112.08	99.27	Finland
121.05	115.92	120.34	136.15	134.73	119.55	119.30	114.71	98.71	France
121.79	119.28	124.56	143.93	138.48	120.96	120.54	116.08	98.42	Germany
106.92	101.72	106.93	122.81	126.90	119.49	116.26	115.62	99.12	Greece
107.28	97.05	100.69	111.25	113.59	112.01	111.48	110.42	101.31	Ireland
131.28	106.95	107.86	112.15	124.65	115.64	116.49	113.18	99.71	Italy
88.23	101.14	110.15	119.19	102.25	92.27	85.24	96.56	87.45	Japan
112.86	105.61	114.23	129.90	125.97	112.18	113.43	111.51	98.54	Luxembourg
115.56	111.53	116.50	134.47	129.53	114.19	114.18	111.44	101.74	Netherlands
104.79	108.46	120.24	136.33	146.32	140.74	115.50	113.67	97.08	New Zealand
102.52	91.38	91.71	105.28	107.79	101.38	94.36	97.00	99.71	Norway
114.84	103.46	107.39	123.00	123.25	112.62	113.77	112.52	101.74	Portugal
134.12	112.81	111.32	125.49	127.86	113.20	113.62	111.79	101.00	Spain
136.56	104.91	108.37	121.33	130.87	116.96	113.33	109.74	90.42	Sweden
111.73	109.15	119.90	140.23	134.60	114.51	114.49	111.14	101.83	Switzerland
95.19	83.54	86.32	91.30	93.23	100.66	104.79	105.04	97.46	United Kingdom
85.81	87.87	89.69	91.65	93.43	95.25	96.42	97.77	102.18	United States
102.83	**101.29**	**105.97**	**116.08**	**112.67**	**104.81**	**102.64**	**104.50**	**96.33**	**TOTAL DAC**
117.13	109.73	114.48	129.48	128.93	117.26	117.95	113.97	99.41	EC

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Table 37

Gross National Income and Population of DAC Member Countries

	Gross National Income ($ billion)				Population (thousands)			
	1990-1991 average	1999	2000	2001	1990-1991 average	1999	2000	2001
Australia	280	382	370	346	17 175	18 980	19 230	19 490
Austria	160	206	186	186	7 770	8 090	8 110	8 130
Belgium	198	250	229	235	9 990	10 230	10 250	10 280
Canada	566	616	684	705	27 865	30 500	30 770	31 080
Denmark	124	172	157	159	5 145	5 320	5 340	5 360
Finland	124	126	119	121	5 010	5 170	5 180	5 200
France	1 195	1 432	1 285	1 316	56 900	58 620	58 890	59 190
Germany (a)	1 779	2 090	1 862	1 841	79 980	82 090	82 210	82 310
Greece	..	125	112	117	..	10 540	10 920	10 960
Ireland	37	79	79	87	3 510	3 750	3 790	3 840
Italy	1 107	1 171	1 074	1 083	56 750	57 080	57 190	57 350
Japan	3 176	4 556	4 808	4 204	123 825	126 690	126 930	127 210
Luxembourg	12	18	17	17	385	430	440	440
Netherlands	282	396	375	386	15 010	15 810	15 930	15 990
New Zealand	41	50	45	44	3 420	3 810	3 830	3 850
Norway	104	152	158	163	4 250	4 460	4 490	4 510
Portugal	64	108	104	107	9 875	10 200	10 260	10 340
Spain	504	592	552	574	38 885	39 630	39 930	40 270
Sweden	229	234	225	206	8 590	8 860	8 870	8 900
Switzerland	238	278	258	267	6 755	7 140	7 180	7 230
United Kingdom	983	1 451	1 418	1 431	57 685	58 540	58 660	58 790
United States	5 539	9 299	9 929	10 159	250 785	272 950	275 370	285 020
TOTAL DAC	**16 604**	**23 783**	**24 046**	**23 755**	**781 195**	**838 890**	**843 770**	**855 740**
of which:								
EU Members	6 660	8 451	7 794	7 866	347 120	374 360	375 970	377 350

a) 1991 only.

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Table 38

Net Official Aid Disbursements to Countries on Part II of the DAC List

	$ million					As % of GNI				
	1997	1998	1999	2000	2001	1997	1998	1999	2000	2001
Australia	0	1	3	8	5	0.00	0.00	0.00	0.00	0.00
Austria	181	191	184	187	212	0.09	0.09	0.09	0.10	0.11
Belgium	59	68	82	74	88	0.02	0.03	0.03	0.03	0.04
Canada	157	157	165	165	152	0.03	0.03	0.03	0.02	0.02
Denmark	133	118	128	189	181	0.08	0.07	0.07	0.12	0.11
Finland	71	82	74	58	61	0.06	0.07	0.06	0.05	0.05
France	574	823	745	1 657	1 334	0.04	0.06	0.05	0.13	0.10
Germany	660	654	729	647	687	0.03	0.03	0.03	0.03	0.04
Greece	9	15	11	12	9	0.01	0.01	0.01	0.01	0.01
Ireland	1	-	-	-	0	0.00	-	-	-	0.00
Italy	241	243	92	406	281	0.02	0.02	0.01	0.04	0.03
Japan	84	132	67	- 54	84	0.00	0.00	0.00	0.00	0.00
Luxembourg	2	3	3	7	9	0.01	0.02	0.01	0.04	0.05
Netherlands	7	130	22	306	214	0.00	0.03	0.01	0.08	0.06
New Zealand	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00
Norway	55	52	28	27	32	0.04	0.04	0.02	0.02	0.02
Portugal	18	22	28	27	28	0.02	0.02	0.03	0.03	0.03
Spain	3	5	13	12	14	0.00	0.00	0.00	0.00	0.00
Sweden	148	105	99	122	119	0.07	0.05	0.04	0.05	0.06
Switzerland	75	76	70	58	63	0.03	0.03	0.03	0.02	0.02
United Kingdom	337	435	407	439	461	0.03	0.03	0.03	0.03	0.03
United States	2 516	2 726	3 521	2 506	1 542	0.03	0.03	0.04	0.03	0.02
TOTAL DAC	**5 331**	**6 040**	**6 468**	**6 853**	**5 574**	**0.02**	**0.03**	**0.03**	**0.03**	**0.02**
of which:										
EU Members	2 444	2 895	2 615	4 143	3 696	0.03	0.03	0.03	0.05	0.05

Note: For a list of countries on Part II of the DAC List of Aid Recipients in 2001, refer to the end of this volume. See note *b*) on Table 40 for details of the countries that transferred to Part II in 2000.

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	Australia			Austria		
	1999	2000	2001	1999	2000	2001
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	3	8	5	184	187	212
OA as % of GNI	**0.00**	**0.00**	**0.00**	**0.09**	**0.10**	**0.11**
A. Bilateral OA	2	2	2	130	144	161
1. Grants	2	2	2	130	144	161
of which: Technical Co-operation	0	1	1	-	-	-
Developmental Food Aid	-	-	-	-	-	-
2. Loans	-	-	-	- 0	-	-
B. Multilateral OA	1	6	3	54	43	50
Grants and Capital Subscriptions	1	6	3	54	43	50
of which: to EC	-	-	-	44	36	43
to EBRD	-	5	2	7	6	7
II. Other Official Flows (OOF)	1	3	3	-	-	-
1. Official Export Credits	-	-	-	-	-	-
2. Other	1	3	3	-	-	-
III. Grants by NGOs	-	-	-	5	8	6
IV. Private Flows	-1 906	-1 164	-4 110	512	2 090	2 453
1. Direct Investment	- 141	- 646	-2 816	512	2 090	2 453
2. Portfolio Investment	-1 765	- 518	-1 294	-	-	-
3. Export Credits	-	-	-	-	-	-
V. Total Resource Flows	**-1 902**	**-1 154**	**-4 102**	**701**	**2 285**	**2 671**
Memo:						
Debt Forgiveness	-	-	-	-	-	-

	France			Germany		
	1999	2000	2001	1999	2000	2001
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	745	1 657	1 334	729	647	687
OA as % of GNI	**0.05**	**0.13**	**0.10**	**0.03**	**0.03**	**0.04**
A. Bilateral OA	336	1 084	1 011	242	223	245
1. Grants	343	1 001	1 021	366	325	317
of which: Technical Co-operation	105	564	554	335	299	274
Developmental Food Aid	-	0	0	-	-	-
2. Loans	- 6	83	- 11	- 124	- 102	- 72
B. Multilateral OA	408	573	323	487	424	442
Grants and Capital Subscriptions	408	573	323	487	424	442
of which: to EC	383	536	294	448	377	401
to EBRD	26	22	21	19	22	28
II. Other Official Flows (OOF)	- 11	- 34	- 75	268	499	3 258
1. Official Export Credits	-	-	-	- 6	- 5	45
2. Other	- 11	- 34	- 75	274	504	3 213
III. Grants by NGOs	-	-	-	98	60	90
IV. Private Flows	8 229	10 393	21 705	15 871	21 901	10 925
1. Direct Investment	3 953	5 221	5 400	6 785	13 098	5 685
2. Portfolio Investment	4 059	5 173	16 615	8 724	9 023	5 975
3. Export Credits	217	-	- 311	361	- 220	- 735
V. Total Resource Flows	**8 962**	**12 016**	**22 964**	**16 966**	**23 108**	**14 960**
Memo:						
Debt Forgiveness	195	189	175	-	-	-

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Table 39

The Flows of Financial Resources to Part II Countries and Multilateral Organisations

$ million

Belgium			Canada			Denmark			Finland		
1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
82	74	88	165	165	152	128	189	181	74	58	61
0.03	**0.03**	**0.04**	**0.03**	**0.02**	**0.02**	**0.07**	**0.12**	**0.11**	**0.06**	**0.05**	**0.05**
6	5	5	165	165	152	128	119	113	37	33	32
6	5	5	165	165	152	99	104	101	41	33	31
5	5	3	21	20	17	-	-	-	28	24	20
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	29	15	12	- 4	- 0	1
75	69	84	-	-	-	-	71	68	38	25	28
75	69	84	-	-	-	-	71	68	38	25	28
68	63	78	-	-	-	-	65	63	32	21	25
7	6	6	-	-	-	-	2	3	4	3	3
- 9	12	- 16	1 294	1 652	- 67	25	67	29	18	- 0	- 3
-	-	-	1 294	1 652	- 55	-	-	-	22	-	- 3
- 9	12	- 16	-	-	- 12	25	67	29	- 3	- 0	- 0
-	10	10	-	55	-	2	13	2	-	-	1
17 604	- 175	-1 252	- 21	1 199	4 548	401	284	565	596	972	1 106
1 825	17	348	-	1 139	4 489	401	284	-	443	845	307
15 691	- 188	-1 614	-	78	59	-	-	565	167	123	787
88	- 4	14	- 21	- 18	0	-	-	-	- 14	3	12
17 678	**- 78**	**-1 170**	**1 437**	**3 070**	**4 633**	**556**	**554**	**777**	**689**	**1 030**	**1 164**
-	-	-	117	118	110	-	-	-	-	-	-

$ million

Greece			Ireland			Italy			Japan		
1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
11	12	9	-	-	0	92	406	281	67	- 54	84
0.01	**0.01**	**0.01**	**-**	**-**	**0.00**	**0.01**	**0.04**	**0.03**	**0.00**	**0.00**	**0.00**
8	10	7	-	-	0	8	213	21	27	- 93	25
8	10	7	-	-	0	8	16	22	72	171	138
7	7	5	-	-	-	4	3	4	50	160	129
0	-	-	-	-	-	0	-	-	-	-	-
-	-	-	-	-	-	- 1	197	- 1	- 45	- 263	- 113
3	2	2	-	-	-	84	193	260	40	39	59
3	2	2	-	-	-	84	193	260	40	39	59
-	-	-	-	-	-	67	190	236	-	-	-
2	2	2	-	-	-	17	0	21	40	39	34
0	-	-	-	-	-	- 1	196	27	1 524	492	- 651
0	-	-	-	-	-	-	-	-	- 96	- 377	20
-	-	-	-	-	-	- 1	196	27	1 620	869	- 670
-	-	-	-	-	-	0	0	0	-	-	-
-	-	-	-	-	3	6 137	2 821	-1 030	1 018	3 504	3 168
-	-	-	-	-	-	- 209	144	634	2 624	3 332	5 671
-	-	-	-	-	3	6 831	1 382	-1 652	-1 656	- 271	-3 670
-	-	-	-	-	-	- 486	1 296	- 12	50	443	1 167
11	**12**	**9**	**-**	**-**	**3**	**6 228**	**3 424**	**- 721**	**2 609**	**3 942**	**2 602**
-	-	-	-	-	-	-	-	-	-	-	-

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	Luxembourg			Netherlands		
	1999	2000	2001	1999	2000	2001
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	3	7	9	22	306	214
OA as % of GNI	**0.01**	**0.04**	**0.05**	**0.01**	**0.08**	**0.06**
A. Bilateral OA	3	3	3	22	207	96
1. Grants	3	3	3	22	228	103
of which: Technical Co-operation	-	-	-	-	-	-
Developmental Food Aid	-	-	-	-	-	-
2. Loans	-	-	-	-	- 21	- 7
B. Multilateral OA	-	4	6	-	99	117
Grants and Capital Subscriptions	-	4	6	-	99	117
of which: to EC	-	3	5	-	95	96
to EBRD	-	0	0	-	1	1
II. Other Official Flows (OOF)	-	-	-	17	- 10	- 15
1. Official Export Credits	-	-	-	- 39	- 10	- 15
2. Other	-	-	-	56	-	0
III. Grants by NGOs	-	-	-	-	-	-
IV. Private Flows	-	-	-	2 299	599	3 432
1. Direct Investment	-	-	-	3 247	2 341	4 656
2. Portfolio Investment	-	-	-	- 947	-2 412	-1 175
3. Export Credits	-	-	-	-	671	- 50
V. Total Resource Flows	**3**	**7**	**9**	**2 338**	**895**	**3 631**
Memo:						
Debt Forgiveness	-	-	-	-	-	-

	Sweden			Switzerland		
	1999	2000	2001	1999	2000	2001
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	99	122	119	70	58	63
OA as % of GNI	**0.04**	**0.05**	**0.06**	**0.03**	**0.02**	**0.02**
A. Bilateral OA	94	119	113	63	58	55
1. Grants	94	119	113	62	57	53
of which: Technical Co-operation	40	52	44	9	8	9
Developmental Food Aid	-	-	-	-	-	-
2. Loans	0	0	0	1	1	2
B. Multilateral OA	6	3	6	6	-	7
Grants and Capital Subscriptions	6	3	6	6	-	7
of which: to EC	-	0	-	-	-	-
to EBRD	3	2	5	5	-	5
II. Other Official Flows (OOF)	- 2	- 1	- 1	1	-	1
1. Official Export Credits	-	-	-	-	-	-
2. Other	- 2	- 1	- 1	1	-	1
III. Grants by NGOs	-	-	-	-	8	7
IV. Private Flows	1 215	1 734	295	6 899	6 460	5 665
1. Direct Investment	1 133	1 902	361	6 894	6 305	5 661
2. Portfolio Investment	-	-	-	-	-	-
3. Export Credits	81	- 168	- 66	6	155	4
V. Total Resource Flows	**1 312**	**1 855**	**413**	**6 970**	**6 526**	**5 735**
Memo:						
Debt Forgiveness	-	-	-	-	-	-

Note: A substantial part of the increase in private flows to Part II countries 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).

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Table 39

The Flows of Financial Resources to Part II Countries and Multilateral Organisations (*continued*)

$ million

New Zealand			Norway			Portugal			Spain		
1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
0	0	0	28	27	32	28	27	28	13	12	14
0.00	**0.00**	**0.00**	**0.02**	**0.02**	**0.02**	**0.03**	**0.03**	**0.03**	**0.00**	**0.00**	**0.00**
0	0	0	28	27	29	0	0	1	13	12	14
0	0	0	28	27	29	0	0	1	13	12	16
0	0	0	28	-	-	-	0	1	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	0	- 2
0	-	-	-	-	2	28	26	27	-	-	-
0	-	-	-	-	2	28	26	27	-	-	-
-	-	-	-	-	-	26	25	26	-	-	-
-	-	-	-	-	-	1	1	1	-	-	-
-	-	-	0	4	3	-	-	13	- 7	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	0	4	3	-	-	13	- 7	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	556	1 294	542	2 782	1 067	384	57	1 747	1 056
-	-	-	548	1 257	550	2 779	1 060	374	57	1 747	1 056
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	8	37	- 8	3	7	10	-	-	-
0	**0**	**0**	**584**	**1 325**	**577**	**2 809**	**1 093**	**425**	**62**	**1 759**	**1 070**
-	-	-	-	-	-	-	-	-	2	2	-

$ million

United Kingdom			United States			TOTAL DAC COUNTRIES			EC		
1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
407	439	461	3 521	2 506	1 542	6 468	6 853	5 574	2 818	2 808	2 689
0.03	**0.03**	**0.03**	**0.04**	**0.03**	**0.02**	**0.03**	**0.03**	**0.02**	**-**	**-**	**-**
98	88	87	3 443	2 461	1 459	4 852	4 881	3 631	2 818	2 802	2 683
98	88	87	3 204	2 435	1 605	4 763	4 944	3 967	1 715	1 569	1 677
87	73	75	1 510	891	1 173	2 230	2 108	2 310	484	-	-
-	-	-	861	289	43	861	289	43	1	4	1
-	- 0	- 0	240	27	- 145	89	- 64	- 335	1 103	1 232	1 006
309	350	374	78	45	83	1 616	1 972	1 942	-	6	7
309	350	374	78	45	83	1 616	1 972	1 942	-	6	7
306	298	315	-	-	-	1 375	1 709	1 581	-	-	-
0	46	37	36	36	56	167	194	233	-	6	7
-	4	-	- 96	825	- 266	3 021	3 708	2 240	262	247	269
-	-	-	- 54	- 107	- 160	1 120	1 152	- 169	-	-	-
-	4	-	- 42	932	- 106	1 901	2 556	2 408	262	247	269
5	7	4	2 121	2 362	3 031	2 232	2 524	3 151	-	-	-
- 323	-2 921	-4 737	16 221	17 015	19 371	78 147	68 822	64 088	-	-	-
4 389	-4 812	-2 074	15 693	16 101	15 972	50 932	51 424	48 728	-	-	-
-4 877	3 026	-2 528	3	503	3 360	26 230	15 920	15 431	-	-	-
165	-1 135	- 135	526	411	39	985	1 478	- 70	-	-	-
89	**-2 470**	**-4 272**	**21 767**	**22 708**	**23 678**	**89 869**	**81 907**	**75 053**	**3 079**	**3 054**	**2 959**
-	-	-	-	-	-	314	308	285	-	-	-

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Table 40

OA Receipts[a] and Selected Indicators for Countries and Territories on Part II of the DAC List of Aid Recipients

	Net OA Receipts ($ million) 1997	1998	1999	2000	2001	GNI/CAP (c) 2000 US$	Population 2000 million	Current GNI 2000 $ million	OA/GNI 2000 per cent
MADCTs									
Aruba (b)	-	-	-	12	- 2	..	0.10	..	..
Bahamas	3	23	12	6	8	14 960	0.30	4 644	0.12
Bermuda	- 8	1	0	0	0	..	0.06	..	..
Brunei	0	0	1	1	0	..	0.34	..	..
Cayman Islands	- 4	0	3	- 4	- 1	..	0.04	..	..
Chinese Taipei	6	76	13	10	10	13 880	22.17	314 401	0.00
Cyprus	42	35	53	54	50	12 370	0.76	8 681	0.63
Falkland Islands	0	0	0	0	0	..	0.00	..	..
French Polynesia (b)	-	-	-	403	388	17 290	0.24	3 929	10.25
Gibraltar (b)	-	-	-	0	1	..	0.03	..	..
Hong Kong, China	9	7	4	4	4	25 920	6.80	165 466	0.00
Israel	1 196	1 066	906	800	172	16 710	6.23	106 011	0.75
Korea (b)	-	-	-	- 198	- 111	8 960	47.28	459 103	- 0.04
Kuwait	0	6	7	3	4	18 030	1.98	44 701	0.01
Libya (b)	-	-	-	15	10	..	5.29	..	..
Macao (b)	-	-	-	1	1	14 580	0.44	6 208	0.01
Netherlands Antilles (b)	-	-	-	177	59	..	0.22	..	..
New Caledonia (b)	-	-	-	350	294	15 060	0.21	3 057	11.45
Qatar	1	1	5	0	1	..	0.58	..	..
Singapore	3	2	- 1	1	1	24 740	4.02	98 374	0.00
United Arab Emirates	2	4	4	4	3	..	2.91	..	..
Virgin Islands (b)	-	-	-	5	2	..	0.02	..	..
MADCTs unallocated	-	-	-	23	25				
MADCTs, Total	**1 250**	**1 220**	**1 007**	**1 666**	**918**	**..**	**100.01**	**(1 214 575)**	**..**
CEECs/NIS									
Belarus	55	39	39	40	39	1 280	10.01	10 412	0.38
Bulgaria	220	239	271	311	346	1 520	8.17	11 674	2.66
Czech Republic	117	449	325	438	314	5 250	10.27	50 013	0.88
Estonia	66	91	84	64	69	3 580	1.37	4 610	1.38
Hungary	180	240	249	252	418	4 710	10.21	44 061	0.57
Latvia	81	98	100	91	106	2 920	2.37	7 181	1.27
Lithuania	104	134	134	99	130	2 930	3.51	11 120	0.89
Poland	861	876	1 186	1 396	966	4 190	38.65	156 664	0.89
Romania	219	367	387	432	648	1 690	22.44	36 612	1.18
Russia	793	1 078	1 946	1 565	1 110	1 690	145.56	248 808	0.63
Slovak Republic	71	155	319	113	164	3 700	5.40	18 767	0.60
Ukraine	268	465	569	541	519	690	49.50	30 320	1.78
CEEC Unallocated	398	560	363	405	155				
NIS Unallocated	907	992	240	319	273				
CEEC/NIS Unalloc.	167	167	797	253	78				
CEEC/NIS Part II Total	**4 505**	**5 950**	**7 009**	**6 319**	**5 334**	**..**	**307.44**	**(630 242)**	**..**
Part II unallocated	40	23	22	36	311				
PART II COUNTRIES, TOTAL	**5 796**	**7 193**	**8 038**	**8 021**	**6 564**	**..**	**407.45**	**(1 844 817)**	**..**

a) OA receipts are total net OA flows from DAC countries, multilateral organisations, and non-DAC countries (see Table 33 for the list of non-DAC countries for which data are available).
b) These countries transferred to Part II on 1 January 2000; through 1999 aid to these countries is counted as ODA (see Table 25).
c) World Bank Atlas Basis.
Note: *More advanced developing countries and territories* (MADCTs) comprise countries which transferred to Part II of the DAC List of Aid Recipients in 1996, 1997 or 2000.
Source: World Bank, Secretariat estimates. Group totals and averages are calculated on available data only.

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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 (OA).

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

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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 (the gross amount less any repayments of LOAN principal or recoveries on GRANTS received 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. This rate was selected as a proxy for the marginal efficiency of domestic investment, *i.e.* an indication of the opportunity cost to the donor of making the funds available. 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). (N*ote*: 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 Community and Arab agencies). A contribution by a DAC member to such an agency is deemed to be multilateral if it

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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: In DAC statistics, NET FLOW minus payments of interest.

OFFICIAL AID (OA): 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 (ODA): 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 DAC 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 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**

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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 DAC List of Aid Recipients by banks in OECD countries. 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.

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 private 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 publication. 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):

- **LDCs:** Least Developed Countries. Group established by the United Nations. To be classified as an LDC, 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 LDC group.

- **Other LICs:** Other Low-Income Countries. Includes all non-LDC 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. LDCs which are also LMICs are only shown as LDCs – 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

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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: Official GRANTS or LOANS 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 loans, credits and ASSOCIATED FINANCING packages 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 in 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 in the donor's currency between the year in question and the reference year, and changes in the exchange rate between that currency and the United States dollar over the same period. A table of combined conversion factors (deflators) is provided in the Statistical Annex (Table 36) which allows any figure in the Report in current United States dollars to be converted to dollars of the reference year ("constant prices").

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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 since 1972, 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 ($184 m.) 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 national income has also been expanding through the inclusion of new areas of economic activity and the improvement of collection methods. In particular, 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/GNI ratios. Norway's and Denmark's ODA/GNI 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 are now using the new SNA.

Recipient country coverage

Since 1990, the following entities have been added to the list of ODA recipients at the dates shown: the Black Communities of South Africa (1991 – now simply South Africa); Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan (1992); Armenia, Georgia and Azerbaijan (1993), Palestinian Administered Areas (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

* S. Scott, "Some Aspects of the 1988/89 Aid Budget", in *Quarterly Aid Round-up*, No. 6, AIDAB, Canberra, 1989, pp. 11-18.

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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 volume). 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 Northern Marianas progressed to Part II. In 2001, Senegal transferred to the group of LDCs, and Northern Marianas left the List.

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.

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.

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DAC *List of Aid Recipients – For 2001 Flows*

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-$3 030 in 1998)		UMICs (per capita GNP $3 031-$9 360 in 1998)	HICs (per capita GNP > $9 360 in 1998)[1]	CEECs/NIS	More Advanced Developing Countries and Territories
Afghanistan	❊ Armenia	❊ Albania	Palestinian Administered Areas	Botswana	Malta[1]	❊ Belarus	● Aruba
Angola	❊ Azerbaijan	Algeria	Papua New Guinea	Brazil	Slovenia[1]	❊ Bulgaria	Bahamas
Bangladesh	Cameroon	Belize	Paraguay	Chile		❊ Czech Republic	● Bermuda
Benin	China	Bolivia	Peru	Cook Islands		❊ Estonia	Brunei
Bhutan	Congo, Rep.	Bosnia and Herzegovina	Philippines	Croatia		❊ Hungary	● Cayman Islands
Burkina Faso	Côte d'Ivoire	Colombia	South Africa	Gabon		❊ Latvia	Chinese Taipei
Burundi	East Timor	Costa Rica	Sri Lanka	Grenada		❊ Lithuania	Cyprus
Cambodia	Ghana	Cuba	St Vincent and Grenadines	Lebanon		❊ Poland	● Falkland Islands
Cape Verde	Honduras	Dominica	Suriname	Malaysia		❊ Romania	● French Polynesia
Central African Republic	India	Dominican Republic	Swaziland	Mauritius		❊ Russia	● Gibraltar
Chad	Indonesia	Ecuador	Syria	● Mayotte		❊ Slovak Republic	● Hong Kong, China
Comoros	Kenya	Egypt	Thailand	Mexico		❊ Ukraine	Israel
Congo, Dem. Rep.	Korea, Democratic Republic	El Salvador	● Tokelau	Nauru			Korea
Djibouti	❊ Kyrgyz Rep.	Fiji	Tonga	Palau Islands			Kuwait
Equatorial Guinea	❊ Moldova	❊ Georgia	Tunisia	Panama			Libya
Eritrea	Mongolia	Guatemala	❊ Uzbekistan	● St Helena			● Macao
Ethiopia	Nicaragua	Guyana	● Wallis and Futuna	St Lucia			● Netherlands Antilles
Gambia	Nigeria	Iran	Yugoslavia, Federal Republic	Trinidad and Tobago			● New Caledonia
Guinea	Pakistan	Iraq		Turkey			Qatar
Guinea-Bissau	Senegal[2]	Jamaica		Uruguay			Singapore
Haiti	❊ Tajikistan	Jordan		Venezuela			United Arab Emirates
Kiribati	❊ Turkmenistan	❊ Kazakhstan		**Threshold for World Bank Loan Eligibility ($5 280 in 1998)**			● Virgin Islands (UK)
Laos	Viet Nam	Macedonia (former Yugoslav Republic)		● Anguilla			
Lesotho	Zimbabwe	Marshall Islands		Antigua and Barbuda			
Liberia		Micronesia, Federated States		Argentina			
Madagascar		Morocco		Bahrain			
Malawi		Namibia		Barbados			
Maldives		Niue		● Montserrat			
Mali				Oman			
Mauritania				Saudi Arabia			
Mozambique				Seychelles			
Myanmar				St Kitts and Nevis			
Nepal				● Turks and Caicos Islands			
Niger							
Rwanda							
Samoa							
São Tomé and Príncipe							
Sierra Leone							
Solomon Islands							
Somalia							
Sudan							
Tanzania							
Togo							
Tuvalu							
Uganda							
Vanuatu							
Yemen							
Zambia							

❊ 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.
As of July 2002, **the Heavily Indebted Poor Countries (HIPCs)** are: Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo (Dem. Rep.), Congo (Rep.), Côte d'Ivoire, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Laos, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Viet Nam and Zambia.

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List of acronyms[1]

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
CFA[2]	AFRICAN FINANCIAL COMMUNITY
CIS	COMMONWEALTH OF INDEPENDENT STATES
CMH	COMMISSION ON MACROECONOMICS AND HEALTH (WHO)
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
ECA	ECONOMIC COMMISSION FOR AFRICA
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
GNI	GROSS NATIONAL INCOME
HICs	HIGH-INCOME COUNTRIES
HIPCs	HEAVILY-INDEBTED POOR COUNTRIES (see DAC List of Aid Recipients in this annex)
HPI	HUMAN POVERTY INDEX
IBRD	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
ICB	INTERNATIONAL COMPETITIVE BIDDING

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ICPD	INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT (Cairo, 1994)
IDA	INTERNATIONAL DEVELOPMENT ASSOCIATION
IDAI	INTEGRATED DEVELOPMENT ACTIVITY INFORMATION
IDB	INTER-AMERICAN DEVELOPMENT BANK
IDGs	INTERNATIONAL DEVELOPMENT GOALS
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
IRTA	INVESTMENT-RELATED TECHNICAL ASSISTANCE
ITC	INTERNATIONAL TRADE CENTRE
JBIC	JAPAN BANK FOR INTERNATIONAL CO-OPERATION (ex OECF + JEXIM)
JEXIM	JAPAN EXPORT IMPORT BANK (now JBIC)
KfW[2]	BANK FOR RECONSTRUCTION AND DEVELOPMENT (Germany)
LDCs	DEVELOPING COUNTRIES
LICs	LOW-INCOME COUNTRIES
LLDCs	LEAST DEVELOPED COUNTRIES
LMICs	LOWER MIDDLE-INCOME COUNTRIES
MDBs	MULTILATERAL DEVELOPMENT BANKS
NEPAD	NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT
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

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TC	TECHNICAL CO-OPERATION
TRTA	TRADE-RELATED TECHNICAL ASSISTANCE
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
WID	WOMEN IN DEVELOPMENT
WSSD	WORLD SUMMIT FOR SUSTAINABLE DEVELOPMENT (Johannesburg, 2002)
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 V.
2. Denotes acronym in the original language.

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