

OECD Journal
on Development
**Development
Co-operation
Report 2005**



*Efforts and Policies
of the Members
of the
Development Assistance Committee*

Development Co-operation Report 2005

Report by Richard Manning
Chair 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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Publié en français sous le titre :
Coopération pour le développement
Rapport 2005

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Preface by the Secretary-General

This is the last time that I shall be writing a preface to the Development Co-operation Report, which has provided a regular OECD reflection on the state of development co-operation since 1960.

My own involvement in these issues goes back also to the Sixties, and in particular to the landmark Pearson Report of 1969, "Partners in Development", the earliest and probably the most influential attempt to assemble contemporary wisdom on how to address the perplexing problems of poor countries in a globalising world. That Report established the ODA target of 0.7% of GNP for OECD members, calling for this level to be reached by 1975!

Yet, looking back over the period since Pearson, there is much positive to report. Asia was seen at the time as in many ways an impossible area for progress: the "Great Leap Forward" in China had failed, war was raging in Indo-China, and the subcontinent was mired in postimperial conflict and the "Hindu rate of growth". Yet, we have seen in this region the fastest reduction of poverty in the history of the world. Eastern Europe and the states of the Former Soviet Union have started to see the real benefits of the radical changes in policies and institutions of the 1990s. Social indicators have improved significantly in both Latin America and the Middle East. And all this has been achieved at a period that has seen a doubling of the world's population, most of the increase being precisely in the poorest countries.

We can also take comfort from the healthier mix of resource flows that now characterise international exchanges. Trade has become relatively far more important (though there is still a large policy agenda to tackle in the Doha Development Round), direct investment has proved robust through the economic cycle, and remittances and private charitable flows have grown markedly.

But it is clear that the job of official aid, which has been a valuable contributor to many of the positive outcomes mentioned above, is not yet done. There is an intractable pool of serious, life-threatening poverty spread across much of the developing world, and still growing in sub-Saharan Africa. 2005 saw the recommitment of OECD members and other donors to increasing the amount and the quality of aid. I am particularly pleased that the Paris Declaration of March 2005 dealt squarely with many of the factors that have limited aid effectiveness in the past, and I hope that this will prove to be a lasting legacy of OECD engagement in the joint enterprise of tackling extreme poverty which this report argues we are now beginning to see.

No-one should expect official aid to be more than a contributing factor to the complex processes of development, which must be driven by the developing countries themselves. But Lester Pearson was right to argue that, if well-managed, it could and should accelerate progress. The Millennium Goals, themselves a reflection of OECD thinking, show us how much there is still to do. I hope that this report, like its predecessors, will contribute to understanding and knowledge of how aid can indeed contribute to the outcomes we all want, and which the world needs.

It has been thirty-six years since the Pearson Report. We should have done better but, with political will supporting a coherent aid and trade agenda, let us hope that in a much-compressed timeframe poverty, as we see it, will be a subject only of historical interest.

Donald J. Johnston
Secretary-General



Foreword

This edition of the Development Cooperation Report marks 45 years of this publication. Those involved in the 1960 Report, notably my distinguished predecessor, James W. Riddleberger, might well be disappointed that such a publication remains necessary. However, while the challenge of ending extreme poverty remains a daunting one, 2005 has perhaps shown that world leaders are increasingly serious in making it a real political priority. As this report argues, we may as a result be seeing an increasingly purposive joint enterprise to accelerate progress in tackling levels of deprivation and inequality that the world can no longer accept.

Certainly, the Development Assistance Committee has been working at full throttle through the year on many aspects of the problematique of development. This report gives an insight into some of the big and intractable issues that members have been working together to address. These range from seeking to establish common ways of thinking about how to stimulate growth that really translates into better lives for poor people, to the concerted attempt to improve the way donors deliver their programmes. As always, this is complemented by a full treatment of the statistics of aid, reflecting the DAC's role in accounting transparently for the activities of its members.

The high profile of aid and development issues in 2005 makes it all the more necessary for the DAC collectively, as well as its members individually, to be open and responsive to the interest of the public. I hope that this report will help to deliver on this commitment.

The past year has imposed huge pressures on the Secretariat. I am once again very impressed by the dedication of staff at all levels to ensuring that the Committee and its subsidiary bodies are able to operate productively. And a special word of thanks to all the individuals, from DAC delegates to Chairs of Working Parties and Networks, Bureau members and those who put time and effort into Task Teams, who have been prepared to go the extra mile on top of busy regular jobs to enable the Committee to achieve results.

Richard Manning
DAC Chair



Acknowledgements

Main authors and contributors to this year's report were: Yasmin Ahmad, Hilary Balbuena, Julia Benn, Elena Bernaldo, Richard Carey, Jeanette Dargaville, Ben Dickinson, Ebba Dohlmán, Valérie Gaveau, Brian Hammond, Jim Hradsky, Michael Laird, Caroline Lesser, Richard Manning, Hunter McGill, Carola Miras, Bathylle Missika, Simon Mizrahi, Aimée Nichols, Marjolaine Nicod, Bill Nicol, Josephine Pagani, Madeleine Paris, Rudolphe Petras, Michael Roeskau, Simon Scott, Jens Sedemund, Mikael Soderback, Elisabeth Thioleron, Chantal Verger, Michelle Weston, Ann Zimmerman.

This book has...



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List of Acronyms

ACP	AFRICAN CARIBBEAN AND PACIFIC COUNTRIES
AfDB	AFRICAN DEVELOPMENT BANK
AfDF	AFRICAN DEVELOPMENT FUND
AsDB	ASIAN DEVELOPMENT BANK
AsDF	ASIAN DEVELOPMENT FUND
AIDS	ACQUIRED IMMUNE DEFICIENCY SYNDROME
ASEAN	ASSOCIATION OF SOUTH-EAST ASIAN NATIONS
BIS	BANK FOR INTERNATIONAL SETTLEMENTS
CDM	CLEAN DEVELOPMENT MECHANISM (Kyoto Protocol)
CEECs	CENTRAL AND EASTERN EUROPEAN COUNTRIES
CGIAR	CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH
CIC	INTERMINISTERIAL COMMITTEE FOR CO-ORDINATION
CICID	INTERMINISTERIAL COMMITTEE FOR INTERNATIONAL CO-OPERATION AND DEVELOPMENT
CIS	COMMONWEALTH OF INDEPENDENT STATES
CRS	CREDITOR REPORTING SYSTEM (of the DAC)
DAC	DEVELOPMENT ASSISTANCE COMMITTEE
DCD	DEVELOPMENT CO-OPERATION DIRECTORATE
DDA	DOHA DEVELOPMENT AGENDA
DFID	DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (United Kingdom)
EBRD	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT
EC	EUROPEAN COMMISSION
ECA	ECONOMIC COMMISSION FOR AFRICA
ECOSOC	ECONOMIC AND SOCIAL COUNCIL (United Nations)
EDF	EUROPEAN DEVELOPMENT FUND
EU	EUROPEAN UNION
FAO	FOOD AND AGRICULTURE ORGANISATION
FDI	FOREIGN DIRECT INVESTMENT
GAVI	GLOBAL ALLIANCE FOR VACCINES AND IMMUNISATION
GDP	GROSS DOMESTIC PRODUCT
GNI	GROSS NATIONAL INCOME
HIPC_s	HEAVILY INDEBTED POOR COUNTRIES
HIV	HUMAN IMMUNODEFICIENCY VIRUS
HLF	HIGH-LEVEL FORUM
IBRD	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
ICEIDA	ICELANDIC INTERNATIONAL DEVELOPMENT AGENCY
ICT_s	INFORMATION AND COMMUNICATIONS TECHNOLOGIES
IDA	INTERNATIONAL DEVELOPMENT ASSOCIATION
IDB	INTER-AMERICAN DEVELOPMENT BANK
IFAD	INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT
IFC	INTERNATIONAL FINANCE CORPORATION
IFF	INTERNATIONAL FINANCE FACILITY
IFFIm	INTERNATIONAL FINANCE FACILITY FOR IMMUNISATION
IFI	INTERNATIONAL FINANCIAL INSTITUTIONS

ILO	INTERNATIONAL LABOUR ORGANISATION
IMF	INTERNATIONAL MONETARY FUND
IOM	INTERNATIONAL ORGANISATION OF MIGRATION
IPAD*	INSTITUTE FOR PORTUGUESE DEVELOPMENT SUPPORT (THE)
IRTA	INVESTMENT-RELATED TECHNICAL ASSISTANCE
LDCs	LEAST DEVELOPED COUNTRIES
MASHAV*	CENTRE FOR INTERNATIONAL DEVELOPMENT CO-OPERATION (Israel)
MCA	MILLENNIUM CHALLENGE ACCOUNT
MDBs	MULTILATERAL DEVELOPMENT BANKS
MDGs	MILLENNIUM DEVELOPMENT GOALS
MFN	MOST FAVOURED NATION
NEPAD	NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT
NGO	NON-GOVERNMENTAL ORGANISATION
NIS	NEWLY INDEPENDENT STATES (of the former Soviet Union)
NZAID	NEW ZEALAND AGENCY FOR INTERNATIONAL DEVELOPMENT
OA	OFFICIAL AID
ODA	OFFICIAL DEVELOPMENT ASSISTANCE
ODF	OFFICIAL DEVELOPMENT FINANCE
OECD	ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
OOF	OTHER OFFICIAL FLOWS
PALOP*	PAÍSES AFRICANOS DE LINGUA OFICIAL PORTUGUESA (AFRICAN COUNTRIES OF OFFICIAL PORTUGUESE LANGUAGE)
PDGG	PARTICIPATORY DEVELOPMENT AND GOOD GOVERNANCE
PIU	PROJECT IMPLEMENTATION UNIT
POVNET	DAC NETWORK ON POVERTY REDUCTION
PRGF	POVERTY REDUCTION AND GROWTH FACILITY (IMF)
PRSP	POVERTY REDUCTION STRATEGY PAPER/PROGRAMME
PRS	POVERTY REDUCTION STRATEGY
PSD	PRIVATE SECTOR DEVELOPMENT
SAF	STRUCTURAL ADJUSTMENT FACILITY
SDC	SWISS AGENCY FOR DEVELOPMENT AND CO-OPERATION
SDR	SPECIAL DRAWING RIGHT
SECO*	STATE SECRETARIAT FOR ECONOMIC AFFAIRS (Switzerland)
SSA	SUB-SAHARAN AFRICA
SWAPs	SECTOR-WIDE APPROACHES
TC	TECHNICAL CO-OPERATION
TICA	TURKISH INTERNATIONAL CO-OPERATION AGENCY
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
UNIFEM*	UNITED NATIONS DEVELOPMENT FUND FOR WOMEN
USAID	UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
USD	UNITED STATES DOLLAR
WHO	WORLD HEALTH ORGANISATION
WTO	WORLD TRADE ORGANISATION

* Denotes acronym in original language.

Chapter 1

Overview by the DAC Chair

This chapter focuses on four key challenges facing those involved in aid delivery, reflects on the lessons learned from our collective failure to achieve the gender equality in schools target in 2005 and presents an update on key development dimensions discussed in previous Development Co-operation Reports.

The year 2005 was billed in advance as the “year of development”. How did it turn out?

There is no question that development issues have had an exceptional **profile** in 2005. The year started with the world riveted by the appalling destruction wrought by the Indian Ocean tsunami of 26 December 2004, and the unprecedented outpouring of contributions not only from governments but from ordinary people around the globe. In July, the food crisis in Niger showed the fragility of the international system for coping with a far more predictable humanitarian emergency. An exceptionally violent hurricane season in the Caribbean and Gulf of Mexico, and a devastating earthquake in the region of Kashmir in October, together with more evidence of food security problems in southern Africa, meant that there was no let-up in demand for humanitarian assistance.

On the political side, the May OECD Ministerial Council meeting welcomed an OECD statement on the follow-up to the Millennium Declaration and Monterrey Consensus, committing OECD countries to intensify efforts to meet the Millennium Development Goals. The Gleneagles G8 Summit in July and the UN General Assembly Summit session in September served to put development issues at the top of the international agenda, in parallel with the closely related issues of climate change and security and human rights. The year closed with the World Trade Organisation (WTO) meeting in Hong Kong which focused on how to deliver on the Doha promise of a “Development Round”.

This profile has been matched by the weight of **analysis**. In January, the UN Millennium Project delivered a report on how to turn the Millennium Development Goals (MDGs) from global aspiration to reality for each developing country. The report highlighted that, given existing trends, most of the goals will be missed in many developing and transition countries, and argued for using existing tools, such as Poverty Reduction Strategies (PRSs), in a more ambitious and comprehensive way, complemented by other measure such as “quick wins” in the shape of scaled-up interventions along tried lines. The report took a broad view of what it would take to achieve the MDGs, including underlining the importance of science and technology, infrastructure, and the role of the private sector (the latter having been the main theme of an earlier UN report on unleashing entrepreneurship). In March, the UN Secretary-General’s report, *In Larger Freedom*, drew on this analysis and that of the previous December’s High-Level Panel on Threats, Challenges and Change to bring together a coherent set of proposals on development, security, and human rights, as well as proposals for further UN reform. These initiatives added considerable momentum to tackling the challenges of peace, security and stability. In particular, the agreement at September’s Millennium Summit to establish a Peace Building Commission underpins the international community’s commitment to preventing violent conflict and supporting countries to make the transition from war to peace. Also in March, the UK-financed Commission for Africa delivered its report, which contained a wide-ranging set of proposals for both African countries and their development partners to respond to the challenges faced by the continent. The OECD and the Economic Commission for Africa complemented this work with the first mutual review between Africa and the OECD. The World Bank’s *World Development Report* contained a new analysis of the significance of equity in the development process.

The year also saw some real **action**. The ending of the Multifibre Arrangement – the last act of the Uruguay Round – unleashed remarkable changes in textile trading patterns, despite being painful for many developing country suppliers and temporarily constrained by the reimposition of controls in some key markets. Agreement was reached to wipe out multilateral debt owed to the International Monetary Fund (IMF), the International Development Association (IDA) and the African Development Fund (ADF) for well-performing countries under the Heavily Indebted Poor Country (HIPC) initiative. A major reduction in debt was agreed for Nigeria, Africa's most populous country. Moreover, important decisions were taken on both the volume and the effectiveness of aid, as detailed later in this chapter.

More significantly, following the impressive level of growth in 2004, developing countries seem to have continued to grow at rates of income per head well in excess of OECD countries with Africa at last showing evidence of significant (though still too small) increases in income per head. In a number of countries governance indicators continued their positive rise. The sharp rise of oil prices brought windfall benefits to oil exporters and imposed a drag on the growth of others, but its negative effects on developing countries in aggregate seem, at the moment of writing, to have been less severe than expected.

In short, 2005 reminded us that significant changes are needed if the condition of the world's poor is to improve at anything like the rate implied by the MDGs. But it also did something to build an increasingly purposive joint enterprise to accelerate progress in tackling levels of deprivation and inequality that the world can no longer accept. I am pleased that the DAC has played a role in shaping this joint enterprise, as shown in this report.

In this chapter, I focus on four key challenges that now face those involved in the delivery of aid, reflect on the lessons to draw from our collective failure to achieve the gender equality in schools target in 2005, and as usual update progress on some key dimensions of development that have been tracked in the past two *Development Co-operation Reports*.

Four key challenges

How much aid will be delivered by when, to whom and how?

As previous reports in this series have emphasised, international aid can be no more than a contribution to sustainable development for the poor. The actions of the governments and people of poor countries (including the commercial private sector) and the enabling environment that the policies of OECD and other countries offer them are both intrinsically more important. But more and better aid can and does make a real difference, particularly in the speed of progress. It is therefore of great interest to try to understand the realities behind the very significant announcements made in 2005 about the volume and the effective use of aid.

Official Development Assistance (ODA), as measured by the DAC, has been rising both in real terms (since 1997) and as a share of national income (since 2001). There is every reason to suppose that in 2005 it will have increased by an exceptional amount. In addition, decisions taken by many DAC members should ensure a further considerable expansion to 2010 and indeed to 2015. The decisions taken by the EU at its Council meeting on 24 May stand out, since they engage 25 countries, including 16 of the 23 members of the DAC. If fully delivered, annual ODA spending from the EU will be USD 38 billion higher in real terms in 2010 than in 2004 (and will rise by a further USD 28 billion from 2010-15). Together with announcements by other DAC members, the DAC Secretariat estimate that DAC members' total net disbursements of ODA will rise from USD 79.5 billion in 2004 to USD 128.1 billion in 2010 (in constant 2004 US dollars), an increase of virtually USD 50 billion. Details are given in Table 1.1 below.

Table 1.1. **OECD-DAC Secretariat simulation of DAC members' net ODA volumes in 2006 and 2010**

In constant 2004 USD million

The data below are not forecasts but Secretariat projections based on public announcements by member countries of the OECD's Development Assistance Committee (DAC). The key figures from such announcements are shown as "assumptions". To calculate net ODA and ODA/GNI ratios requires projections for GNI for 2006 and 2010. For 2006, the projections of real growth for each country are taken from the *OECD Economic Outlook* No. 77 (May 2005) Annex Table 1. For the period 2006-10, real annual GNI growth of 2% is assumed for all countries. While calculations have been discussed at technical level with national authorities, the DAC Secretariat is responsible for the methodology and the final published results.

	2004		Assumptions	2006				2010			
	Net ODA (2004 US\$ m)	ODA/GNI		Net ODA (2004 US\$ m)	ODA/GNI	Real change in ODA compared with 2004		Net ODA (2004 US\$ m)	ODA/GNI	Real change in ODA compared with 2004	
						(2004 US\$ m)	Per cent			(2004 US\$ m)	Per cent
Austria	678	0.23%	0.33% in 2006 and 0.51% in 2010	1 000	0.33%	322	48%	1 673	0.51%	995	147%
Belgium ¹	1 463	0.41%	0.7% in 2010	1 815	0.49%	351	24%	2 807	0.70%	1 344	92%
Denmark	2 037	0.85%	Minimum 0.8%	2 037	0.81%	0	0%	2 185	0.80%	148	7%
Finland ^{1, 2}	655	0.35%	0.44% in 2007 and 0.7% in 2010	797	0.41%	141	22%	1 475	0.70%	820	125%
France ¹	8 473	0.41%	0.5% in 2007 and 0.7% in 2012	9 983	0.47%	1 510	18%	14 110	0.61%	5 638	67%
Germany	7 534	0.28%	0.33% in 2006 and 0.51% in 2010	9 271	0.33%	1 737	23%	15 509	0.51%	7 975	106%
Greece	465	0.23%	0.33% in 2006 and 0.51% in 2010	715	0.33%	251	54%	1 196	0.51%	732	158%
Ireland ¹	607	0.39%	0.5% in 2007 and 0.7% in 2012	765	0.44%	158	26%	1 121	0.60%	514	85%
Italy	2 462	0.15%	0.33% in 2006 and 0.51% in 2010	5 537	0.33%	3 075	125%	9 262	0.51%	6 801	276%
Luxembourg ¹	236	0.83%	1% in 2009	272	0.90%	36	15%	328	1.00%	93	39%
Netherlands	4 204	0.73%	Minimum 0.8% ⁸	4 801	0.82%	598	14%	5 070	0.80%	867	21%
Portugal ³	1 031	0.63%	0.33% in 2006 and 0.51% in 2010	558	0.33%	-474	-46%	933	0.51%	-98	-10%
Spain ^{1, 2}	2 437	0.24%	0.5% in 2008 and 0.7% in 2012	3 569	0.33%	1 132	46%	6 925	0.59%	4 488	184%
Sweden	2 722	0.78%	1% in 2006	3 719	1.00%	997	37%	4 025	1.00%	1 303	48%
United Kingdom ^{1, 2}	7 883	0.36%	0.47% in 2007-08 and 0.7% in 2013	9 602	0.42%	1 719	22%	14 600	0.59%	6 717	85%
EU members, total	42 886	0.35%		54 440	0.43%	11 554	27%	81 221	0.59%	38 335	89%
Australia	1 460	0.25%	0.36% in 2010	1 768	0.28%	308	21%	2 460	0.36%	1 000	68%
Canada ⁴	2 599	0.27%	See footnote 4	2 897	0.28%	297	11%	3 648	0.33%	1 049	40%
Japan ⁵	8 906	0.19%	See footnote 5	9 906	0.20%	1 000	11%	11 906	0.22%	3 000	34%
New Zealand	212	0.23%	0.27% in 2005-06 and 0.28% in 2007-08	258	0.27%	46	22%	289	0.28%	77	36%
Norway	2 199	0.87%	1% over 2006-09	2 657	1.00%	458	21%	2 876	1.00%	677	31%
Switzerland ⁶	1 545	0.41%	See footnote 6	1 596	0.41%	51	3%	1 728	0.41%	182	12%
United States ⁷	19 705	0.17%	See footnote 7	24 000	0.19%	4 295	22%	24 000	0.18%	4 295	22%
DAC members, total	79 512	0.26%		97 520	0.30%	18 008	23%	128 128	0.36%	48 616	61%

1. ODA/GNI ratios interpolated between 2004 and year target scheduled to be attained.

2. Finland aim to achieve 0.7% by 2010 "subject to economic circumstances"; Spain aim for a minimum of 0.5% by 2008, with the intention then to aim for 0.7% by 2012; the UK has announced a timetable to reach 0.7% by 2013.

3. Portugal's ODA in 2004 was above trend due to an exceptional debt relief operation for Angola.

4. Canada intends to double its 2001 International Assistance Envelope (IAE) level by 2010 in nominal terms. The ODA portion estimated here, supplied by the Canadian authorities, includes adjustments for inflation (approximately 2 per cent per annum) and for ODA expenditures outside the IAE.

5. Japan intends to increase its ODA volume by USD 10 billion in aggregate over the next five years (2005-09) compared to its net ODA in 2004. The Secretariat's estimate assumes USD 1 billion extra in 2006 and USD 3 billion extra in 2010.

6. Switzerland's ODA will increase by 8% in nominal terms from 2005 to 2008. A new goal will be determined for the following years. The Secretariat's estimate assumes maintenance of 0.41% of GNI in 2006 and 2010.

7. Secretariat estimate based on 2004 ODA plus USD 5 billion per annum to cover the Gleneagles G8 commitments on increased aid to Africa, the Millennium Challenge Account, and initiatives on HIV/AIDS, malaria and humanitarian aid.

8. The Netherlands' ODA in 2004 was below its target as India repaid all its outstanding Dutch aid loans. The Netherlands intends to maintain its target of 0.8% of GNI, on average, over the period 2004-07.

Statlink: <http://dx.doi.org/10.1787/131026367850>

While we are not able to give comparable projections for most donors outside the DAC (other than the new EU member states, which have made very significant pledges as part of the EU decisions), evidence suggests that aid from these sources will also be on a rising trend over the period. Korea has decided to increase its ODA to 0.10% of its GNI by 2010, which implies more than doubling its aid to around USD 1 billion in that year. China's announcement of an additional USD 10 billion at the UN General Assembly Summit is particularly significant, although the announcement makes clear that an unstated proportion of this is in the form of export credits rather than ODA. Overall, we may see the largest expansion in ODA, as measured by the DAC, since the Committee was formed in 1960. As a proportion of DAC GNI, however, the level in 2010 (0.36% for DAC members as a whole) would only marginally exceed the level seen from 1980-92 (0.33%), and would remain well below the levels of over 0.50% recorded in the early years of the Committee's existence.

The figures above are Secretariat projections based for the most part on public announcements by the governments of DAC members. They imply that for most of these countries ODA will need to rise, year after year, at a rate above that of total government expenditure, and also above the rate of the past few years. This shows the extent of the challenge. How far have such undertakings and estimates proved reliable thus far?

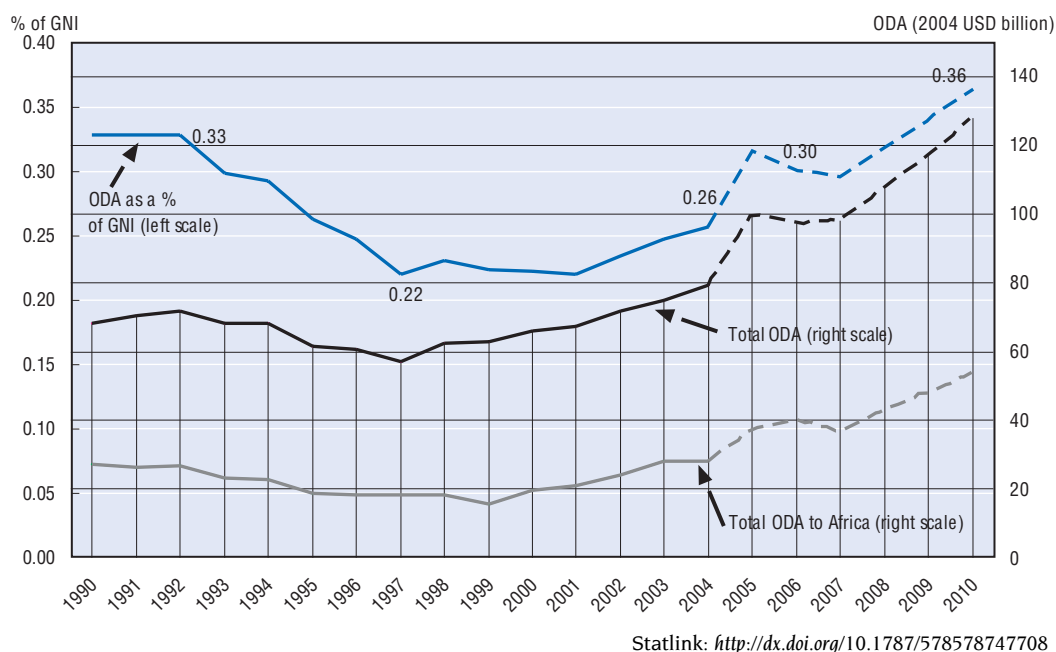
In the context of the Monterrey Financing for Development Conference in March 2002, many DAC members announced plans to expand ODA, usually with a focus on the levels to be attained in 2006. So experience of these commitments should tell us something about the likely path of ODA spending to 2010.

ODA has indeed continued to rise in real terms each year since Monterrey, but at a rate below that needed to reach what donors have promised for 2006. From 2001-04, ODA rose by 18% in real terms, an average increase of just over 5% per year. This rate needs to double between 2004-06 to reach the 2006 projections.

This leaves some uncertainty as to whether the levels of aid pledged at Monterrey for 2006 will be delivered. Some of the information in Table 1.1 is encouraging, for example the EU is forecast to achieve 0.43% in 2006 against its 0.39% target. However, as the same table shows, this assumes that all EU DAC members achieve the agreed minimum level of 0.33% of GNI by 2006, which will require large proportionate increases from some EU members (notably 125% from Italy). Indeed the five EU members scoring below 0.33% in 2004 will collectively need to increase ODA by USD 6.5 billion by 2006 if the Secretariat's estimate is to be reached. If half of this increment is delivered, and if all other EU members perform as envisaged, the EU outcome would still exceed 0.39% but only by one basis point. However in practice, as indicated below, some special factors are likely to ease the formal achievement of the pledges made by donors for 2006.

Furthermore, increases may not be delivered in the form envisaged. Thus the US stated at Monterrey its intention to commit USD 5 billion under the new Millennium Challenge Account (MCA) in 2006 as part of its pledged 50% increase in ODA. Expenditure under the MCA only started in 2005, and the Administration requested USD 3 billion for the FY 06 budget, which Congress reduced to USD 1.77 billion in recognition of the more gradual start up and expansion than planned, reflecting the need to assure country ownership. On the other hand, expenditure on Iraq (not foreseen at Monterrey), Afghanistan and other categories of expenditure, notably to sub-Saharan Africa, multilaterals, HIV/AIDS and emergency assistance, have boosted US spending levels from 2000-04 by 83% in real terms compared to the DAC average of 20%.

Figure 1.1. **DAC members' net ODA 1990-2004 and DAC Secretariat simulations of net ODA to 2006-10**



If we apply this experience to the commitments made by a large majority of DAC members for 2010 (including Canada, the EU and Japan), we can predict three things. First, ODA can be expected to increase, but that the path of the increases will leave a steep climb to be made as 2010 is approached. Secondly, the achievement of the full USD 128 billion in the Secretariat simulation for 2010 cannot be assumed as a done deal. Thirdly, the form in which ODA increases are delivered is hard to predict far in advance.

We can however make some more precise judgements about the immediate past and the immediate future. For 2005, the ODA figures which we will publish in April 2006 will show a sharp rise to levels far **above** trend (see Figure 1.1). This is because:

- Donors agreed in February 2005 to contribute USD 18 billion to the World Bank's IDA, to raise its grants and loans by at least 25%.
- DAC members are implementing significant increases in their bilateral programmes.
- The Indian Ocean tsunami and other natural disasters, such as the Kashmir earthquake, have led to exceptional mobilisation of both official and private resources for relief and reconstruction.
- At the end of 2004, the Paris Club agreed to relieve much of the debt owed by Iraq. Their agreement in 2005 to relieve the debt of Nigeria will also have a substantial impact on reported ODA.

So an apparent “boom” in ODA is likely in the short term. But a good deal of it will not imply enhanced resource transfer to the vast majority of developing countries.

Looking further ahead, these special factors will gradually drop away (future debt deals are unlikely to match the scale of relief granted to Iraq and Nigeria). Donors will therefore have to increase other forms of aid sharply if they are to get near the levels set for 2010. All in all, the “average good performing developing country” will see rather

moderate increases over the period 2005-06 and hopefully gradually accelerating increases thereafter. Interim targets set by some DAC members from 2006-10 and commitments to certain rates of growth by others should help sustain momentum.

This prospect for aid delivery may need upward revision if major flows are forthcoming from innovative finance schemes such as the International Finance Facility (IFF) or levies on air travel. However, the welcome agreement on an International Finance Facility for Immunisation (IFFIm) will, on its own, have rather modest effects (though highly important for the rate of vaccinations). At the time of writing, total projected expenditure by the Global Alliance for Vaccines and Immunisation (GAVI) was USD 1.4 billion over five years. At present it is not clear how far the levies on air travel will be additional to planned flows. Levies on air travel could be mandatory or voluntary. Mandatory levies could boost ODA delivery if they are used to go beyond existing ODA commitments. Voluntary levies would be private contributions, so spending from them would be over and above ODA by definition.

Leaving the “extraordinary” items to one side, where will the increase in ODA go? Where, indeed, should it go?

An increasing amount of work has been done over the past few years on the pattern of aid flows most likely to be effective in reducing poverty and enhancing progress towards the MDGs. Simply stated the main conclusions of this work are:

- ODA should be allocated in a way that is reasonably proportionate to the numbers of very poor people in the world.
- Good performers should receive more aid per head than countries at similar poverty levels which perform less well (although some studies contest that aid effectiveness is sensitive to the policy environment, most donors give it a good deal of weight, rightly so in my view).
- Aid, like most other interventions, is subject to diminishing returns – there comes a point where over-dependence on aid negates the value of additional aid.
- Some might add that access to non-ODA finance should also be taken into account. There is also something odd about providing substantial ODA to countries with high and rapidly rising external reserves.
- Given that approximately one third of the poor live in “fragile states”, more needs to be done to better understand approaches, instruments and absorptive capacity in these, often conflict-affected, states.

Aid allocation patterns do not yet fully reflect these ideas, though they are somewhat closer to them than they were during the Cold War. Compared to a theoretically optimum distribution of total ODA, one may observe that:

- Middle-income countries, which account for roughly 27% of people living on under a dollar a day, receive a slightly larger proportion of total ODA than that would suggest (in 2003-04, some 33%). This partly reflects superior absorptive capacity compared to low-income countries, but these countries usually have reasonable access to other forms of finance, including non-concessional borrowing from the multilateral development bank system, which has at present significant spare capacity. More reflection is needed on how to get best value for aid in these countries where, in most cases, aid is relatively modest in relation to local resources, and where poverty may result from deep-seated factors of disempowerment and exclusion that have often proved hard to shift.

- Small countries get far more aid per head (or per poor person) than large countries. To take two African examples, Namibia – population 2 million, income per head USD 2 370 (World Bank Atlas basis) – received USD 81 per head in 2003-04, while Ethiopia – population 69 million, income per head USD 90 – received USD 25 per head. Small countries may have to cope with a larger relative government “overhead” than large ones and are typically more vulnerable to economic, climatic or political shocks, but it is not clear that the disproportion in aid per head between the two groups is fully justified. Diminishing returns and aid dependence are also most significant in smaller countries. However, as pointed out in last year’s report, this “small-country bias” has been a feature of ODA allocation for decades.
- Fragile states receive less ODA per head than the normal poverty-plus-performance model would imply. In addition, aid flows to fragile states are twice as volatile as those to other low-income countries. These countries also tend to have a lower number of donors engaged and diplomatic presence abroad. There are of course variations within the group of fragile states. For instance, those emerging from conflict tend to get relatively large amounts of aid per head and a number of other fragile states receive very low amounts of aid. This may be because the behaviour of their governments makes effective aid delivery difficult or inappropriate. However, research suggests that the costs of neglecting fragile states, both those affected by conflict and those that are not, can be considerable – given concerns about their potential for contributing to regional and even global destabilisation and insecurity, and that approximately one-third of the absolute poor live in fragile states, often in a vicious circle of conflict, poor governance and poverty.

As aid rises, it is becoming more important to understand the likely pattern of its distribution. I am very pleased that the DAC, with the World Bank, is starting work to get better information on donors’ intentions. Our expectations of this work should be modest. There will always be uncertainty about the future, and some DAC members will find it easier than others to give a sense of the future direction of their aid. But I hope that we will be able to provide the sort of information which will enable bilateral and multilateral agencies to take decisions with a better understanding of the overall effect of these decisions.

The form in which aid is delivered has continued to evolve. Middle-income countries mainly receive aid in the form of project aid, and receive a relatively large share of aid as technical co-operation (TC), whereas low-income countries (particularly the more aid-dependent with a large number of donors) are the main users of sector-wide approaches (SWAs). The balance between projects and programmatic forms of aid, such as general or sector budget support or policy-based lending is, however, less dependent on levels of income than on sound macro fundamentals and good levels of public financial management and governance standards. These are usually a condition for programmatic forms of aid (though countries emerging from conflict represent an important exception). General budget support – an uncommon instrument ten years ago – has become a particularly significant form of resource transfer in aid-dependent poor countries and a focus for co-ordinated donor support of local priorities. It is a powerful way of supporting local ownership and of forcing greater attention to the quality of local systems of financial management and accountability (in contrast to the previously-favoured method of balance of payments support). However, there remains a challenge to allow for sufficient predictability of disbursements. It is necessary to find a form of conditionality that does not lead to all donors suddenly cutting off support (except in extreme cases) and to

minimise fiduciary risk. But it can also be difficult to balance predictable disbursements against the pressures that can arise from decisions taken by the recipient government including, of course, any diversion or misuse of budget resources. The major joint evaluation of budget support, due to be published in May 2006, should assist greatly in considering the future of this aid instrument.

The level of activities reported to the DAC as TC, around USD 19 billion in 2004, has increased interest in the make-up of this diverse category. In order to improve the transparency of DAC reporting, Chapter 5 of this report provides an analysis which provides a fuller picture of the size and nature of the main components of this category.

I have commented above on the sharp increase in emergency aid and debt relief expected to be recorded in at least 2005-06. Government contributions to and through non-governmental organisations (NGOs) have also seen a rising trend, reaching nearly USD 5 billion in 2004. Privately financed NGO spending has risen even further, from USD 6.9 billion in 2000 to a record USD 11.3 billion in 2004 (a 37% increase in real terms).

Multilateral aid continues to take up a rather consistent proportion of aid from DAC donors (around 30%, if the EC is included as a multilateral channel). As shown in the 2003 *Development Co-operation Report*, flows **to** the various components of the multilateral system have also been rather consistent over a considerable period, while flows **from** the soft funds of the multilateral banks have grown at higher rates because of the recycling of reflows. This pattern is now experiencing a shake-up. The arrival of more single-purpose multilateral funds, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, may increase multilateral share. Also the prospective fall in recycling of funds to IDA and the ADF by recipients will require donors to enhance future contributions to cushion the impact of the falling share of loans in their operations. Separately from these effects, donors are in practice putting a larger share of their country funding through multilateral agencies on a project or programme basis, which is shown as bilateral rather than multilateral aid in DAC statistics. This means that the multilateral agencies in fact disburse a much higher share of total aid than the DAC figures suggest. It also means that their “core” funding is becoming a smaller share of their expenditure, something which raises important long-term issues for them and the donor community. Tracking the effect of funding decisions on the multilateral system as a whole will become a more significant issue for the future.

Can rising aid be delivered more effectively?

The need to use aid effectively is obvious – and is only accentuated by the difficulty of persuading parliaments and congresses to vote increases, year in and year out, on the scale implied by the commitments made last year by the donor community. Unsurprisingly these issues have been at the centre of DAC work.

If development is indeed becoming a more concerted joint enterprise, inherited patterns of aid delivery need to change further. The end of the Cold War significantly reduced the political pressures to support regimes which might be strategically important but which were failing to deliver development. The OECD Helsinki Agreement of 1992 redirected the destination of tied aid credits away from commercially viable projects, and so reduced commercial pressures on official donors which had arguably led to inappropriate technologies and high-cost investments. The DAC Untying Recommendation of 2001 further promoted aid effectiveness in the least developed countries (LDCs).

Willingness to support local expenditures and recurrent costs has grown considerably. These various changes have made it significantly easier for donors to pool resources and support sound programmes in a co-ordinated and flexible way.

The case for donors working much more closely together was greatly strengthened by the DAC agreement, in its *Shaping the 21st Century* report of 1996, to measure development progress against a few high-level international development goals, and by the subsequent UN Millennium Summit agreement which enshrines the MDGs. With common objectives and fewer political and commercial pressures, donors have little excuse not to give high priority to working together to deliver aid more effectively.

A number of initiatives have reshaped the way many donors have planned and delivered their assistance over the past few years. The most significant initiatives have sought to give greater effect to “ownership” by recipient countries, and to “aligning” external aid to local priorities and systems. Ownership has never been much of an issue for the larger, less aid-dependent countries but for the majority of developing countries the relationship with the donor community is marked by an asymmetry of power, which can be extreme for the smaller and poorer countries. Many of the key features of a more sustainable approach in these countries were set out in *Shaping the 21st Century*, and shortly thereafter in the *Comprehensive Development Framework* promulgated by James Wolfensohn at the World Bank. The introduction of PRSs for countries benefiting from the HIPC debt initiative of the Köln Summit of 1999 gave an impetus to making these concepts more operational, despite the “made-in-Washington” nature of the first generation of such strategies.

In parallel, new efforts began within the multilateral bank system, the UN, the EU and the DAC to look at reducing transaction costs imposed on aid recipients by the lack of harmonisation of donor practices. The High-Level Forum in Rome in February 2003 brought these together and generated a new impetus for more rational collaboration among donors in support of country-owned strategies. In Marrakech in 2004, a parallel effort was put in place to strengthen the concept of managing for results and the effort to develop useful statistical data to support this, including through the adoption of national strategies for the development of statistics.

Since Rome, the DAC has hosted an innovative partnership of bilateral and multilateral donors, together with a group of initially 14 – now 23 – developing countries, which has brought together all these strands of work. The Paris High-Level Forum of March 2005, which took this work and shaped it into an agreed Declaration, was a landmark event and is described in more detail in Chapter 3.

Taken together, the results of the Paris Forum should provide a strong stimulus to local efforts to change patterns of behaviour between donors and between donors and recipients in ways that should encourage more sustainable development. For example, the Paris Declaration sets a target that by 2010 two-thirds of country analytical work should be done jointly. If this target is met, planning of aid interventions will become much more consistent with a genuine “joint enterprise”. If parallel project implementation units that duplicate national structures really become a thing of the past, and if capacity development becomes much more of a joint response to well-articulated local priorities, we have a chance of seeing a much quicker improvement in the quality of local institutions through which increasing proportions of aid can flow. If the DAC can broker a further move towards untying and greater use of local and regional resources, the cost-effectiveness of

aid will rise. Certainly, the aid effectiveness agenda needs to remain centre stage as aid volumes rise, not least for countries already aid-dependent.

To complement the work of the Paris Forum, the DAC has also taken a keen interest in adapting aid effectiveness concepts to meet the challenges posed in difficult country environments or fragile states. In March 2005, DAC ministers and agency heads agreed to pilot the draft Principles for Good International Engagement in Fragile States in nine countries over the course of the following eighteen months. The Principles reflect existing best practice from recent experiences in fragile states. There are already signs that piloting them in nine very different country environments has not only had a positive impact on the way assistance is delivered but will also provide lessons on how best to adapt donor approaches and instruments in different fragile states and minimise the negative impacts of international engagement.

What will it take to build the local capacity for faster and more sustainable results?

If a significant rise in aid and stronger and more co-ordinated efforts to improve its delivery is to be expected, what will it take for people and institutions in recipient countries to turn these resources, along with local resources, into sustainable development results, particularly for poor people?

Building capacity is the central and one of the most difficult tasks to achieve in development. Whether we are talking about the “capable state”, and the ability of public institutions to deliver services or set an effective environment for development, or about the capacity of the private sector, civil society or individuals, the genuine development of capacity is the key to sustainable progress. Results are seldom quick. Educational improvements have their effect over a generation. A major reform of public institutions or systems will normally require years. Transforming, say, the relationship of the executive, the legislature and the judiciary takes not only strong political determination but also laborious investment in training, systems and public expectations. Often, deep-seated societal structures have a major effect on the direction and speed of change. In fragile and conflict-affected states, all these challenges are multiplied.

The DAC has been giving this agenda a lot of consideration and important lessons have been learned. Perhaps the most significant is that capacity development cannot be treated as a technical process involving the simple transfer of knowledge or organisational models from North to South, without an understanding of the broader institutional context in which organisations work. “How to do it” has to be combined with “what might work here?” It is essential to understand the country context within which capacity is to be developed and without real willingness of key actors in the partner country to make and sustain changes, outside assistance has little chance of doing so.

The indicators in the Paris Declaration highlight several areas for more effective capacity development. Beyond these, we must now look much harder at how far TC programmes can better reflect some of the insights of the work of the DAC, the UNDP and others, and how post-secondary education programmes can be shaped to support local institutions that help build capacity.

TC and capacity development are by no means synonymous. Traditional capital aid projects usually assist the local executing agency to develop its skills. As indicated in Chapter 5, a good deal of what the DAC scores as TC has little to do with capacity development. However there is no doubt that TC is a major tool for capacity development.

Too often efforts have focused on upgrading the skills of individuals without paying attention to improving the performance of the organisations in which they work, let alone the broader institutional context in which organisations themselves exist. This can lead to frustration of the trained individuals and minimal impact on the organisations. A more strategic and longer-term approach to upgrading key institutions may be required, into which programmes to improve the skills of individuals would then be integrated.

Donors have pursued varied and inconsistent approaches to post-secondary education over the years. Traditionally, tertiary and sometimes vocational education were seen as the key area for donor investment, driven by a powerful combination of idealism, political and commercial self-interest and the interests of tertiary institutions of both donor and recipient countries. Attempts to build Southern capacity in these areas – with varying effectiveness – were counterbalanced by the desire to enhance numbers of overseas students in each donor country. Since 1990, more serious attention has been given to basic education, stimulated (quite rightly) by the MDG of universal primary enrolment. This led some donors to cut back sharply on support to higher (including secondary) education, reflecting research that shows that many developing countries were subsidizing tertiary education to a disproportionate degree. At present, donors have little in the way of a concerted strategy on how to support the education systems of their partners as a whole. With the significant changes being shaped by information technology and distance learning, this area calls out for further collective reflection.

Finally, there is clearly a need to address some of the effects of incentives given by OECD and other countries to attract skilled labour from developing countries. There are many circumstances where this can be a benefit for all parties, but donors cannot be indifferent to policies which strip scarce skills from partner countries and which impact directly on the ability of these countries to sustain essential services to their own people. At the end of the day, developing country governments need to be competitive employers of their own skilled people, and if the playing field is distorted by donors poaching key staff, or by donor governments encouraging emigration to fill their own skill gaps, the price of being competitive will rise. Such concerns need to be factored into wider thinking about how to train, attract and retain key categories of staff.

The lessons learned about capacity development point to a lack of a persistent and patient approach, with donors' short-term project goals displacing longer-term incremental changes. The scaling up of aid over a decade provides an opportunity to set more realistic timescales for the capacity development endeavour, backed up by more predictable aid flows.

The new era of growing aid also affords a more realistic time frame for approaches to state-building. In fragile states, there is a short-term risk that new aid will be channelled through the most convenient and efficient – often non-state – route to the detriment of the long-term capacity of the state. Fragmented approaches, that support either governments or civil society groups to the exclusion of the other, need at least to be mutually consistent and there is often a good case for encouraging pluralistic approaches.

Key governance risks surrounding the scale up challenge need to be acknowledged. In particular, significant increases of aid will mean that tackling corruption will take an even more prominent place in the international agenda of OECD and partner countries. OECD governments have a responsibility to take concerted action on corruption, both in their own domestic environments and in their development assistance efforts in partner

countries. Combating corruption in an era of scaled up aid calls for better governance, accountability (including encouraging effective audit, parliamentary scrutiny and independent media) and strengthened financial management capacity.

Scaled up aid necessitates serious attention to issues of aid dependency, particularly in Africa and small countries in general. There is potentially a risk that increased aid flows may penalise the productive sector (so-called “Dutch Disease”), but so far the evidence suggests that this risk is manageable given the amounts of additional aid likely to be on offer. The impact of aid on the prospects for domestic revenue mobilisation, taxation and accountability should also be considered. If seen as a substitute for local fiscal effort, aid may create problems of concentration and unchecked power similar to those which can result from exploitation of oil and other natural resources. There are compelling reasons for donors to engage in these revenue issues, and encourage more effective revenue systems.

How can we show results from aid, particularly when it is more harmonised?

Managing development in a way that delivers real results is a key component of the Paris Declaration. The importance of managing for – and achieving – results is obvious. Certainly, we should not count on the willingness of OECD taxpayers to bankroll the sort of increases that so many DAC members have now promised if we are not able to show real results, particularly for poor people, from aid programmes. One of the great values of the MDGs is precisely that they offer quantitative outcomes against which global progress can be measured.

Most high-level outcomes in developing countries cannot simply be put down to the efforts of aid donors. In most cases local inputs are equally, if not more, significant. As such management for results, and monitoring and evaluation of results, need to be seen as areas for collaboration between donors and developing countries, with the latter increasingly taking a leading role. Over the years donors have invested a great deal in accountability to themselves, and not enough in helping developing countries to strengthen local accountability, whether through parliaments, auditor-generals, the media, civil society or local communities. The problem of disentangling the results of the donor contribution are magnified when, as has increasingly been the case, donors combine their funding in support of interventions at sector or national level. As argued in the 2003 *Development Co-operation Report*, in such cases it is more logical to examine the effectiveness of the total programme supported and then consider the role which individual donors may have played within it. Donor parliaments and publics need to be encouraged in such cases to value participation in a successful programme to, for example, enrol girls in school rather than to demand to see their flag flying over a classroom.

However, this requires rigorous and defensible evaluations of the impact of jointly-funded programmes – evaluations which should be at least as important for the recipient as for the donor. There are some well-known examples of this, for example the much-quoted cash transfer schemes which have been pursued by successive governments in Mexico. The World Bank is encouragingly giving impetus to such evaluations for some of its programmes. But there is a strong case for a more co-ordinated push to encourage many more developing country governments to evaluate the effectiveness of specific development programmes. Such an investment by donors would, I believe, help learn lessons and sustain support for effective programmes.

It is timely that a further Roundtable on Managing for Results is to be held, probably towards the end of 2006. There is a need to bring together good practice from developing countries and the donor community in several linked areas, such as better statistics for policymakers, more and better impact evaluations and more high-quality performance assessment frameworks in developing countries, in line with the target set under the Paris Declaration. This is crucial if we are to be better able to account for the effectiveness of the development effort by the time of the next five-year review of progress towards the MDGs in 2010.

Gender equality: an important goal missed

In putting together the International Development Goals in 1996, the DAC set almost all of them for the year 2015. The exception was the gender equality goal, where the DAC adopted the target set at the Fourth World Conference on Women held in Beijing in 1995 that gender equality in primary and secondary school enrolment should be achieved by 2005. Subsequently, the UN Millennium Assembly agreed a somewhat modified goal “To ensure that, by the same date [2015] ... girls and boys will have equal access to all levels of education”. This was incorporated into the MDGs as “Eliminate gender disparity in primary and secondary education, *preferably by 2005*, and in all levels of education by 2015”. So while technically it may be said that the goal included in the Millennium Declaration was not formally missed in 2005, there is no question that the Beijing goal selected by the DAC – and included in the MDGs – has been. This is reason enough to reflect on some issues around the goals in general, but also on issues more specific to gender.

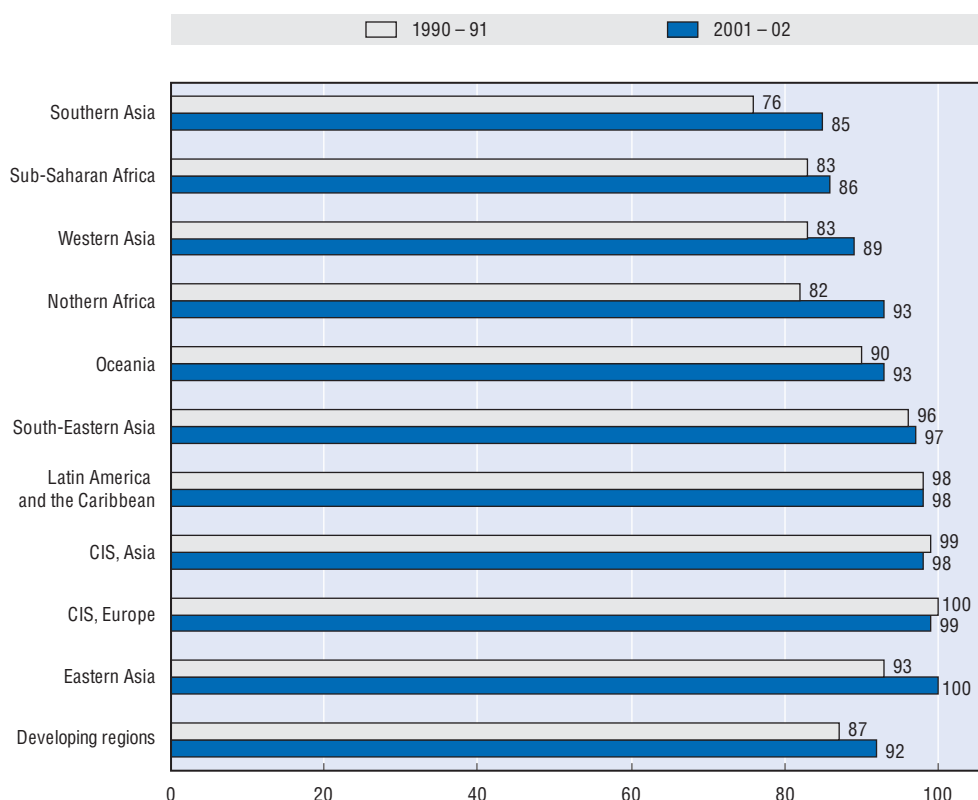
As 2015 approaches, the question of whether the goals are being met, and what conclusions to draw if they are not, will become more and more insistent. Our knowledge of the true position on each goal is quite inadequate. In the present case, the data on the basis of which we can assert that the DAC goal for 2005 has been missed relate to only a sample of developing countries, and in many cases for periods well before 2005 itself. Thanks to the impressive *Education for All Monitoring Report*, which in 2004 focused on gender, available information has been well-collated, and the broad conclusion is beyond dispute. But it is of prime importance to step up the investment in policy-relevant statistics in developing countries if this problem is to be reduced to more manageable proportions.

Linked to this, it will be important to collect the best possible statistics on the situation in 2005 (and indeed 2010 and 2015), so that the trends and pace of change are clear, and we do not remain dependent on projections of trends in order to come to conclusions on substance. We should not expect a definitive account of the extent to which the MDGs have been reached till perhaps 2017.

The statistics on the gender in schools target that are available show us that, as for almost all the goals, **progress is in the right direction but not at the desired pace** (Figure 1.2). The poverty goal is the only one where it can be said that progress so far is sufficient enough for it to be achieved at a global level by the target date. At country and regional levels, there remain disturbing examples where progress is not being made at all as outlined in Box 1.1.

Figure 1.2. Girls still lag behind boys in school enrolment

Girls' primary school enrolment ratios in relation to boys', 1990-91 and 2001-02 (girls per 100 boys)



Source: World Bank, UNESCO.

Statlink: <http://dx.doi.org/10.1787/257178255884>

Gender equality and women's empowerment are critical to achieving **all** the goals and, with this in mind, the UN Millennium Project Task Force on Education and Gender Equality¹ identified seven strategic priorities for women's empowerment:

- Strengthen opportunities for post-primary education for girls while simultaneously meeting commitments to universal primary education.
- Guarantee sexual and reproductive health and rights.
- Invest in infrastructure to reduce the time women and girls spend on tasks such as fetching water.
- Guarantee women's and girls' property rights.
- Eliminate gender inequality in employment by decreasing women's reliance on informal employment, closing gender gaps in earnings, and reducing occupational segregation.
- Increase women's share of seats in national parliaments and local governmental bodies.
- Combat violence against girls and women.

There is nothing new about these priorities for women's and societal development. They were commitments we all made, donors and partners together, at the global conferences of the 1990s and they have been on the agendas of many development agencies for years. It has not always been recognised in the past that these are interrelated and that a piecemeal approach will not work. A concerted effort is required if we are to achieve all the MDGs by 2015, coupled with increased investments to achieve each of these priorities.

Box 1.1. Millennium Development Goals: Report on progress

The Millennium Declaration of Heads of State set specific goals for achievement by 2015 from a baseline of 1990. A summit session of the UN General Assembly in September 2005 reviewed progress based on 2002/03 data.

1. Halve extreme poverty and hunger by 2015

Given growth in Asia, the poverty goal is likely to be met globally. However, nearly half the population of sub-Saharan Africa remains in extreme poverty and growth there needs to double to 7% to achieve the targeted inroads on poverty. There is progress against hunger, but not fast enough to achieve the goal even globally. A third of people in sub-Saharan Africa are still chronically hungry and half the children under five in southern Asia remain malnourished.

2. Achieve universal primary education by 2015

Five developing regions are approaching universal enrolment. Despite this, a third of primary school age children are not in school in sub-Saharan Africa, a quarter in Oceania, and a fifth in southern Asia; 115 million worldwide.

3. Achieve equality in education by 2015 and promote empowerment of women

East and southeast Asia, Latin America and the Caribbean and the former Soviet Union are close to reaching the 2005 goal for gender equality in primary education. In the other regions, 7-15 fewer girls are in school per 100 boys; nonetheless southern Asia shows a major improvement – from 24 fewer in 1990 to 15 in 2001. But this is just a first step. In most regions women represent a smaller share of wage earners than men – often in insecure and poorly paid positions – and account for only 16% of parliamentary seats worldwide.

4. Reduce child mortality by two-thirds by 2015

Death rates of children under five have fallen in all regions, but at half the required pace. Eleven million children a year – 30 000 a day – die from preventable or treatable causes. Most of these lives could be saved by expanding programmes that promote simple, low-cost solutions.

5. Reduce maternal mortality by three-quarters by 2015

More than half a million women die each year during pregnancy and childbirth. Globally three in five births are now attended by skilled health personnel, up from two in five in 1990. But in southern Asia and sub-Saharan Africa three mothers out of five still have no such support each time they give birth.

6. Reverse spread of HIV/AIDS and incidence of malaria and other diseases by 2015

AIDS is now the leading cause of death in sub-Saharan Africa and the fourth largest killer worldwide (more than three million deaths in 2005). HIV is spreading at an alarming rate to some other regions and, as there is still no cure for AIDS, intensified prevention efforts are needed to reach the target. Malaria and tuberculosis each kill over one million people a year. Affordable prevention and treatment efforts show promise and are being scaled up.

7. Ensure environmental sustainability including improved access to safe water and improved sanitation by 2015

Commitment to the principles of sustainable development has not resulted in sufficient progress to reverse the loss of the world's environmental resources. Achieving the goal requires greater attention to the poor, whose very subsistence often directly affects the natural resources around them. Eight regions are progressing fast enough to achieve the goal of halving the lack of access to safe water, but nearly half the populations of Oceania and sub-Saharan Africa still lack access. Moreover nearly half the developing world still

Box 1.1. Millennium Development Goals: Report on progress (cont.)

lacks toilets or other forms of basic sanitation and the number of slum dwellers is increasing rapidly.

8. Develop a global partnership for development

Goal 8 represents a social compact. Developing countries do more to ensure their own development and developed countries support them through aid, debt relief and trade access. Aid is at an all time high, with newly introduced monitoring of its effectiveness and focus on results. The new aid commitments need to be delivered if aid is not to fall short of identified needs to meet the MDGs. Despite progress on debt relief, debt repayments remain a heavy burden for many countries. To achieve the MDGs there needs to be progress on the Doha Round, accelerated transfer of technology and access to essential drugs and growth, as well as targeted strategies (focusing on employability, more jobs and better matching between demand and supply on the labour market) to improve employment opportunities for the growing ranks of young people in the developing world.

For more information see the *Millennium Development Goals Report 2005* (<http://unstats.un.org/unsd/mi/pdf/MDG%20Book.pdf>).

For two decades we have **said** all the right things about the importance of gender equality and women's empowerment for development but our investments in closing the gender equality gap have not matched our political rhetoric. As the Creditor Reporting System (CRS) study *Aid Activities in Support of Gender Equality, 1999-2003*² shows, we can identify only USD 3.1 billion of sector-allocable bilateral aid as "focused on gender equality". Two-thirds of this is in the social sectors, especially basic education and basic health, including population and reproductive health. Little is reported in the transport, communications and energy infrastructure sectors even though well-designed infrastructure projects can bring significant positive benefits for women and girls by improving access to markets, schools and health services or by improving women's physical safety. We have tended to focus on the social sectors, or social protection, rather than seeing women as active players in generating pro-poor growth – despite compelling evidence, particularly from sub-Saharan Africa, that gender inequalities slow economic growth and that women play a key role in the productive economy.

The gradual increase in more programmatic forms of assistance has perhaps also contributed to some loss of momentum in donor agencies efforts towards gender equality and women's empowerment. However, 2005 seems to mark something of a turning point when it comes to recognising the problem. Perhaps it has been prompted by our collective failure to achieve MDG3 by 2005, or from our reflections on what has been achieved in the ten years since the Beijing Platform for Action, or our increasing understanding about the limitations of gender mainstreaming as a strategy. Whatever the reason, there is a very real sense that we simply cannot afford to go on as we are. As the United Kingdom's Department for International Development (DFID) writes, "We need to be clear about whether we intend to raise our game to match our policy statements, or whether we continue with current levels of engagement on gender equality but revise our claims to match practice".³ These are stark choices.

Change is in the air. Donors such as Ireland, Japan, Spain and Switzerland have taken up gender equality as a critical part of their development assistance programmes. At the same time a number of agencies which were previously “first wave” leaders on gender equality have, like the UK, recognised that even though they may have maintained a high level of political commitment in global fora, the focus of their programmes had become dissipated or diluted and that their institutional capacity was weak, both at head office and in the field. Gender was both everywhere and nowhere. Canada, Germany, Norway and Sweden are amongst those seriously and critically re-examining their approach with a view to reinvigorating and revitalising their efforts.

A number of agencies, both bilateral and multilateral, are tackling the issue of how to integrate gender equality into the various elements of changing aid modalities. PRSs and SWAPs have only too often been gender-blind, without the necessary budgetary allocations directed towards gender inequalities. The Paris Declaration acknowledges that harmonisation efforts are needed on cross-cutting issues such as gender equality [para. 42]. Donors have started to think about how shared commitments to new ways of delivering aid, to programmatic approaches, to country ownership and leadership, to harmonisation and alignment, can be used to work in the interests of women and to close gender gaps.

How can we make the best use of increases in aid and ensure that there is real progress on women’s rights and development? We need to become more effective in partner countries at placing gender equality and women’s empowerment firmly on the local agenda so that there is increased commitment and local investment in initiatives or programmes which will directly benefit poor women and girls. In an era of increased budget support and use of programmatic approaches, it is critically important to support people in partner countries to put these issues high on the political and policy agendas of politicians, parliaments, civil society and government agencies. We need to find a way of reaching that tricky balance between country ownership and leadership of development priorities and the perception that we are imposing our own values as donors.

From the current reflections a number of new approaches to gender equality are emerging. Many donors have recognised that over-reliance on gender mainstreaming as the sole strategy to achieve gender equality has not delivered the intended results. It needs to be complemented by initiatives that are specifically focused on women’s empowerment. A mix of strategies is necessary – mainstreaming, empowerment, women’s rights, women-focused programmes, or indeed, programmes focusing on men and boys. Achieving gender equality cannot be a “quick fix”. It takes long-term commitment, both from donors and partners.

We are at a moment in time when there is a genuine commitment, individually and collectively, to acknowledge some of our failures and to explore ways of “upping our game”. We need to use the considerable energy and innovation around rethinking approaches to gender equality to share our failings, to learn from each other’s experiences and to work collectively in partner countries with renewed determination.

Keeping the score

In the 2003 *Development Co-operation Report*, I drew up a set of parameters for assessing whether meaningful progress was taking place in international development co-operation. The latest data are given below. This suggests that so far, there has been little change from 2002-04 in the allocation or quality of aid in directions likely to improve the

Table 1.2. **Keeping the score**

Target for 2006	2002 baseline	Latest indicator (2004 unless otherwise shown)	Progress (+ or -)
Donors deliver at least USD 75 billion (at 2003 prices and exchange rates) in net disbursements	USD 58.0 billion	USD 64.9 billion	+
Proportion of ODA to LDCs and other low income countries rises significantly from proportion in 2003	Net bilateral ODA: 44% Total net ODA: 50%	Net bilateral ODA: 41% <i>Excl. Iraq: 45%</i> Total net ODA: 46% <i>Excl. Iraq: 49%</i>	- + - -
Higher share of ODA to countries with relatively good performance and large numbers of poor	Net bilateral ODA: 18% Total net ODA 22%	Net bilateral ODA: 17% <i>Excl. Iraq: 18%</i> Total net ODA 21% <i>Excl. Iraq: 22%</i>	- .. - ..
Well considered interventions in poor performing countries where effective transfers possible	To be assessed through Fragile States Group work		n.a.
Emergency and humanitarian relief is on a downtrend at least as a proportion of total aid.	7%	9% <i>Excl. Iraq: 9%</i>	- -
Higher proportion of aid is reported as untied	Untied aid: 42.8% Tied aid: 7.6% Not reported: 49.6%	Untied aid: 41.7% Tied aid: 4.3% Not reported: 53.9%	-
Recipients expand provision of services but also raise domestic resource mobilisation by several percentage points	Public expenditure on health as % of GDP: 2000: 2.7% Public expenditure on education as % of GDP: 2000: 4.1% Current revenue as % of GDP 2000: 17.1%	Public expenditure on health as % of GDP: 2002: 2.7% Public expenditure on education as % of GDP: 2001: 4.0% n.a.	.. - n.a.
Much more aid clearly aligned to local priorities, programmes and systems, and shown in recipients, budgets	To be assessed using Paris Declaration Indicators		
Indicators of harmonisation show quantum leap from 2002-03 baseline			
Bulk of increased flows involves genuine transfer of resources in balance of payments terms	ODA flows delivering resources for development USD 46.1 billion 67% of total net ODA	ODA flows delivering resources for development USD 47.6 billion 66% of total net ODA	-
TC expenditure demonstrably more efficient (including through more coordinated support, use of country systems and more use of local or other southern skills) and more effective	n.a.	<i>Use information from surveys of harmonisation and alignment</i>	n.a.
Increased and more effective support beginning to be translated into more progress towards the harder-to-reach MDGs, not least in SSA.	n.a.	See Box 1.1.	..

n.a.: not available.

Source: World Development Indicators, 2003, 2004, 2005.

Statlink: <http://dx.doi.org/10.1787/321701487582>

effectiveness or impact of aid; though as the table shows, the slight downturns in the shares of aid going to poor countries and good performers are largely accounted for by the surge in aid to Iraq. The first round of monitoring of the Paris Declaration will provide some further data by the time of the next *Development Co-operation Report* on several parameters for which an assessment is not yet feasible. Table 1.2 shows that we certainly cannot afford to be complacent, despite the headline increases in ODA.

Notes

1. UN Millennium Project (2005), *Taking action: achieving gender equality and empowering women*, UN Millennium Project, New York.
2. OECD/DAC (2005), *Aid Activities in Support of Gender Equality, 1999-2003*, OECD, Paris.
3. DFID (2005), *Minutes of the Development Committee meeting, 18 January 2005*, London.

Chapter 2

Promoting Pro-poor Growth

Progress towards the MDG poverty goal needs to be accelerated to meet the target. Faster and more sustainable economic growth is needed to support poverty reduction, but growth also has to be more pro-poor in terms of a pace and pattern that enhances the ability of the poor to participate, contribute and benefit from growth. This chapter sets out the main policy dimensions of the pro-poor growth agenda, and how donors can assist partner countries in implementing that agenda. A pro-poor growth lens on areas such as the private sector, trade, agriculture and infrastructure reveals a need to rethink donor support strategies, policies and modalities. It is not a “business as usual” agenda and “more of the same” will not do.

Growth and poverty reduction – facts and figures

We are now at a critical juncture in the path towards the MDGs and the 2015 *rendez-vous*. Progress towards the poverty goal set out in MDG1 needs to be accelerated to meet the target. We need to bring about a dramatic increase in the rate of growth and its impact on poverty reduction to do so. Prospects for doing so are improving – there is renewed growth in many poor countries, we understand better the links between growth and poverty reduction, the Paris Declaration on Aid Effectiveness provides guidance on how to deliver more effective aid and projected aid levels will rise considerably by 2010.

But much needs to be done on many different fronts to make this happen. One of these concerns the nature, extent and modalities of donor support for the pro-poor growth agenda. Effectively promoting pro-poor growth means donors changing their behaviour in respect of what they do, how they do it and with whom they do it. This chapter draws on work being done in the DAC's Network on Poverty Reduction (POVNET) on the growth dimension of poverty reduction, with a particular focus on promoting "pro-poor growth" – the rate and pattern of economic growth that enhances the ability of poor women and men to participate in, contribute to and benefit from economic activity. The chapter also draws on other DAC work in the investment and trade fields relevant to growth and poverty reduction. Effectively promoting pro-poor growth is not a "business as usual" or "more of the same" agenda, neither for developing countries nor their donor partners.

After long periods of low, sometimes negative and generally short growth episodes, growth has begun to take root in the developing countries, including in Africa, since the mid-1990s. This is contributing to a significant decline in absolute poverty rates (people living on less than one dollar a day). But the pace of growth and its impact on poverty reduction has been uneven across regions and countries. Spurred by China's growth performance, the fastest growth was in Asia, which increased by over 6% over the 1990s and the share of people under the one dollar a day threshold fell from 30% to 15%. Despite recent improvements, growth in sub-Saharan Africa over the nineties was negative on average and the share of people in extreme poverty rose from 47% to 49%. Growth in Latin America was slow and insufficient to alter extreme poverty, which stayed at 11%.

At the level of individual countries, there is a strong and clear link between the rate of economic growth and the speed of poverty reduction. Growth and poverty reduction performance was particularly strong in countries such as Viet Nam (where the poverty rate halved to 30% over the decade to 2002), El Salvador, Ghana, India, Tunisia and Uganda. In volume terms, most of the poverty reduction was in rural areas where the vast majority of the poor live, but Ghana provides an example where poverty reduction was strong in urban areas, including rural towns but where it stagnated in rural areas. In proportionate terms, the greatest impact on poverty reduction was generally in urban areas, where growth rates were higher.

While growth drives poverty reduction, the impact of growth on poverty reduction varies considerably among countries. For example, Bangladesh's growth performance over

the 1990s was more than double that for Ghana, but the incomes of the poor rose by much more in Ghana than in Bangladesh. Senegal and Burkina Faso had the same average rates of growth over 1995-2002, but poverty fell much faster in Senegal. These differences in the impact of growth on poverty reduction result from differences between the countries compared, particularly in terms of initial conditions (*e.g.* level of development, degree of inequality, macroeconomic stability, governance structures, political situation, etc.) and the extent to which policies are in place to increase the ability of poor people to participate in the growth process.

To better understand the impact of growth on poverty, it is necessary to analyse how inequality (income distribution) changes during the growth process. In Burkina Faso, for example, higher growth was associated with falling inequality which made growth more effective in reducing poverty. In Viet Nam, by comparison, inequality increased during the growth process. Although poor households did not benefit as much from growth as non-poor, income poverty (*i.e.* the number of people living on less than one dollar a day) was still reduced considerably. Rising inequality has been noted in several other fast-growing economies during the 1990s, but empirical research has not found growth to be systematically linked to increasing inequality. Studies have found, however, that a high initial level of inequality – especially in relation to the distribution of assets – may impact negatively on a country's growth potential. Many factors may explain this, including that the poor are often excluded from access to financial and other services. A better understanding of the factors and policies that affect growth, inequality and poverty reduction, as well as their interrelationships, is seen as a priority in the design of pro-poor growth strategies.

The very poor are getting poorer, in both absolute and relative terms. Chronic poverty and the importance of poverty traps are increasing. In sub-Saharan Africa, the average income of people living on less than one dollar a day was USD 0.60 in 2001 compared to USD 0.62 a decade before. This emphasises the importance of promoting faster economic growth that reaches the poor. This is already a challenging task in the face of conflict and disease. It is made even more complicated for the poor who live in fragile states or other countries which are unable or unwilling to listen to and implement advice from their own populations and other stakeholders on what needs to be done to strengthen the contribution of economic growth to sustainable and long-term poverty reduction.

Policy messages from the growth and poverty reduction experience

Analysis of the growth and poverty reduction experience in developing countries since the 1990s highlights a number of preliminary key policy messages.¹

a) Rapid and sustained poverty reduction requires pro-poor growth, *i.e.* a pace and pattern of growth that enhances the ability of poor women and men to participate in, contribute to and benefit from growth.

- i) **The rate of economic growth is critical for long-term and sustained poverty reduction.** The relationship between economic growth and poverty reduction is, overall, strongly positive. Economic growth is an essential requirement and, frequently, the main contributing factor in reducing poverty. Without strong and lasting rates of economic growth, policies to reduce poverty under-deliver. While there have been growth episodes in many countries over the past 15 years, these have often been weak and not sustainable enough to have had a more lasting impact

on poverty reduction. Key policies for sustaining growth include macroeconomic stability and a favourable investment climate.

- ii) **Economic growth is likely to be faster, more sustainable and more effective in reducing poverty when brought about by a pro-poor pattern of growth.** The pace and pattern of growth are interlinked and need to be addressed together. Developing countries with similar rates of economic growth have experienced quite different poverty reduction impacts due in part to the distributional pattern of growth, i.e. the extent to which growth has occurred in sectors and areas where the poor are economically active and make their livelihoods. A pro-poor pattern of growth requires the poor to have the opportunity to participate in the growth process and to be empowered to take part in the political processes determining policy outcomes.
 - iii) **Inequality matters.** High levels of inequality lower the poverty reduction impact of a given rate of growth. Inequality (e.g. of assets) hinders the ability of the poor to participate in growth. High inequality can also reduce the political stability and social cohesion needed for sustainable pro-poor growth. High levels of inequality in Latin America and rising inequality in Africa and parts of Asia are a cause for concern. Nevertheless, the growth experience shows that rising inequality is not an inevitable consequence of the growth process, as long as policies address it specifically. Growth rates, growth patterns, inequality and poverty are all interrelated. In promoting effective pro-poor growth strategies, countries need to implement a mix of policies that address growth and distributional objectives.
 - iv) **Risk and vulnerability limit poor peoples' participation in the growth process** and thus the contribution of growth to poverty reduction. Shocks have significant and persistent effects on the poor and can erode their assets. The poor often avoid higher risk opportunities with potentially higher payoffs. Policies that tackle risk and vulnerability, through coping, mitigation and prevention strategies, are a cost effective investment in pro-poor growth.
 - v) **Markets need to work better for the poor.** Access to productive assets (land, labour and capital) and to markets for goods and services need to be improved and the causes of market failure dealt with if markets are to fulfil their key role in supporting pro-poor growth.
- b) Poverty is multidimensional and pro-poor growth will be facilitated by progress on the other dimensions (e.g. social, environmental, and political). To be more effective, policies need to better understand and tackle these interdependencies and thus promote a virtuous cycle of economic, social, environmental and political development in mutually reinforcing ways.**
- i) **The poor are not a homogeneous group and they face multiple forms of deprivation.** We need to understand who and where the poor are, their livelihood strategies and the nature and causes of their poverty. The different “rural worlds” that characterise the discussion of the policies needed for agriculture to contribute to pro-poor growth is a good example of the different challenges and opportunities at both individual and household levels to earn incomes from farm and off-farm activities.
 - ii) **Pro-poor growth means bringing more women into the growth process** by examining issues – including access, institutions and assets – on a gender sensitive basis. Policies that successfully address gender biases will increase the participation

of women in the growth process and increase its impact on poverty reduction. Policies need to promote greater female participation in the labour market (e.g. via lower fertility rates, greater access to health care and infrastructure that meets their needs) and the benefits of that participation (e.g. via higher literacy rates, school enrolment for girls, access to resources and assets, laws that reduce gender discrimination in pay and working conditions).

- iii) **Policies to tackle the economic, social, environmental and political dimensions of poverty go hand in hand.** Perceptions of dichotomies (e.g. as sometimes set out in terms of economic *versus* social policies) can be misplaced. The pace and pattern of growth have economic, social, environmental and political determinants and consequences and each dimension nourishes (or holds back) the other. Progress on the income poverty MDG facilitates progress on other MDGs and *vice-versa*. We thus need to think about and design policies for poverty reduction which build on and implement this consensus.
 - iv) **Policy trade-offs still exist, but they need to and can be better managed** by avoiding policies which promote only one dimension of poverty reduction while undermining others. In some cases complementary or compensatory policies will be required. The quality of institutions is crucial to handling trade-offs in ways that foster pro-poor outcomes. Policy choices need to be informed by *ex ante* poverty impact assessments.
 - v) **Policies need to be sequenced to tackle the binding constraints.** These can be identified from analysis of the growth, poverty and inequality experience. From the outset, policy and investment decisions need to pay attention to transmission channels in order to increase their impact on poverty reduction.
- c) **Pro-poor growth policies require that the poor are empowered to participate in the policy making process, which has to be accountable to their interests.**
- i) **The poor need to be empowered** to participate in and influence the policy reform process that goes with effective poverty reduction strategies (PRSs). Policies are needed to increase the voices and influence of poor women and poor men in order that evidence-based policies promoting pro-poor growth (rather than narrow vested interests) will prevail.
 - ii) **A properly functioning state is essential for responding to the interests of the poor.** Effective pro-poor growth strategies need policy and institutional change where the state, in all its dimensions, is made more accountable to the interests of the poor. The state needs to provide the required incentives, enabling environments and policy and planning frameworks to be more accountable to the voices of the poor.
 - iii) **Pro-poor reform is likely to require altering the current political settlement between the diverse interests of different segments of society.** This requires strengthening the demand for pro-poor change, a better understanding of the political economy and drivers of change, and supporting formal, transparent decision making.
 - iv) **PRSs need to be nationally owned, to better integrate the growth component and to include stronger stakeholder involvement.** The early phases of the PRS process have been weak in these respects, but attention is now turning to strengthening these dimensions based on a better understanding of the dynamics of the growth process and the importance of stakeholder dialogue.

d) The pro-poor growth agenda has important implications for the targets and delivery modes of donor support. It is not a “business as usual” agenda, and just “more of the same” will not be sufficient.

- i) **Donors should focus on supporting in-country processes**, identifying and promoting drivers of change and align themselves collectively behind credible pro-poor growth strategies in line with the Paris Declaration principles on aid effectiveness. Where the latter are not in place, donors should help partner countries and other stakeholders build the capacities to design and influence such strategies.
- ii) **Donor support needs to be flexible and responsive to country situations.** Policies need to be informed by better analysis of the constraints to growth and poverty reduction and the impacts of their policies through tools such as poverty impact assessments. Policies must take account of country specificities and the political economy of the poverty reduction agenda, target the binding constraints to pro-poor growth, and be adaptive to what is possible. Effective scaling up requires sufficient absorptive capacity.
- iii) **Donors should stay engaged in states where the above approaches are not replicable because of weak or bad governance.** Donors need to adopt a different approach which focuses on investing in human capacity and to find opportunities to strengthen policy and dialogue frameworks. Sustained capacity building efforts are particularly important in such cases.
- iv) **A pro-poor lens on areas² important for pro-poor growth, such as private sector development, agriculture and infrastructure, requires a rethinking of their agendas.** The importance of these areas for pace and pattern of growth has been underestimated. New approaches to strengthen their contributions have been developed in POVNET’s work on pro-poor growth.
- v) **Donors need to develop capacities in aid agencies, at both capital and field levels, to effectively promote pro-poor growth.** They need to work in ways that exploit cross-sector synergies and which strengthen donor co-ordination. They need to provide appropriate support and incentives to field staff and build multidisciplinary teams empowered to influence and implement policies at the field level.

Pro-poor growth policies for investment and private sector development, trade, agriculture and infrastructure

Policies towards sectors that are important for pro-poor growth outcomes – including private sector development, trade, agriculture and infrastructure – can help increase the pace of growth, influence its spatial and sectoral composition, and connect the poor to the growth process. But policies in these areas cannot be “business as usual”. Looking at these sectors through a pro-poor growth lens means that donors often need to change behaviour in respect of what they do, how they do it and with whom they do it (as shown in Box 2.1). Donors also need to be better informed, *ex ante*, of the impact on pro-poor growth of policy and institutional changes and of investments in projects and programmes. To this end they are developing a “Poverty Impact Assessment” tool to better understand the poverty impacts of interventions.

a) Investment and private sector development

The private sector is the major contributor to growth and employment. Promoting a more vibrant private sector that makes a greater contribution to wealth creation than at

present in developing countries is central to a pro-poor growth strategy and to the achievement of the MDGs. Employment (particularly in the formal sector) is a major avenue out of poverty, while taxes paid by workers and firms help to fund government expenditures on the broader dimensions of PRSs. Employment in the informal sector is also important, but on a job for job basis, it has a comparatively lower impact on the quality and sustainability of the poverty reduction process.

For the private sector to deliver pro-poor growth, a set of factors need to be in place that allow all private sector actors to participate in and benefit from growth. These factors are:

- Providing incentives for entrepreneurship and investment.
- Increasing productivity through competition and innovation.
- Harnessing international economic linkages.
- Improving market access and functioning.
- Reducing risk and vulnerability.

Putting these factors into place requires action on a number of interconnected fronts – macroeconomic stability, a sound enabling environment for investors, reducing important barriers to doing business and building supply-side responsiveness – i.e. the ability of enterprises to identify and respond to new investment opportunities arising from growth and globalisation. Rather than supporting specific types of firms, such as small enterprises or agribusinesses, the emerging pro-poor private sector development agenda stresses the need to focus on policy and institutional reforms that provide incentives for private sector actors to make markets work better for the poor. The traditional response when markets fail, of the state providing goods and services, has often created more problems than it has solved.

The reform agenda for increasing the contribution of investment and the private sector to pro-poor growth is both large and challenging. Among the many important issues that merit detailed consideration in order to generate guidance for donors, the following have been explored recently in the DAC:

- **Removing barriers to formalisation.** The informal economy represents a large part of the domestic economies of many developing countries. However, informality is not conducive to expanding the contribution of the private sector to pro-poor growth – it distorts markets, excludes people from basic protections and reduces tax revenues. Formalisation brings important benefits including greater access for firms to the resources that will enable their businesses to grow. Donors can promote movement along the gradual path to formalisation by helping developing countries address such constraints as regulatory and administrative barriers, fees and financial requirements, corruption in public administration, socio-cultural attitudes and a lack of key business services. Initiating dialogue with participants in the informal economy is critical as it will help governments understand the specific constraints that informal firms face and why there may be resistance to formalisation.
- **Implementing competition policy.** Competition is essential if markets are to work better for the poor. Competitive markets are more likely to provide the poor with opportunities to work or to start their own small business. Competition benefits consumers through lower prices and higher quality and an improved choice of products. Farmers are in a more favourable position if the markets in which they buy

their inputs, arrange transport of their crops or sell their outputs are competitive. A clearly defined competition law and policy can help promote more competitive markets. Donors can provide technical assistance and capacity building to help developing countries strengthen the institutions responsible for enforcing their competition law and to formulate a competition policy.

- **Promoting supply-side response.** Improving macroeconomic conditions and the enabling environment are important. They need to be complemented by measures to strengthen the capacity of firms in developing countries, particularly small and informal firms. This will help them take up the opportunities and deal with the challenges that arise from greater international economic linkages. There is consensus today on the need to move towards more market-oriented approaches to providing direct support to firms. To avoid causing market distortions, donors should apply the following criteria when providing such support: focus on the cause of problems, foster a level playing field, promote market outcomes over direct support to enterprises, apply output-based aid principles, and have a clear exit strategy.
- **Developing the financial sector's contribution to pro-poor growth.** A well-developed financial sector, including a more integrated micro credit sector, can provide poor men and women with access to a larger array of financial services (such as payment instruments, saving facilities, credit and insurance). Indirectly, it reassures private investors and creates opportunities for investments to provide basic services to the poor. In countries with less developed financial sectors, donors should give priority to helping create a conducive enabling environment through support for regulation, supervision and promotion of financial systems. In more sophisticated economies, donors can give higher priority to supporting policies and projects that extend the provision of financial services to the poor, on terms and conditions more adapted to their needs.
- **Enhancing women's market access.** Gender-specific exclusions and inequalities – stemming mostly from biases, social norms, prohibitions and gender divisions of labour – disadvantage women. Women subsequently encounter constraints to participating in labour, financial, goods and service markets, thereby jeopardising efforts to spread the benefits of growth among the poorest. Donors should advocate the use of gender analysis tools when programmes are being developed to ensure that the role of women as consumers, workers, entrepreneurs and social actors are taken into account. Gender-disaggregated value chain analysis that identifies opportunities to strengthen women's participation in markets can help unleash their potential to contribute to generating significant pro-poor outcomes.
- **Constructing inclusive public-private dialogue.** Well-organised public-private dialogue processes can ensure that the needs and concerns of poor men and women are fed into higher-level policy processes, including the preparation of national PRSs. Donors can facilitate such dialogue by supporting private sector organisations (at national, sub-national and local levels) which represent the interests of micro and small entrepreneurs and of informal firms and workers. However, donors should stay clear of imposing their own agendas on dialogue processes or of creating situations where participants respond more to donors' priorities than to their own constituencies.

- **Donors can more effectively use ODA to mobilise private investment.** They presently spend some 20% of their ODA on activities that contribute to mobilising investment. Collectively, they cover a very wide range of activities across the macro, meso and micro levels of investment support. Evaluation material on what works well (and what doesn't), and the extent to which aid activities effectively tackle what business see as the binding constraints, is limited. To be more effective in mobilising investment, and in addition to the areas outlined above, donors need to recognise that reform is a time consuming and difficult process and that more time and better incentives are needed to bring about policy and institutional reforms. They need to pay more attention to the diversity of investors, particularly at the domestic level, where small and micro enterprises, the self-employed and the informal economy represent by far the main sources of investment. And they need to look beyond traditional macroeconomic and investment climate reforms to identify bottlenecks in markets that hinder domestic investment, *e.g.* reliable and affordable access to electricity, transportation, and information and communications technology (ICT), etc.

b) Trade liberalisation

International trade, when coupled with domestic reform, has a key role to play in fostering sustainable economic development, employment opportunities and poverty reduction. This has been illustrated in a number of developing countries that achieved impressive economic growth rates and substantial reductions in poverty. The link between trade and pro-poor growth is, however, complex because trade is only one of many factors affecting long-term development and poverty reduction. Nevertheless, research concludes that, in the long-term, open economies are conducive to economic growth and thus to poverty reduction. By providing new trading opportunities for competitive suppliers, reducing prices for consumers and increasing export revenues, development prospects will be enhanced. In turn, this will boost progress towards poverty reduction. This is especially true when trade will be liberalised in those sectors in which developing countries have a comparative advantage (*e.g.* agriculture) but where OECD tariff and non-tariff barriers presently remain relatively high. Supporting uncompetitive domestic production of certain agricultural commodities in OECD countries can have negative effects on growth prospects and poverty levels in developing countries which rely heavily on such commodities for export earnings and employment.

In the short-term, trade liberalisation may either increase or decrease welfare. The impact depends on a country's production and employment structure, the initial level of market protection, and patterns of consumption of the poor. The poor are likely to gain from import liberalisation if they are employed in the export sectors and consume products that have been previously protected. They are likely to lose if they are employed in protected sectors and consume goods destined for exports. In most instances, these short-term effects are rather limited. In cases where preferential access to OECD markets decreases, because of most favoured nation (MFN) tariff cuts, there can still be a serious short-term adjustment problem in a small number of countries (particularly in certain parts of Africa and the Caribbean) and in a small number of products (*e.g.* bananas, sugar, apparel).

Cotton is a clear case where further multilateral liberalisation can benefit a number of the LDCs. More specifically, west African countries that heavily rely on the cotton sub-sector for export earnings and employment stand to gain from further reductions in OECD subsidies, which trigger over-production, depress world market prices and distort trade flows.

There is little controversy over the long-term link between growth and poverty reduction. Greater openness (defined as the ratio of exports plus imports to gross domestic product [GDP]), especially import liberalisation, has been linked to greater growth through imports that embody more productive technology and increase total factor productivity. Similarly, an open economy leads to greater competition and efficiency in both domestic and international markets. No country with a closed economy has sustained long-term growth. Countries that have successfully combined trade with higher growth and development tend to have some key features in common. They have gradually opened up their economies as part of a wider development strategy based on two main pillars: improving the investment climate for the private sector to generate jobs, and empowering poor people, including through better education. This highlights the fact that the institutional and overall policy environment within which trade liberalisation takes place heavily influences the impact of trade reforms on economic performance and poverty reduction.

Although the positive longer-term impact of openness on growth and poverty reduction have generally been acknowledged, the potential contribution of trade to growth and poverty reduction is still seriously under-realised in many developing countries. In these cases, governments, institutions and enterprises often lack the capacities, *e.g.* information, policies, procedures, institutions and/or infrastructure, to compete effectively in global markets and take full advantage of the opportunities that are provided through international trade. Many are also concerned about their abilities and capacities to manage the adjustment pressures resulting from trade liberalisation. If these developing countries are to maximise the benefits from trade for pro-poor growth, domestic policy reforms and trade related technical assistance and capacity building will be required alongside ambitious (international) trade reforms.

For instance, although developing countries will benefit greatly from introducing measures to facilitate trade, most measures call for institutional, human or financial resources, which are often in short supply in developing countries. Building on work by the OECD Trade Committee, the DAC is reviewing donor support for trade facilitation to strengthen the design, delivery and evaluation of development assistance and to set out good practices for strengthening trade facilitation capacities in developing countries.

Despite achievements in this area, further progress is needed to effectively assist governments, institutions and enterprises in developing countries to take full advantage of the opportunities that are provided through improved market access. Trade, and more generally growth, have to be better integrated into poverty reduction strategies through poverty reductions strategy papers (PRSPs) or equivalent frameworks around which donors can align their support. Doing so requires a better understanding of the factors so far hindering this, as well as additional funding for trade capacity building.

The broader challenge for the aid and trade communities is to use the momentum behind both the Doha Development Agenda (DDA) and the MDGs to successfully conclude ambitious liberalisation of international trade, especially in those sectors that are of importance to developing countries. The key objective is to foster strong, sustainable local capacities for engaging in dynamic regional and global trade patterns, including the new opportunities that will be created by a successful Doha Development Round.

Evidently, aid for trade should not be used as compensation for a DDA outcome that falls short of its ambitions. Rather, the current round of multilateral trade liberalisation offers the donor community a unique opportunity to convey its commitment to provide

increased support to those countries that are actively engaged in making trade an engine of pro-poor growth and development. The projected scaling up of ODA from USD 80 billion in 2004 to USD 130 billion in 2010 must help in meeting this objective.

c) Agriculture

Agricultural growth is essential for reducing poverty. Agriculture must be a central component of pro-poor growth strategies not only because 75% of the world's poor live in rural areas, but because an effective agriculture component of pro-poor growth strategies "punches above its weight" – i.e. it has a significant impact on poverty reduction in very cost effective ways. At the macro level, growth in agriculture has powerful leverage effects on the rest of the economy and has consistently been shown to be more beneficial to the poor than growth in other sectors. Very few economies around the world have achieved broad based economic growth without agricultural and rural growth preceding or at least accompanying it.

Productivity gains in agriculture can offer a route out of poverty through direct impacts on income and labour force participation rates, the lowering of rural and urban food prices, and by generating new upstream and downstream economic and livelihood opportunities. The Global Donor Platform for Rural Development (created to foster rural development in support of the MDGs) has argued that economic growth in rural areas has to be underpinned by improvements in agricultural productivity. The impacts of such growth can further contribute to the stimulation of wider economic diversification and transformation beyond agriculture. Agricultural growth is an important driver of the rural non-farm economy with strong synergies to the urban economy.

The past 30 years have seen significant global success in food production with an overall decline in world food prices, an increase in caloric intake, a reduction in the percentage of undernourished people, and high rates of return in some key areas of investment in agriculture. Yet, in sub-Saharan Africa, where slow economic growth has left millions at the margins of survival, over 300 million people continue to live on less than one dollar a day.

The context within which agriculture policy is developed and implemented has undergone fundamental change, leading to increased levels of exposure to risk and vulnerability for poor producers. Small producers now have to compete in markets that are much more concentrated, integrated and demanding in food quality and safety and they are faced with the implications of the rapid growth of supermarkets in all world regions. Factors such as migration and HIV/AIDS, are changing the demographics and having a major impact on productive capacity in rural areas. The resultant feminisation of agriculture means we need more effective policies to deal with gender bias than has so far been the case. The natural, physical resources upon which agriculture is based are coming under pressure from processes of environmental change. The new patterns and nature of diversification in rural areas have implications for household income portfolios and rural-urban linkages. The agricultural sector is heterogeneous, and the capacity of households to respond to these changed circumstances varies significantly, often depending on the size and security of land holdings, access to markets, and the effectiveness of social networks beyond local communities. Efforts to spur agricultural growth need to take these differences into account if countries are to reap the high returns achieved in agriculture during the 1970-80s.

Attention to agriculture must be revitalised as a vehicle for pro-poor growth. The new conditions demand a new agenda for agriculture which recognises the constraints and opportunities of different rural worlds, delivers new approaches to the neglected fundamentals such as infrastructure, human capital and technology. Innovative solutions are needed to create the institutions for the successful implementation of policy. Comprehensive approaches are called for which focus on livelihoods and adapt policy to the local agro-ecological and economic development context. The key public actions and investments that should be prioritised include the following:

- Increasing productivity and access to domestic, regional and international markets are critical elements of strategies to achieving pro-poor growth and delivering sustainable improvements in poor peoples' livelihoods. Small farms with a commercial orientation can benefit enormously from diversification into higher value foods (fruits, vegetables, oils, fish, livestock products, etc.) and processed and pre-cooked foods. Strategies that support diversification, such as investment in transport and institutions to help small-scale producers, combined with an appropriate regulatory and policy framework can enhance opportunities in agriculture.
- Managing heightened risk and vulnerability, caused by weather, pests and prices, in addition to sickness, death (such as through HIV/AIDS) and loss of property, are essential elements for sustainable pro-poor growth. Policies, institutions and investments that assess and reduce actual risk, strengthen risk management options, and increase the availability of not only safety nets to help people cope with risk and vulnerability. "Cargo nets" can also help poor people to avoid recourse to low risk/low poverty impact strategies and to help them move back into productive activity. They will also promote greater acceptance of innovation and willingness to assume prudent risks which are prerequisites for entrepreneurship.
- The agriculture sector benefits from strong mobility and non-farm growth. It benefits from rising demand for diversified and higher value foods, remittance income that can be invested in improved practices, increased skills and market awareness of returnees, and the potential for reversing farm fragmentation by renting or buying land. Public policy should recognise the importance of this form of diversification, enhance peoples' capacity to access new markets in a diversified economy, establish better conditions for economic development of non-farm and non-agricultural enterprise, and remove barriers to movement out of agriculture and rural areas.
- In advancing the new agenda for agriculture, policy makers will need to broaden their understanding of poor people's livelihoods and ways to support those strategies in ways that reflect the large disparities among the different "rural worlds". They will need to identify and develop new institutional arrangements, using the best of both public and private sectors, to fill in the market gaps. And they will have to develop clear, ambitious visions for agriculture as part of their national development and poverty reduction strategies. Donors will need to develop and share an equally clear vision for how to support this process of promoting pro-poor agricultural growth in a way that fosters sustainable, country driven and programme based approaches.

d) Infrastructure

Empirical evidence shows that well functioning and affordable infrastructure is required both to increase the overall rate of economic growth and to achieve pro-poor patterns of economic growth. Inadequate and insufficient infrastructure is a major obstacle to growth,

trade and investment, acting not only as a major barrier to economic activity but also increases the production and transaction costs of doing business. Investments in transport, energy, water and ICT services are essential to bring poor people closer to local, regional markets and global markets. Without access to affordable and well functioning services poor people are excluded from participating in economic growth. Empirical evidence from Latin America shows that both increased access to infrastructure, and its quality, contribute to reducing income inequality.³

There is a huge gap between the present state of infrastructure and what is required to halve extreme poverty by 2015. Around the world more than one billion people lack access to roads, 1.2 billion do not have safe drinking water, 2.3 billion have no reliable energy, 2.4 billion lack sanitation facilities and 4 billion are without modern communication services. In the absence of accessible, affordable infrastructure, poor people pay heavily in time, money and health.

After many years of fiscal adjustment and a significant decline in ODA resources for infrastructure since 1997, public resource flows to infrastructure today fall far short of estimated requirements. Although the potential of private investment in infrastructure has been clearly demonstrated, the hopes that it might contribute to fill the gaps of public spending have not been fulfilled. The actual annual spending for infrastructure maintenance and investment in all developing countries have been estimated at 3.5% of GDP compared to an estimated need of 5.5% of GDP. For Africa the spending gap is even greater: 4.7% compared to 9.2%.⁴

How can ODA be used in a more efficient way than in the past to increase the required quantity and quality of infrastructure? Four important lessons from the past emerge: i) substantial improvements of infrastructure are needed to support pro-poor growth and achieve the MDGs; ii) the public sector has a major role to play to achieve optimal management of infrastructure facilities; iii) focus must be on the provision of sustainable infrastructure services rather than on the physical facilities; and iv) optimal use must be made of all available types of resources.

Based on the lessons identified above, POVNET's work on infrastructure and pro-poor growth has resulted in four key guiding principles on using infrastructure for poverty reduction. The application of these principles obviously has to take account of the specific challenges in different groups of partner countries such as fragile states or more advanced developing countries.

- **The alignment of donor support to partner country-led frameworks** is regarded as a key to increased, better co-ordinated and more efficient support to infrastructure investment and maintenance. To this end the role of the public sector must be strengthened, co-ordination between donors must be improved and sector-wide approaches (SWAPs) have to be applied more frequently than in the past. There is also an obvious need to strengthen partner countries' capacities to collect and analyse infrastructure data as a basis for better infrastructure planning from a pro-poor growth perspective.
- **The impact of infrastructure interventions on poor people must be enhanced.** Experience shows that not only lack of access but also the low quality and affordability of infrastructure create obstacles for the participation of poor people in growth processes. New approaches for targeting public subsidies to infrastructure services in a "smarter" way than before have been developed. There is also a need to

**Box 2.1. Promoting pro-poor growth:
Examples of evolving agendas and policy responses**

Private Sector Development (PSD)

Evolving agendas		Policy responses
From...	To...	
Emphasis on targeting firms and sectors directly	Promoting also market outcomes for all enterprises, regardless of status (public/private), size of sector	Strengthen the enabling environment, enterprise responsiveness and access. Direct firm level support to avoid distortions
Informal sector is marginal and temporary	Informal sector is large, informality is a continuum	Reduce disincentives to formality, facilitate risk taking
Institutions and processes of institutional change were neglected	Institutional and policy reforms	Promote dialogue between the state, the private sector and civil society
The private sector is one of many stand-alone sectors	PSD is a central part of a more holistic and integrated agenda for pro-poor growth	Link/merge PSD, enabling environment and governance programmes under a common strategy

Agriculture

Evolving agendas		Policy responses
From...	To...	
Sectoral approach/production units	Rural livelihoods approach	Holistic approaches – build assets and foster diversified livelihoods
One work location	Multiple work locations	Promote diversified livelihoods and rural-urban migration
Focus on national markets, food crops and security	National, regional and global markets	Expand/diversify markets Strengthen competitiveness of small-scale producers
Government support and social safety nets	Reduce risk and vulnerability	Assess trade-offs between growth promoting and risk and vulnerability reducing measures; develop new forms of insurance

Infrastructure

Evolving agendas		Policy responses
From...	To...	
Donor driven/project based	Country led/programmes	Co-ordinate donor support by <i>e.g.</i> applying programme approaches, sharing analytical work
Infrastructure for growth	Infrastructure for inclusive growth, involving and benefiting the poor	Target the poor to improve their access, establish cross sector synergies, ensure affordability for the poor and promote employment
Finance capital costs	Greater focus on governance structures and the sustainability of infrastructure facilities; stronger focus on maintenance	Emphasise maintenance through cost recovery, support the reform of public sector providers, enhance transparency to address corruption and environmental sustainability
Private sector fills the gap	Greater public sector role with support from donors to promote public private partnerships	Increase aid predictability, use a mix of instruments to leverage private sector investment and strengthen local capital markets

focus on potential cross-sector linkages and synergies between the sub-sectors of infrastructure (energy, transport, water and ICT), with social sectors and with the development of the private sector and agriculture. The role of infrastructure in providing employment for poor people, enhancing gender equality and promoting inclusion of vulnerable groups such as the disabled has been highlighted.

- **Infrastructure management has to be strengthened to provide sustainable outcomes.** An important prerequisite for efficiency and sustainability of infrastructure services is that increased priority is given to maintenance and rehabilitation in order to decrease the huge maintenance back-log in infrastructure. Cost recovery has to be strengthened in public utilities, *e.g.* through improved mechanisms for tariff collection in community-based systems. Corruption is a clear threat to poverty reduction and must be fought more efficiently than in the past. To this end transparency and accountability in procurement has to be enhanced. Increased consideration should be given to the impact of infrastructure on environmental sustainability, *e.g.* by encouraging sustainable resource management through price incentives.
- **Finally, all different types of flows of resources to infrastructure need to be increased and used more efficiently.** Public investment will remain the essential base of infrastructure investment. However, partner countries cannot cover the huge infrastructure back-logs without mobilising participation of domestic as well as international private firms. To this end, the risks and transaction costs of infrastructure investment in partner countries must be reduced. Donors play a crucial role, not only as providers of financial resources but also by leveraging increased private flows of investment (domestic and foreign) to infrastructure. Predictability of donor support, as well as of other resource flows, is important.

Notes

1. The main policy messages from POVNET's work on pro-poor growth are still being developed and will be set out in the forthcoming report on *Promoting Pro-Poor Growth*. The present version of these policy messages should therefore be treated as work in progress.
2. POVNET selected three themes for particular attention – private sector development, agriculture and infrastructure – from a much wider range of themes important for promoting pro-poor growth.
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Chapter 3

Aid Effectiveness: Three Good Reasons Why the Paris Declaration Will Make a Difference

On 2 March 2005 over one hundred donors and developing countries agreed in Paris to undertake some landmark reforms in the way they do business together. These reforms, enshrined in the Paris Declaration on Aid Effectiveness, are critical if aid commitments made during 2005 are to help partner countries meet the Millennium Development Goals by 2015. Some would argue that the Paris Declaration is nothing but good intentions and unlikely to make a difference. This chapter argues there are at least three good reasons to be confident that the Paris Declaration significantly increases the impact of aid.

Aid is in the spotlight as never before. Following the recent commitments made at the G8 summit at Gleneagles, the UN Millennium Summits and the EU, the amount of aid provided to LDCs is expected to increase by nearly 60% (about an additional USD 50 billion) by 2010. Yet aid increases will not help reduce poverty in the absence of major improvements in the quality of aid. This requires ambitious reforms in the aid system. Not only from donors, who could do a much better job at delivering aid more effectively, but also from developing countries who could improve the way they manage it. For many years reforms in these areas have been slow to materialise and, all too often, it has been business as usual within the development community.

Today, however, there are some good reasons to believe that the “times they are a changing”. On 2 March 2005, for example, over one hundred donors and developing countries agreed in Paris to undertake some landmark reforms in the way they do business together. The Paris Declaration marks an unprecedented level of consensus and resolve to reform aid to make it more effective at combating global poverty. Pessimists, who see the Declaration as just another solemn statement of good intentions, are entitled to be sceptical and will no doubt wonder whether this will really make any difference at the end of the day. This chapter argues that there are at least three good reasons to be confident that it will.

Reason 1: The Paris Declaration goes beyond previous agreements

The Paris Declaration has moved the aid effectiveness agenda beyond the general consensus reached in previous agreements of this kind including the High-Level Forum in Rome in 2003.

A very high level of participation. The High-Level Forum on Aid Effectiveness brought together a much larger and more representative group than previous agreements with more ministerial-level representation by both donors and recipients of aid. It was attended by development officials and ministers from 91 countries, 26 donor organisations and partner countries, and civil society and private sector representatives.¹

Actions not words. More so than previous agreements, the Paris Declaration goes beyond a statement of general principles and lays down a practical, action-oriented roadmap to improve the quality of aid and its impact on development. The 56 partnership commitments included in the Paris Declaration are organised around five key principles:

- **Ownership** – Developing countries will exercise effective leadership over their development policies, strategies and co-ordinate development efforts. Donors’ are responsible for supporting and enabling developing countries ownership by respecting their policies and helping strengthen their capacity to implement them (paragraphs 14 and 15 of the Paris Declaration).
- **Alignment** – Donors will base their overall support on partner countries’ national development strategies, institutions and procedures. For example, this means that donors will draw conditions, wherever possible, from a developing country government’s

Box 3.1. High-level representation at the Paris High-Level Forum

The Paris Forum on Aid Effectiveness – in which the Paris Declaration was agreed – was hosted by the French government and was co-sponsored by eight organisations who were represented at the highest level:

- OECD – Secretary-General Donald Johnston and Chair of the Development Assistance Committee, Mr. Richard Manning.
- World Bank – President James Wolfensohn.
- United Nations Development Programme – Administrator Mark Malloch Brown.
- Asian Development Bank – President Haruhiko Kuroda.
- African Development Bank – President Omar Kabbaj.
- European Bank for Reconstruction and Development – President Jean Lemierre.
- Inter-American Development Bank – Chief Development Effectiveness Officer, Mr. Manuel Rapoport.

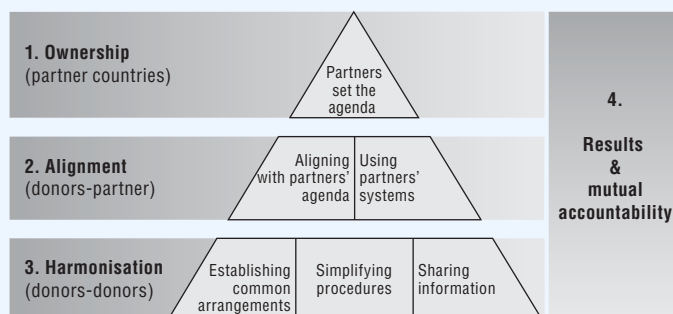
The meeting was also attended by President Enrique Bolaños (Nicaragua), Commissioner Louis Michel (EC), more than 60 ministers and many other heads of agencies and high level officials.

development strategy, instead of imposing multiple conditions based on other agendas (para. 16).

- **Harmonisation** – Donors aim to be more harmonised, collectively effective and less burdensome especially on those countries, such as fragile states, that have weak administrative capacities. This means, for instance, establishing common arrangements at country level for planning, funding and implementing development programmes (para. 32).
- **Managing for results** – Both donors and partner countries will manage resources and improve decision-making for results. Donors should fully support developing countries efforts in implementing performance assessment frameworks that measure progress against key elements of national development strategies (para. 43-46).
- **Mutual accountability** – Donors and developing countries pledge that they will hold each mutually accountable for development results as outlined in the aid effectiveness pyramid below.

The Paris Declaration has been prepared with broad consultation. As part of the preparation for the Paris Forum, regional workshops were held in October and November 2004 in Asia (Bangkok, Thailand), Latin America (Tegucigalpa, Honduras), Central Asia (Bishkek, Kyrgyz Republic), and Africa (Dar-es-Salaam, Tanzania), and in February 2005 in the Middle East (Jeddah, Saudi Arabia). These regional workshops brought together representatives of the development community from partner countries, donors, and civil society, to exchange experiences and take stock of overall progress and areas needing further work. In February 2005, the sponsors of the Paris High-Level Forum organised a dialogue with NGOs on aid effectiveness. This dialogue brought together over 50 NGOs from around the world and representatives from donor organisations and was designed to provide a vital opportunity for NGO input into the High-Level Forum. Both the regional workshops and the dialogue with NGOs fed into the preliminary drafts of the Paris Declaration.

Box 3.2. The aid effectiveness pyramid



Reason 2: Twelve indicators to monitor progress in achieving results

For the first time donors and developing countries have committed to measuring their success – or failure – at making aid more effective with a set of indicators and targets for the year 2010.

Progress at country level will be monitored against 12 indicators of aid effectiveness. Participants at the Paris High-Level Forum agreed that progress would be measured against 12 indicators as a way of tracking and encouraging progress against the broader set of partnership commitments included in the Paris Declaration. The Working Party of the OECD DAC² has been tasked to co-ordinate the international monitoring of the indicators and a survey will be undertaken in the course of 2006 in order to establish baselines for the 12 indicators. This will be followed in 2008 by a second round of monitoring to review progress ahead of the next High-Level Forum on Aid Effectiveness scheduled in 2008 in Accra (Ghana).

Box 3.3. What the Paris Declaration might achieve

If the targets agreed in Paris are met, then by 2010:

- Three-quarters of all developing countries will have established strong operational development strategies (**Indicator 1**).
- Half of developing countries' procurement and public financial management systems will have considerably improved (**Indicator 2**).
- At least 85% of aid flows will be reported on developing countries national budgets (**Indicator 3**).
- Two-thirds of donors' country analytic work will be undertaken jointly and planning of interventions will become much more consistent with a genuine "joint enterprise" (**Indicator 10**).

For the full list of indicators and targets please refer to Section III of the Paris Declaration.

Targets for the year 2010 have been set for eleven³ of these indicators. These targets, which commit both donors and partner countries, are designed to encourage progress at the global level among the countries and agencies that have agreed to the Paris Declaration. They are not intended to prejudge or substitute targets which individual donors or countries may wish to set, but rather provide a flexible benchmark against which countries and organisations can measure their performance. Progress towards these targets will also be reviewed in 2008.

Reason 3: The Paris Declaration creates stronger mechanisms for accountability

One reason why reform in the aid system has been slow to materialise is the weakness of accountability mechanisms within this system. All too often, neither donors nor developing country governments are truly accountable to the citizens of the North and South on the use of development resources. Significant progress towards making aid more effective therefore requires stronger mechanisms for accountability for both donors and partner countries. The Paris Declaration seeks to address this “accountability gap” by promoting a model of partnership that improves transparency and accountability on the use of development resources.

From donorship to ownership. Aid is more effective when partner countries exercise strong and effective leadership over their development policies and strategies. Ownership is therefore the fundamental tenet underpinning the Paris Declaration. Governments of developing countries are accountable to their own parliaments and citizens, not to donor organisations, for their development policies. In many countries, this means strengthening parliamentary oversight of development policies and budgets and reinforcing the role of civil society (para. 48). It also requires donors to scale down their sometimes excessive demands for accountability from developing countries by:

- Relying as much as possible on country systems and procedures (para. 21).
- Avoiding intrusive conditionality (para. 16).
- Decreasing the number of project implementation units (PIUs) that undermine national administrations (para. 21).
- Providing timely and transparent information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislature and citizens (para. 49).

Stronger and more balanced mechanisms for mutual accountability. At present accountability requirements are often harder on developing countries than donors. The Paris Declaration recognises that for aid to become truly effective, stronger and more balanced, accountability mechanisms are required at different levels. At the international level, the Paris Declaration constitutes a mechanism in which donors and recipients of aid are held mutually accountable to each other and compliance in meeting the commitments will be publicly monitored. To this end, the Working Party on Aid Effectiveness has been charged (para. 9) with the responsibility of establishing a medium-term monitoring plan not only for indicators (see above) but also for commitments. At the country level, the Paris Declaration encourages donors and partners to jointly assess mutual progress in implementing agreed commitments on aid effectiveness (para. 50) by making best use of local mechanisms such as consultative groups.

Conclusion: The Paris Declaration is all about changing behaviour

Increased aid flows are unlikely to make a serious dent into global poverty if donors do not change the way they go about providing aid and developing countries do not enhance the way they currently manage it. Business as usual will not only erode the credibility of development assistance in the North and South, but more importantly, will undermine the international community's ability to reach the MDGs by 2015. Disappointing results could make *aid*, not *poverty*, history.⁴

This is why the challenge of the Paris Declaration is to reform the way donors and partner countries work together to meet common objectives and make best use of limited development resources. Put simply, the Paris Declaration is about changing behaviour. Taken together, the agenda set out by the Paris Declaration and the strengthened mechanisms for mutual accountability create some very powerful incentives to change patterns of behaviour. For it to yield results, however, it will have to be matched by serious and sustained political resolve at the highest level.

At the end of the day will this all really make a difference? The answer will be provided at the next High-Level Forum on Aid Effectiveness in 2008 in Ghana when donors and partner countries will get together to review progress in implementing the Paris Declaration.

Notes

1. A full list of representatives at the Paris High-Level Forum is presented in Appendix B of the Paris Declaration in the annex of this chapter.
2. The OECD-DAC Working Party on Aid Effectiveness is a partnership of donors and developing countries and is hosted by the OECD Development Assistance Committee (DAC).
3. A qualitative target has been set for Indicator 8 on untying aid.
4. Institute of Development Studies (IDS) (2005), *IDS Policy Briefing*, Issue 25, IDS, Brighton, UK.

ANNEX 3.A1

*Paris Declaration on Aid Effectiveness**Ownership, Harmonisation, Alignment, Results
and Mutual Accountability***I. Statement of Resolve**

1. We, Ministers of developed and developing countries responsible for promoting development and Heads of multilateral and bilateral development institutions, meeting in Paris on 2 March 2005, resolve to take far-reaching and monitorable actions to reform the ways we deliver and manage aid as we look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs) later this year. As in Monterrey, we recognise that while the volumes of aid and other development resources must increase to achieve these goals, aid effectiveness must increase significantly as well to support partner country efforts to strengthen governance and improve development performance. This will be all the more important if existing and new bilateral and multilateral initiatives lead to significant further increases in aid.

2. At this High-Level Forum on Aid Effectiveness, we followed up on the Declaration adopted at the High-Level Forum on Harmonisation in Rome (February 2003) and the core principles put forward at the Marrakech Roundtable on Managing for Development Results (February 2004) because we believe they will increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and accelerating achievement of the MDGs.

Scale up for more effective aid

3. We reaffirm the commitments made at Rome to harmonise and align aid delivery. We are encouraged that many donors and partner countries are making aid effectiveness a high priority, and we reaffirm our commitment to accelerate progress in implementation, especially in the following areas:

- i) Strengthening partner countries' national development strategies and associated operational frameworks (e.g., planning, budget, and performance assessment frameworks).
- ii) Increasing alignment of aid with partner countries' priorities, systems and procedures and helping to strengthen their capacities.

- iii) Enhancing donors' and partner countries' respective accountability to their citizens and parliaments for their development policies, strategies and performance.
 - iv) Eliminating duplication of efforts and rationalising donor activities to make them as cost-effective as possible.
 - v) Reforming and simplifying donor policies and procedures to encourage collaborative behaviour and progressive alignment with partner countries' priorities, systems and procedures.
 - vi) Defining measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary safeguards and environmental assessments, in line with broadly accepted good practices and their quick and widespread application.
4. We commit ourselves to taking concrete and effective action to address the remaining challenges, including:
- i) Weaknesses in partner countries' institutional capacities to develop and implement results-driven national development strategies.
 - ii) Failure to provide more predictable and multi-year commitments on aid flows to committed partner countries.
 - iii) Insufficient delegation of authority to donors' field staff, and inadequate attention to incentives for effective development partnerships between donors and partner countries.
 - iv) Insufficient integration of global programmes and initiatives into partner countries' broader development agendas, including in critical areas such as HIV/AIDS.
 - v) Corruption and lack of transparency, which erode public support, impede effective resource mobilisation and allocation and divert resources away from activities that are vital for poverty reduction and sustainable economic development. Where corruption exists, it inhibits donors from relying on partner country systems.
5. We acknowledge that enhancing the effectiveness of aid is feasible and necessary across all aid modalities. In determining the most effective modalities of aid delivery, we will be guided by development strategies and priorities established by partner countries. Individually and collectively, we will choose and design appropriate and complementary modalities so as to maximise their combined effectiveness.
6. In following up the Declaration, we will intensify our efforts to provide and use development assistance, including the increased flows as promised at Monterrey, in ways that rationalise the often excessive fragmentation of donor activities at the country and sector levels.

Adapt and apply to differing country situations

7. Enhancing the effectiveness of aid is also necessary in challenging and complex situations, such as the tsunami disaster that struck countries of the Indian Ocean rim on 26 December 2004. In such situations, worldwide humanitarian and development assistance must be harmonised within the growth and poverty reduction agendas of partner countries. In fragile states, as we support state-building and delivery of basic services, we will ensure that the principles of harmonisation, alignment and managing for

results are adapted to environments of weak governance and capacity. Overall, we will give increased attention to such complex situations as we work toward greater aid effectiveness.

Specify indicators, timetable and targets

8. We accept that the reforms suggested in this Declaration will require continued high-level political support, peer pressure and coordinated actions at the global, regional and country levels. We commit to accelerate the pace of change by implementing, in a spirit of mutual accountability, the Partnership Commitments presented in Section II and to measure progress against 12 specific indicators that we have agreed today and that are set out in Section III of this Declaration.

9. As a further spur to progress, we will set targets for the year 2010. These targets, which will involve action by both donors and partner countries, are designed to track and encourage progress at the global level among the countries and agencies that have agreed to this Declaration. They are not intended to prejudice or substitute for any targets that individual partner countries may wish to set. We have agreed today to set five preliminary targets against indicators as shown in Section III. We agree to review these preliminary targets and to adopt targets against the remaining indicators as shown in Section III before the UNGA Summit in September 2005; and we ask the partnership of donors and partner countries hosted by the DAC to prepare for this urgently.¹ Meanwhile, we welcome initiatives by partner countries and donors to establish their own targets for improved aid effectiveness within the framework of the agreed Partnership Commitments and Indicators of Progress. For example, a number of partner countries have presented action plans, and a large number of donors have announced important new commitments. We invite all participants who wish to provide information on such initiatives to submit it by 4 April 2005 for subsequent publication.

Monitor and evaluate implementation

10. Because demonstrating real progress at country level is critical, under the leadership of the partner country we will periodically assess, qualitatively as well as quantitatively, our mutual progress at country level in implementing agreed commitments on aid effectiveness. In doing so, we will make use of appropriate country level mechanisms.

11. At the international level, we call on the partnership of donors and partner countries hosted by the DAC to broaden partner country participation and, by the end of 2005, to propose arrangements for the medium term monitoring of the commitments in this Declaration. In the meantime, we ask the partnership to co-ordinate the international monitoring of the Indicators of Progress included in Section III; to refine targets as necessary; to provide appropriate guidance to establish baselines; and to enable consistent aggregation of information across a range of countries to be summed up in a periodic report. We will also use existing peer review mechanisms and regional reviews to support progress in this agenda. We will, in addition, explore independent cross-country monitoring and evaluation processes – which should be applied without imposing additional burdens on partners – to provide a more comprehensive understanding of how increased aid effectiveness contributes to meeting development objectives.

12. Consistent with the focus on implementation, we plan to meet again in 2008 in a developing country and conduct two rounds of monitoring before then to review progress in implementing this Declaration.

II. Partnership Commitments

13. Developed in a spirit of mutual accountability, these Partnership Commitments are based on the lessons of experience. We recognise that commitments need to be interpreted in the light of the specific situation of each partner country.

Ownership

Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions

14. **Partner countries** commit to:

- Exercise leadership in developing and implementing their national development strategies² through broad consultative processes.
- Translate these national development strategies into prioritised results-oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets (**Indicator 1**).
- Take the lead in co-ordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector.

15. **Donors** commit to:

- Respect partner country leadership and help strengthen their capacity to exercise it.

Alignment

Donors base their overall support on partner countries' national development strategies, institutions and procedures

Donors align with partners' strategies

16. **Donors** commit to:

- Base their overall support – country strategies, policy dialogues and development co-operation programmes – on partners' national development strategies and periodic reviews of progress in implementing these strategies³ (**Indicator 3**).
- Draw conditions, whenever possible, from a partner's national development strategy or its annual review of progress in implementing this strategy. Other conditions would be included only when a sound justification exists and would be undertaken transparently and in close consultation with other donors and stakeholders.
- Link funding to a single framework of conditions and/or a manageable set of indicators derived from the national development strategy. This does not mean that all donors have identical conditions, but that each donor's conditions should be derived from a common streamlined framework aimed at achieving lasting results.

Donors use strengthened country systems

17. Using a country's own institutions and systems, where these provide assurance that aid will be used for agreed purposes, increases aid effectiveness by strengthening the partner country's sustainable capacity to develop, implement and account for its policies to its citizens and parliament. Country systems and procedures typically include, but are not restricted to, national arrangements and procedures for public financial management, accounting, auditing, procurement, results frameworks and monitoring.

18. Diagnostic reviews are an important – and growing – source of information to governments and donors on the state of country systems in partner countries. Partner countries and donors have a shared interest in being able to monitor progress over time in improving country systems. They are assisted by performance assessment frameworks, and an associated set of reform measures, that build on the information set out in diagnostic reviews and related analytical work.

19. **Partner countries** and **donors** jointly commit to:

- Work together to establish mutually agreed frameworks that provide reliable assessments of performance, transparency and accountability of country systems (**Indicator 2**).
- Integrate diagnostic reviews and performance assessment frameworks within country-led strategies for capacity development.

20. **Partner countries** commit to:

- Carry out diagnostic reviews that provide reliable assessments of country systems and procedures.
- On the basis of such diagnostic reviews, undertake reforms that may be necessary to ensure that national systems, institutions and procedures for managing aid and other development resources are effective, accountable and transparent.
- Undertake reforms, such as public management reform, that may be necessary to launch and fuel sustainable capacity development processes.

21. **Donors** commit to:

- Use country systems and procedures to the maximum extent possible. Where use of country systems is not feasible, establish additional safeguards and measures in ways that strengthen rather than undermine country systems and procedures (**Indicator 5**).
- Avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes (**Indicator 6**).
- Adopt harmonised performance assessment frameworks for country systems so as to avoid presenting partner countries with an excessive number of potentially conflicting targets.

Partner countries strengthen development capacity with support from donors

22. The capacity to plan, manage, implement, and account for results of policies and programmes, is critical for achieving development objectives – from analysis and dialogue through implementation, monitoring and evaluation. Capacity development is the responsibility of partner countries with donors playing a support role. It needs not only to be based on sound technical analysis, but also to be responsive to the broader social, political and economic environment, including the need to strengthen human resources.

23. **Partner countries** commit to:

- Integrate specific capacity strengthening objectives in national development strategies and pursue their implementation through country-led capacity development strategies where needed.

24. **Donors** commit to:

- Align their analytic and financial support with partners' capacity development objectives and strategies, make effective use of existing capacities and harmonise support for capacity development accordingly (**Indicator 4**).

Strengthen public financial management capacity

25. **Partner countries** commit to:

- Intensify efforts to mobilise domestic resources, strengthen fiscal sustainability, and create an enabling environment for public and private investments.
- Publish timely, transparent and reliable reporting on budget execution.
- Take leadership of the public financial management reform process.

26. **Donors** commit to:

- Provide reliable indicative commitments of aid over a multi-year framework and disburse aid in a timely and predictable fashion according to agreed schedules (**Indicator 7**).
- Rely to the maximum extent possible on transparent partner government budget and accounting mechanisms (**Indicator 5**).

27. **Partner countries** and **donors** jointly commit to:

- Implement harmonised diagnostic reviews and performance assessment frameworks in public financial management.

Strengthen national procurement systems

28. **Partner countries** and **donors** jointly commit to:

- Use mutually agreed standards and processes⁴ to carry out diagnostics, develop sustainable reforms and monitor implementation.
- Commit sufficient resources to support and sustain medium and long-term procurement reforms and capacity development.
- Share feedback at the country level on recommended approaches so they can be improved over time.

29. **Partner countries** commit to take leadership and implement the procurement reform process.

30. **Donors** commit to:

- Progressively rely on partner country systems for procurement when the country has implemented mutually agreed standards and processes (**Indicator 5**).
- Adopt harmonised approaches when national systems do not meet mutually agreed levels of performance or donors do not use them.

Untie aid: getting better value for money

31. Untying aid generally increases aid effectiveness by reducing transaction costs for partner countries and improving country ownership and alignment. **DAC Donors** will continue to make progress on untying as encouraged by the 2001 DAC Recommendation on Untying Official Development Assistance to the Least Developed Countries (**Indicator 8**).

Harmonisation

Donors' actions are more harmonised, transparent and collectively effective

Donors implement common arrangements and simplify procedures

32. **Donors** commit to:

- Implement the donor action plans that they have developed as part of the follow-up to the Rome High-Level Forum.
- Implement, where feasible, common arrangements at country level for planning, funding (e.g. joint financial arrangements), disbursement, monitoring, evaluating and reporting to government on donor activities and aid flows. Increased use of programme-based aid modalities can contribute to this effort (**Indicator 9**).
- Work together to reduce the number of separate, duplicative, missions to the field and diagnostic reviews (**Indicator 10**); and promote joint training to share lessons learnt and build a community of practice.

Complementarity: more effective division of labour

33. Excessive fragmentation of aid at global, country or sector level impairs aid effectiveness. A pragmatic approach to the division of labour and burden sharing increases complementarity and can reduce transaction costs.

34. **Partner countries** commit to:

- Provide clear views on donors' comparative advantage and on how to achieve donor complementarity at country or sector level.

35. **Donors** commit to:

- Make full use of their respective comparative advantage at sector or country level by delegating, where appropriate, authority to lead donors for the execution of programmes, activities and tasks.
- Work together to harmonise separate procedures.

Incentives for collaborative behaviour

36. **Donors** and **partner countries** jointly commit to:

- Reform procedures and strengthen incentives – including for recruitment, appraisal and training – for management and staff to work towards harmonisation, alignment and results.

Delivering effective aid in fragile states⁵

37. The long-term vision for international engagement in fragile states is to build legitimate, effective and resilient state and other country institutions. While the guiding principles of effective aid apply equally to fragile states, they need to be adapted to environments of weak ownership and capacity and to immediate needs for basic service delivery.

38. **Partner countries** commit to:

- Make progress towards building institutions and establishing governance structures that deliver effective governance, public safety, security, and equitable access to basic social services for their citizens.

- Engage in dialogue with donors on developing simple planning tools, such as the transitional results matrix, where national development strategies are not yet in place.
- Encourage broad participation of a range of national actors in setting development priorities.

39. **Donors** commit to:

- Harmonise their activities. Harmonisation is all the more crucial in the absence of strong government leadership. It should focus on upstream analysis, joint assessments, joint strategies, co-ordination of political engagement; and practical initiatives such as the establishment of joint donor offices.
- Align to the maximum extent possible behind central government-led strategies or, if that is not possible, donors should make maximum use of country, regional, sector or non-government systems.
- Avoid activities that undermine national institution building, such as bypassing national budget processes or setting high salaries for local staff.
- Use an appropriate mix of aid instruments, including support for recurrent financing, particularly for countries in promising but high-risk transitions.

Promoting a harmonised approach to environmental assessments

40. Donors have achieved considerable progress in harmonisation around environmental impact assessment (EIA) including relevant health and social issues at the project level. This progress needs to be deepened, including on addressing implications of global environmental issues such as climate change, desertification and loss of biodiversity.

41. **Donors** and **partner countries** jointly commit to:

- Strengthen the application of EIAs and deepen common procedures for projects, including consultations with stakeholders; and develop and apply common approaches for “strategic environmental assessment” at the sector and national levels.
- Continue to develop the specialised technical and policy capacity necessary for environmental analysis and for enforcement of legislation.

42. Similar harmonisation efforts are also needed on other cross-cutting issues, such as gender equality and other thematic issues including those financed by dedicated funds.

Managing for results

Managing resources and improving decision-making for results

43. Managing for results means managing and implementing aid in a way that focuses on the desired results and uses information to improve decision-making.

44. **Partner countries** commit to:

- Strengthen the linkages between national development strategies and annual and multi-annual budget processes.
- Endeavour to establish results-oriented reporting and assessment frameworks that monitor progress against key dimensions of the national and sector development strategies; and that these frameworks should track a manageable number of indicators for which data are cost-effectively available (**Indicator 11**).

45. **Donors** commit to:

- Link country programming and resources to results and align them with effective partner country performance assessment frameworks, refraining from requesting the introduction of performance indicators that are not consistent with partners' national development strategies.
- Work with partner countries to rely, as far as possible, on partner countries' results-oriented reporting and monitoring frameworks.
- Harmonise their monitoring and reporting requirements, and, until they can rely more extensively on partner countries' statistical, monitoring and evaluation systems, with partner countries to the maximum extent possible on joint formats for periodic reporting.

46. **Partner countries** and **donors** jointly commit to:

- Work together in a participatory approach to strengthen country capacities and demand for results based management.

Mutual accountability**Donors and partners are accountable for development results**

47. A major priority for partner countries and donors is to enhance mutual accountability and transparency in the use of development resources. This also helps strengthen public support for national policies and development assistance.

48. **Partner countries** commit to:

- Strengthen as appropriate the parliamentary role in national development strategies and/or budgets.
- Reinforce participatory approaches by systematically involving a broad range of development partners when formulating and assessing progress in implementing national development strategies.

49. **Donors** commit to:

- Provide timely, transparent and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens.

50. **Partner countries** and **donors** commit to:

- Jointly assess through existing and increasingly objective country level mechanisms mutual progress in implementing agreed commitments on aid effectiveness, including the Partnership Commitments (**Indicator 12**).

III. Indicators of Progress

To be measured nationally and monitored internationally.

OWNERSHIP		TARGET FOR 2010
1	<i>Partners have operational development strategies</i> – Number of countries with national development strategies (including PRSs) that have clear strategic priorities linked to a medium-term expenditure framework and reflected in annual budgets.	At least 75% of partner countries have operational development strategies.
ALIGNMENT		TARGETS FOR 2010
2	<i>Reliable country systems</i> – Number of partner countries that have procurement and public financial management systems that either a) adhere to broadly accepted good practices or b) have a reform programme in place to achieve these.	a) Public financial management – Half of partner countries move up at least one measure (<i>i.e.</i>, 0.5 point) on the PFM/CPIA (Country Policy and Institutional Assessment) scale of performance. b) Procurement – One-third of partner countries move up at least one measure (<i>i.e.</i>, from D to C, C to B or B to A) on the four-point scale used to assess performance for this indicator.
3	<i>Aid flows are aligned on national priorities</i> – Per cent of aid flows to the government sector that is reported on partners' national budgets.	Halve the gap – halve the proportion of aid flows to government sector not reported on government's budget(s) (with at least 85% reported on budget).
4	<i>Strengthen capacity by co-ordinated support</i> – Per cent of donor capacity-development support provided through co-ordinated programmes consistent with partners' national development strategies.	50% of technical co-operation flows are implemented through co-ordinated programmes consistent with national development strategies.
5a	<i>Use of country public financial management systems</i> – Per cent of donors and of aid flows that use public financial management systems in partner countries, which either a) adhere to broadly accepted good practices or b) have a reform programme in place to achieve these.	PER CENT OF DONORS
		Score ¹ Target
		5+ ALL DONORS use partner countries' PFM systems.
		3.5 to 4.5 90% OF DONORS use partner countries' PFM systems.
5b	<i>Use of country procurement systems</i> – Per cent of donors and of aid flows that use partner country procurement systems, which either a) adhere to broadly accepted good practices or b) have a reform programme in place to achieve these.	PER CENT OF AID FLOWS
		Score ¹ Target
		5+ A TWO-THIRDS REDUCTION in the % of aid to the public sector not using partner countries' PFM systems.
		3.5 to 4.5 A ONE-THIRD REDUCTION in the % of aid to the public sector not using partner countries' PFM systems.
5b	<i>Use of country procurement systems</i> – Per cent of donors and of aid flows that use partner country procurement systems, which either a) adhere to broadly accepted good practices or b) have a reform programme in place to achieve these.	PER CENT OF DONORS
		Score ¹ Target
		A ALL DONORS use partner countries' procurement systems.
		B 90% OF DONORS use partner countries' procurement systems.
5b	<i>Use of country procurement systems</i> – Per cent of donors and of aid flows that use partner country procurement systems, which either a) adhere to broadly accepted good practices or b) have a reform programme in place to achieve these.	PER CENT OF AID FLOWS
		Score ¹ Target
		A A TWO-THIRDS REDUCTION in the % of aid to the public sector not using partner countries' procurement systems.
		B A ONE-THIRD REDUCTION in the % of aid to the public sector not using partner countries' procurement systems.
6	<i>Strengthen capacity by avoiding parallel implementation structures</i> – Number of parallel project implementation units (PIUs) per country.	Reduce by two-thirds the stock of parallel project implementation units (PIUs).
7	<i>Aid is more predictable</i> – Per cent of aid disbursements released according to agreed schedules in annual or multi-year frameworks.	Halve the gap – halve the proportion of aid not disbursed within the fiscal year for which it was scheduled.

8 <i>Aid is untied</i> – Per cent of bilateral aid that is untied.		Continued progress over time.
HARMONISATION		TARGETS FOR 2010
9 <i>Use of common arrangements or procedures</i> – Per cent of aid provided as programme-based approaches. ²		66% of aid flows are provided in the context of programme-based approaches.
10 <i>Encourage shared analysis</i> – Per cent of a) field missions and/or b) country analytic work, including diagnostic reviews that are joint.		a) 40% of donor missions to the field are joint. b) 66% of country analytic work is joint.
MANAGING FOR RESULTS		TARGET FOR 2010
11 <i>Results-oriented frameworks</i> – Number of countries with transparent and monitorable performance assessment frameworks to assess progress against a) the national development strategies and b) sector programmes.		Reduce the gap by one-third – Reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third.
MUTUAL ACCOUNTABILITY		TARGET FOR 2010
12 <i>Mutual accountability</i> – Number of partner countries that undertake mutual assessments of progress in implementing agreed commitments on aid effectiveness including those in this Declaration.		All partner countries have mutual assessment reviews in place.

1. Scores for Indicator 5 are determined by the methodology used to measure quality of procurement and public financial management systems under Indicator 2 of the present framework.
2. See methodological notes for a definition of programme-based approaches.

Notes

1. In accordance with paragraph 9 of the present Declaration, the partnership of donors and partner countries hosted by the DAC, i.e. the DAC Working Party on Aid Effectiveness comprising OECD/DAC members, partner countries and multilateral institutions, met twice, on 30-31 May 2005 and on 7-8 July 2005 to adopt, and review where appropriate, the targets for the twelve Indicators of Progress. At these meetings an agreement was reached on the targets presented under Section III of the present Declaration. This agreement is subject to reservations by one donor on a) the methodology for assessing the quality of locally-managed procurement systems (relating to targets 2b and 5b) and b) the acceptable quality of public financial management reform programmes (relating to target 5a.ii). Further discussions are underway to address these issues. The targets, including the reservation, have been notified to the Chairs of the High-level Plenary Meeting of the 59th General Assembly of the United Nations in a letter of 9 September 2005 by Mr. Richard Manning, Chair of the OECD Development Assistance Committee (DAC).
2. The term “national development strategies” includes poverty reduction and similar overarching strategies as well as sector and thematic strategies.
3. This includes for example the Annual Progress Review of the Poverty Reduction Strategies.
4. Such as the processes developed by the joint OECD-DAC – World Bank Roundtable on Strengthening Procurement Capacities in Developing Countries.
5. The following section draws on the draft Principles for Good International Engagement in Fragile States, which emerged from the Senior Level Forum on Development Effectiveness in Fragile States (London, January 2005).

APPENDIX 3.A1.1

Methodological Notes on the Indicators of Progress

The Indicators of Progress provide a framework in which to make operational the responsibilities and accountabilities that are framed in the Paris Declaration on Aid Effectiveness. This framework draws selectively from the Partnership Commitments presented in Section II of this Declaration.

Purpose – The Indicators of Progress provide a framework in which to make operational the responsibilities and accountabilities that are framed in the Paris Declaration on Aid Effectiveness. They measure principally **collective behaviour at the country level**.

Country level vs. global level – The indicators are to be **measured at the country level** in close collaboration between partner countries and donors. Values of country level indicators can then be statistically aggregated at the **regional or global level**. This global aggregation would be done both for the country panel mentioned below, for purposes of statistical comparability, and more broadly for all partner countries for which relevant data are available.

Donor/Partner country performance – The indicators of progress also provide a benchmark against which individual donor agencies or partner countries can measure their performance at the country, regional, or global level. In measuring individual donor performance, the indicators should be applied with flexibility in the recognition that donors have different institutional mandates.

Targets – The targets are set at the global level. Progress against these targets is to be measured by aggregating data measured at the country level. In addition to global targets, partner countries and donors in a given country might agree on country-level targets.

Baseline – A baseline will be established for 2005 in a panel of self-selected countries. The partnership of donors and partner countries hosted by the DAC (Working Party on Aid Effectiveness) is asked to establish this panel.

Definitions and criteria – The partnership of donors and partner countries hosted by the DAC (Working Party on Aid Effectiveness) is asked to provide specific guidance on definitions, scope of application, criteria and methodologies to assure that results can be aggregated across countries and across time.

Note on Indicator 9 – Programme based approaches are defined in Volume 2 of Harmonising Donor Practices for Effective Aid Delivery (OECD, 2005) in Box 3.1 as a way of engaging in development cooperation based on the principles of co-ordinated support for a locally owned programme of development, such as a national development strategy, a

sector programme, a thematic programme or a programme of a specific organisation. Programme based approaches share the following features: a) leadership by the host country or organisation; b) a single comprehensive programme and budget framework; c) a formalised process for donor co-ordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement; d) Efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation. For the purpose of indicator 9 performance will be measured separately across the aid modalities that contribute to programme-based approaches.

APPENDIX 3.A1.2

*List of Participating Countries and Organisations***Participating Countries**

Albania	Australia	Austria
Bangladesh	Belgium	Benin
Bolivia	Botswana	[Brazil]*
Burkina Faso	Burundi	Cambodia
Cameroon	Canada	China
Congo D.R.	Czech Republic	Denmark
Dominican Republic	Egypt	Ethiopia
European Commission	Fiji	Finland
France	Gambia, The	Germany
Ghana	Greece	Guatemala
Guinea	Honduras	Iceland
Indonesia	Ireland	Italy
Jamaica	Japan	Jordan
Kenya	Korea	Kuwait
Kyrgyz Republic	Lao PDR	Luxembourg
Madagascar	Malawi	Malaysia
Mali	Mauritania	Mexico
Mongolia	Morocco	Mozambique
Nepal	Netherlands	New Zealand
Nicaragua	Niger	Norway
Pakistan	Papua New Guinea	Philippines
Poland	Portugal	Romania
Russian Federation	Rwanda	Saudi Arabia
Senegal	Serbia and Montenegro	Slovak Republic
Solomon Islands	South Africa	Spain
Sri Lanka	Sweden	Switzerland
Tajikistan	Tanzania	Thailand
Timor-Leste	Tunisia	Turkey
Uganda	United Kingdom	United States of America
Vanuatu	Vietnam	Yemen
Zambia		

* To be confirmed.

Participating Organisations

African Development Bank	Arab Bank for Economic Development in Africa
Asian Development Bank	Commonwealth Secretariat
Consultative Group to Assist the Poorest (CGAP)	Council of Europe Development Bank (CEB)
Economic Commission for Africa (ECA)	Education for All Fast Track Initiative (EFA-FTI)
European Bank for Reconstruction and Development (EBRD)	European Investment Bank (EIB)
Global Fund to Fight Aids, Tuberculosis and Malaria	G24
Inter-American Development Bank	International Fund for Agricultural Development (IFAD)
International Monetary Fund (IMF)	International Organisation of the Francophonie
Islamic Development Bank	Millennium Campaign
New Partnership for Africa's Development (NEPAD)	Nordic Development Fund
Organisation for Economic Co-operation and Development (OECD)	Organisation of Eastern Caribbean States (OECS)
OPEC Fund for International Development	Pacific Islands Forum Secretariat
United Nations Development Group (UNDG)	World Bank

Civil Society Organisations

Africa Humanitarian Action	AFRODAD
Bill and Melinda Gates Foundations	Canadian Council for International Cooperation (CCIC)
Comité Catholique contre la Faim et pour le Développement (CCFD)	Coopération Internationale pour le Développement et la Solidarité (CIDSE)
Comisión Económica (Nicaragua)	ENDA Tiers Monde
EURODAD	International Union for Conservation of Nature and Natural Resources (IUCN)
Japan NGO Center for International Cooperation (JANIC)	Reality of Aid Network
Tanzania Social and Economic Trust (TASOET)	UK Aid Network

Note: More countries than listed here have endorsed the Paris Declaration. For a full and up to date list please consult www.oecd.org/dac/effectiveness/parisdeclaration/members.

Chapter 4

Policies and Efforts of Bilateral Donors

The trend in DAC member countries' aid volumes is generally upward, reflecting moves to fulfill commitments made at and since the Conference on Financing for Development in Monterrey in 2002. Much of the increase in 2004 was in aid for long-term development rather than debt relief and emergency aid. DAC members also reported on measures to improve aid effectiveness through increased alignment and harmonisation, as well as steps to support local ownership of development strategies. In the context of policy coherence for development, more donors were taking action to institutionalise the process of integrating the interests of developing countries into all facets of national policy making, including trade, migration, investment and environment. In 2005, five countries were peer reviewed by the DAC: Belgium, Germany, New Zealand, Sweden, and Switzerland.

All the graphs of this chapter can be downloaded in Excel format from this Statlink:
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ODA to developing countries increased to USD 79.5 billion in 2004, its highest level ever. Taking into account inflation and the fall in the US dollar, this represents a 5.9% rise in real terms from 2003 and follows a 4.3% increase from 2002 to 2003.

The total flows represented 0.26% of DAC members' combined GNI, up from 0.25% in 2003 and from 0.23% in 2002 and 0.22% in 2001.

Several factors accounted for the USD 4.1 billion rise in real terms in 2004. Among these were:

- Contributions to international organisations increased by USD 3.6 billion.
- Aid to Afghanistan and Iraq was up by a total of USD 2.5 billion.
- Technical co-operation grants fell by USD 0.9 billion.
- Net debt relief fell by USD 3.8 billion.
- Net lending fell by USD 1.6 billion.

Most importantly, ODA for development programmes and projects, i.e. excluding debt relief and emergency aid, rose by 13.3% in real terms from 2003/04. This rise – equivalent to USD 7.3 billion at 2003 prices and exchange rates – is the largest for many years, and appears to represent a significant step in the “scaling up” of aid in line with members' volume pledges made at and since the Monterrey conference of 2002 (see Figure 1.1 in Chapter 1). Data on new aid commitments suggest that much of the additional aid is targeted on improving infrastructure, especially in the transport, communications and energy sectors.

Seventeen of the 22 DAC member countries reported increased ODA in 2004 (see Table 1 in the Statistical Annex). The US remained the largest aid donor in volume terms, followed by Japan, France, the UK and Germany. The only countries to exceed the UN target for ODA of 0.7% of GNI remain Denmark, Luxembourg, the Netherlands, Norway and Sweden.

The United States' net ODA in 2004 was USD 20 billion, an 18.3% increase in real terms from 2003. Its ODA/GNI ratio rose from 0.15% to 0.17%. Most of the increase was due to a USD 1.8 billion contribution to the IDA, the grant and soft-loan arm of the World Bank. Aid to Afghanistan (USD 778 million) and Iraq (USD 3 billion) also rose substantially. US ODA comprised 24.8% of the DAC total in 2004, its highest share since 1986, and nearly double the low point of 12.5% reached in 1995.

Japan's net ODA fell by 4.3% in real terms to USD 8.9 billion or 0.19% of its GNI. However, in gross terms its ODA rose by 24.6% to USD 16.2 billion. This was due partly to aid for reconstruction of Iraq, though mainly to greatly increased debt relief to some of the world's most heavily indebted countries. This debt relief, however, had little effect on net ODA since the bulk of the forgiven loans were counted as ODA when they were extended. Increased repayments of ODA loans, notably by countries that have recovered from the Asian financial crisis, also affected Japan's net ODA.

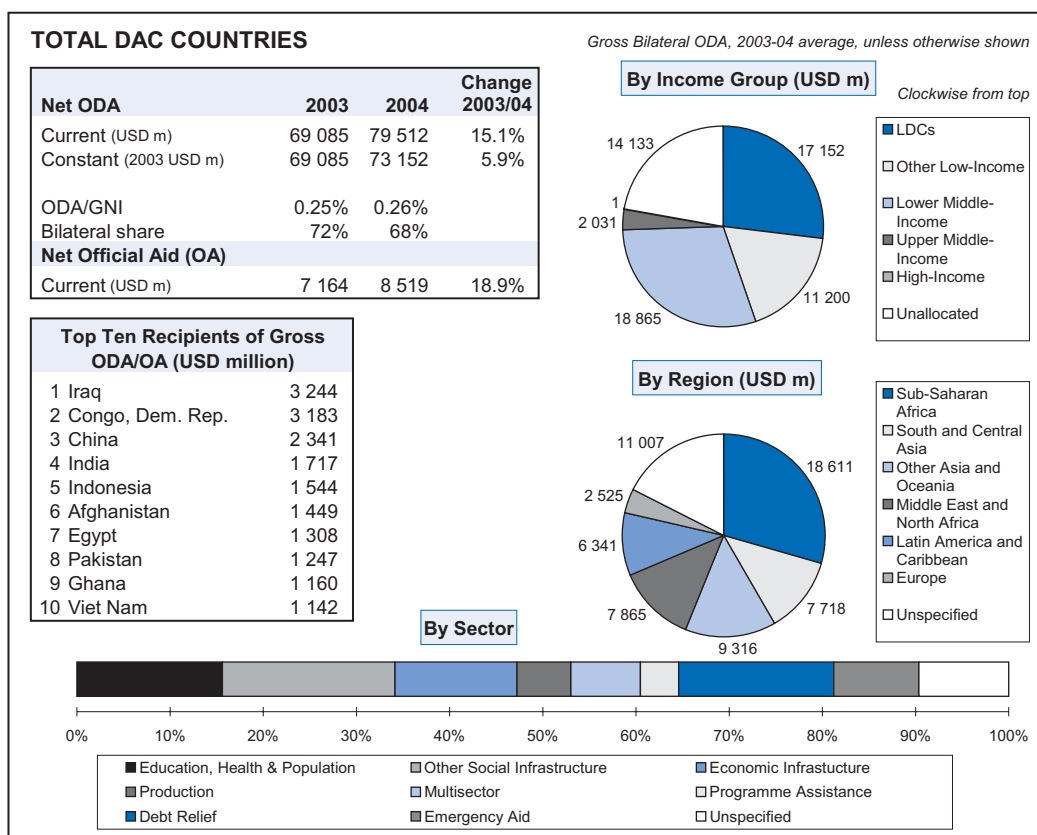
The 15 DAC countries that are members of the EU increased their combined ODA by 2.9% in real terms to USD 42.9 billion – some 54% of DAC ODA. These flows represented 0.35% of these countries' combined GNI, the same as in 2003 and broadly on track towards the EU target of 0.39% by 2006, although five EU members still need to increase their ODA substantially to reach the minimum country target of 0.33%. EU members committed themselves to these targets before the 2002 Monterrey International Conference on Financing for Development.

As noted above and in Chapter 1, further substantial rises in ODA are expected. If members meet the ODA volume commitments they made at and after the Monterrey conference, the DAC ODA/GNI ratio should improve from 0.26% in 2004 to 0.30% in 2006 and 0.36% in 2010. The main sources of the increases in 2005-06 are likely to be:

- **Contributions to the World Bank's International Development Association (IDA).** In April 2005, donors agreed to contribute USD 18 billion to IDA to permit an increase in its grants and loans by at least 25%.
- **Increases in bilateral aid budgets.** Several DAC members are implementing significant expansions of their bilateral aid programmes. For example, the US Millennium Challenge Account (MCA) is now operational and two other large donors – France and the UK – are increasing their bilateral ODA as part of ambitious plans to meet the UN 0.7% target by 2012/13.
- **Tsunami aid.** The devastating Indian Ocean tsunami has led to exceptional mobilisation of both private and official resources for relief and reconstruction. The DAC will track disbursements arising from the pledges made.
- **Debt relief for Iraq and Nigeria.** In November 2004, the Paris Club agreed to reduce much of the debt owed by Iraq. Depending on the pace of bilateral agreements between Iraq and its creditors, up to USD 12 billion of this relief may be reportable as ODA by DAC members in 2005. An agreement by the Paris Club in mid-2005 to reduce the debt of Nigeria will also have a substantial impact on reported ODA, of the order of USD 15-18 billion, spread over 2005/06.

Notes on DAC members

Notes on DAC members are presented in alphabetical order and include a box on each member reviewed in 2005 (Belgium, Germany, New Zealand, Sweden and Switzerland). The data on overall ODA refer to 2004, but data on aid distribution use the average 2003/04 gross data.



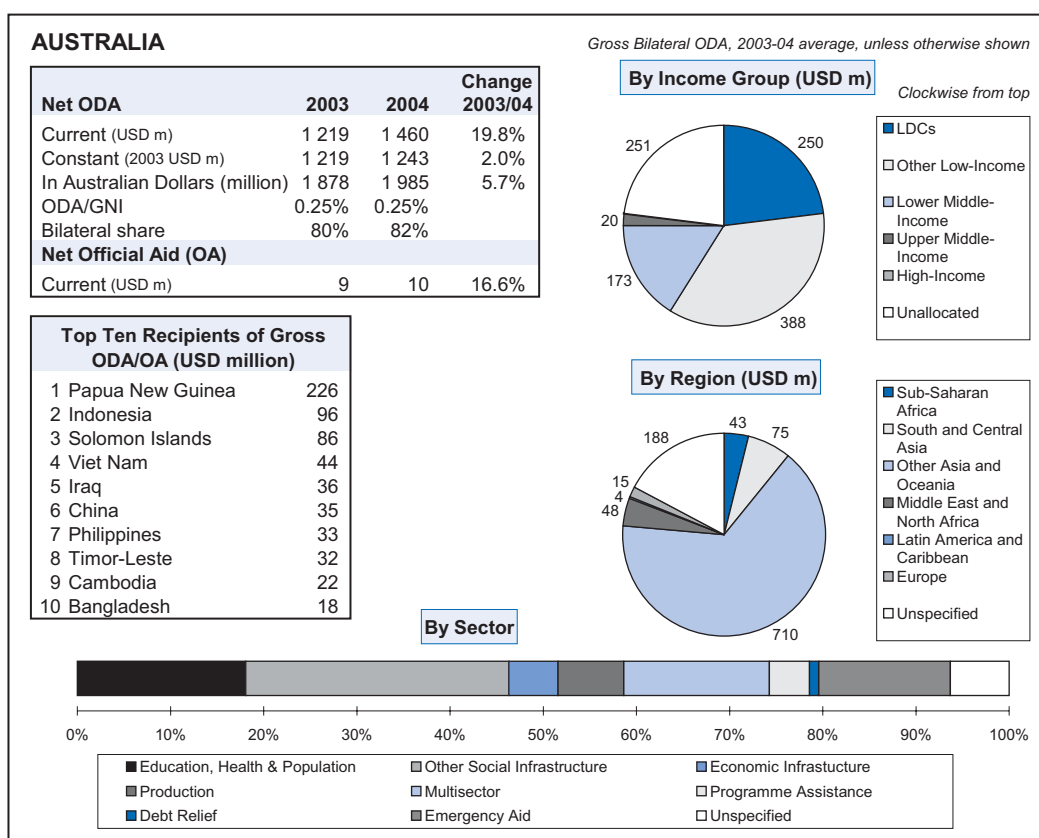
Australia

In 2004, Australia's total net ODA amounted to USD 1.46 billion, an increase of 2% in real terms, representing 0.25% of its GNI, the same as in 2003.

Commitment to MDGs. While engaged in the development of a White Paper on its aid programme, Australia is supporting progress to achieve the MDGs through the co-ordinated application of policies and actions across government to promote the conditions necessary for development and poverty reduction in the Asia-Pacific region. Australia is strengthening its regional programming, with a new Pacific Regional Approach focusing on fragile states and increased funding to humanitarian action, and provided a major response to the tsunami disaster.

Aid effectiveness. Australia has endorsed the Paris Declaration on Aid Effectiveness. Its Harmonisation Action Plan aims at enhancing the effectiveness of its aid and at strengthening partner countries' ownership. Australia is also engaged in "scaling up" AusAID's programme investments to minimise administrative and reporting burdens. Australia is shifting its focus to programme level performance measurement to provide better information on country and regional strategy outcomes, in order to better demonstrate the impact of aid at the strategic level and to adapt to new aid delivery mechanisms.

Policy coherence. Underpinned by a whole-of-government strategy, policy coherence is supported by a high-level policy commitment and focuses on the following priorities: i) strengthened engagement with the Pacific focusing on economic growth, and law and justice reform; ii) enhancing trade liberalisation and market access for developing country exports; and iii) developing formal strategic partnership agreements between key Australian government agencies. Six partnership agreements have been signed between AusAID and other government departments, which allow Australia to better address challenges to regional security and prosperity. This has been illustrated by its responses to the crisis in the Solomon Islands, to the instability and economic vulnerability of Papua New Guinea and to the tsunami emergency.



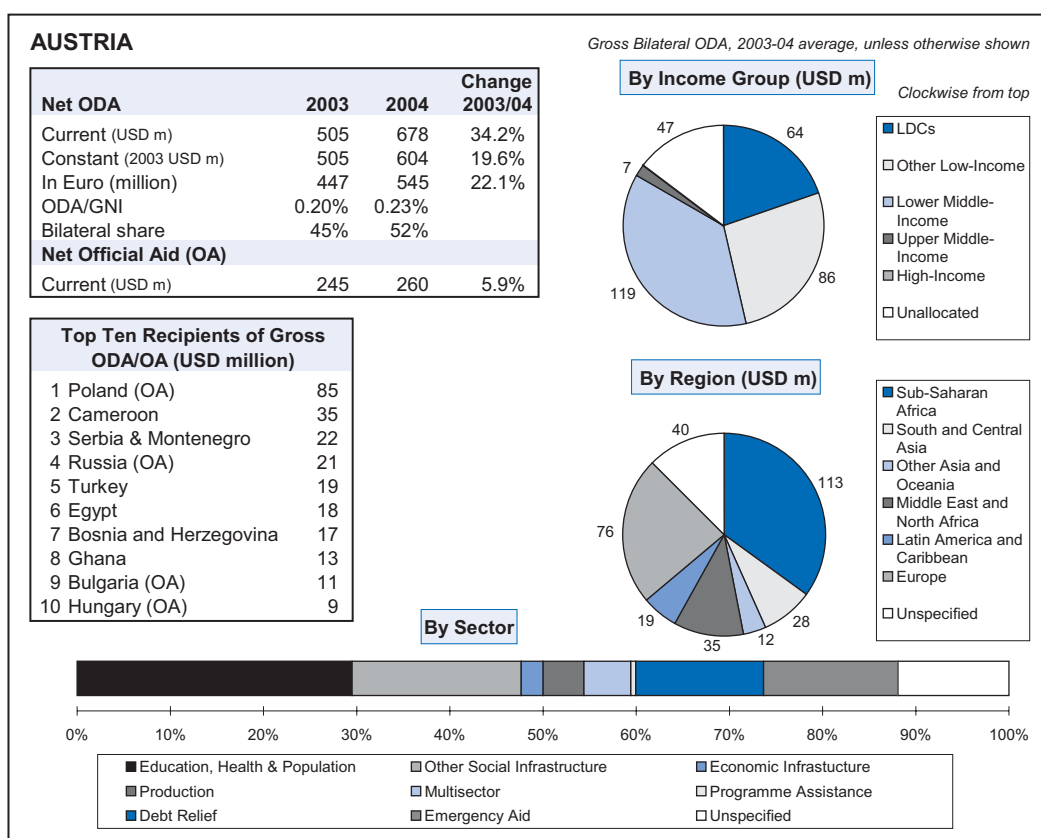
Austria

In 2004, Austria's net ODA increased by 19.6% in real terms, reaching USD 678 million, mainly due to debt relief grants. The ODA/GNI ratio rose from 0.20% to 0.23%.

Commitment to MDGs. The Federal Act on Development Co-operation 2002 (amended 2003) established poverty reduction as one of the three main objectives of Austrian development co-operation. A new three-year programme for 2005-08 re-emphasises the commitment to the MDGs, while policy directives are currently being developed to facilitate a more strategic implementation and operationalisation of this commitment. Austria accords priority to the poorest countries, especially needy regions and disadvantaged target groups.

Aid effectiveness. The implementation of the Paris Declaration is increasingly shaping Austria's development co-operation. In addition to active monitoring of aid effectiveness progress at the DAC level, the new three-year plan is founded on the principles of ownership, harmonisation, alignment, results based management and mutual accountability. A national action plan is being prepared which refers directly to these principles and includes recommendations for their operationalisation. Emphasis is placed on support to partner countries in developing poverty reduction strategies, further alignment of Austrian development co-operation with these strategies, including stronger sectoral budget support, as well as assistance in the creation of results-based management processes in partner countries. Currently, much of this is work in progress, with increasing concrete operational impacts expected for 2006.

Policy coherence. The Federal Act on Development Co-operation includes a coherence clause which provides an explicit legal basis for improved policy coherence for development. An interministerial group led by the Ministry of Foreign Affairs has been established to facilitate co-ordination on coherence matters across Austria's policies. In following the recommendations of the 2004 Peer Review, Austria consciously integrates the policy coherence dimension as a priority into new policy guidelines. However, much of this is still at the conceptual stage, and it is not yet possible to assess the effective application of Austria's increased coherence measures.



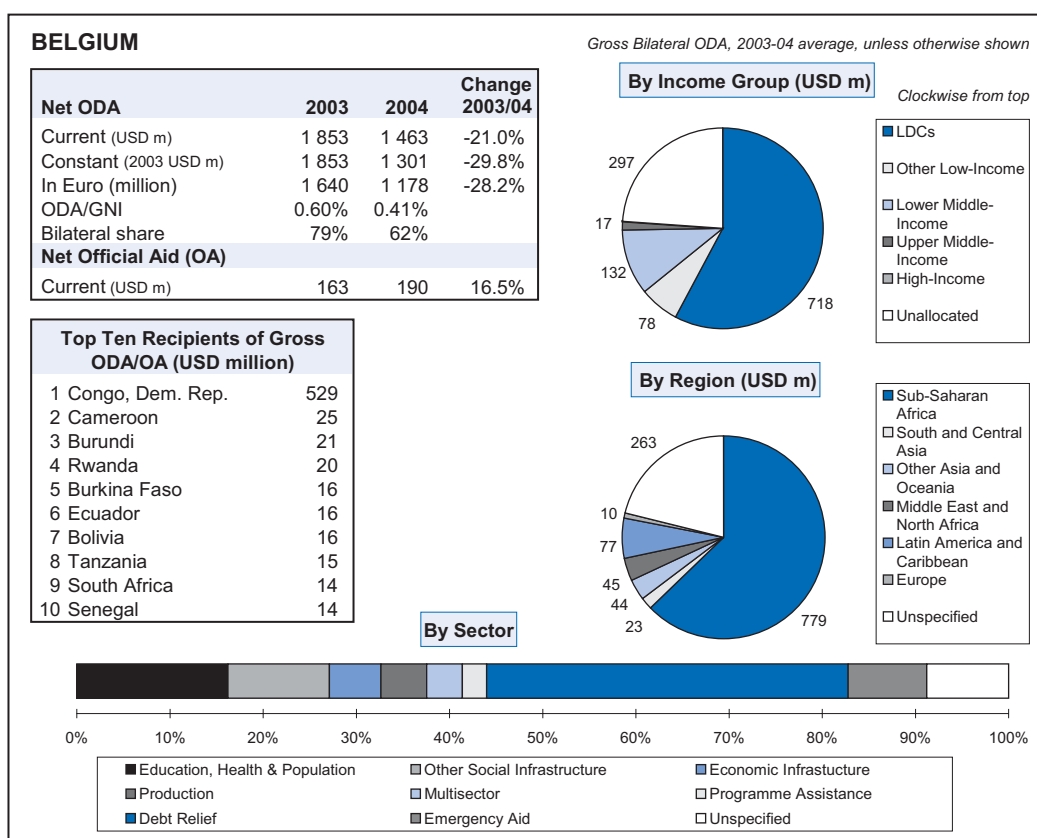
Belgium

In 2004, Belgium's net ODA of USD 1.46 billion saw a 29.8% decrease in real terms compared to 2003, and its ODA/GNI ratio dropped from 0.60% to 0.41%. Belgium's ODA in 2003 was exceptionally high due to the Paris Club's debt forgiveness operations with the Democratic Republic of Congo. Belgium is committed to reaching the UN 0.7% target by 2010.

Commitment to MDGs. The MDGs are a key guiding theme of Belgian development policy. Measures to combat poverty and prevent conflicts are, in particular, seen as vital to promoting sustainable human development. Thus Belgium devotes a large proportion of its development assistance to the LDCs and has considerable co-operation activities in a number of fragile states, primarily in central Africa. Recognising the importance of economic growth in combating poverty and the need, in this context, to manage sufficient resources to be distributed in the most equitable manner possible, Belgium sees support for the private sector as one of the important aspects of its development co-operation policy.

Aid effectiveness. Belgium subscribes to the Paris Declaration and endeavours to implement it by aligning its co-operation policy to the strategies put in place by its partner countries and encouraging co-ordination and harmonisation between donors in each country. Belgium is also anxious to develop a more programme-based approach to aid and is expanding its range of instruments, in particular budget aid and sectoral approaches.

Policy coherence. The coherence of development policies, especially those relating to international trade, migration and security, is one of Belgium's growing concerns. Belgium has an Interministerial Committee for Foreign Policy to promote synergies between the ministries responsible for formulating policies which affect developing countries taking into account the specific features of the Belgian institutional system, and developing strategic, cross-cutting thinking for the long term. Belgium also seeks to further the coherence of European policies aimed at combating poverty.



Box 4.1. DAC Peer Review of Belgium, 26 October 2005*Examiners: Austria and Portugal*

On the occasion of the 2005 Peer Review of Belgium, the DAC welcomed Belgium's promise to increase its aid to 0.7% of gross national income (GNI) by 2010. This promise is backed by the commitment, enshrined in law, to increase the volume of aid by 0.05 of a percentage point per year between 2005 and 2010, assuming a level of 0.45% of GNI in 2005.

To manage aid destined to double between 2004-10, and improve the effectiveness of that aid, the DAC recommended that Belgium should do more to rationalise its co-operation system and should develop a more strategic approach with regard to all the actors involved. Belgium should strengthen the technical and human capacities of the Directorate General for Development Co-operation (DGDC) and Belgian Technical Co-operation (BTC) and improve the links between them.

The Committee praised the geographical concentration of Belgian aid and welcomed Belgium's attention to LDCs, and particularly the fragile states of central Africa. Belgium is endeavouring to enhance the effectiveness of its aid, as is shown by its leadership of the pilot exercise in the Democratic Republic of the Congo involving the OECD Principles for Good International Engagement in Fragile States.

The main conclusions and recommendations of the DAC Review of Belgian aid were:

- Belgium is invited to consolidate and stabilise its development co-operation architecture by adapting existing instruments in such a way as to strengthen synergies and improve complementarity between the different aid delivery channels, the aim being to improve the coherence and effectiveness of aid.
- Belgium is invited to consolidate its geographical concentration and to review its aid mechanisms and sector allocations to ensure that it is supporting partner countries' sectoral strategies and is contributing significantly to the achievement of the MDGs.
- Belgium should continue to clarify the terms of reference of the DGCD and BTC, revise procedures in such a way as to optimise the capacity of the co-operation system and reconsider the role of the BTC in light of the new aid modalities. It is also encouraged to continue the efforts being made to revive the DGCD's internal evaluation function, ensuring complementarity with the responsibilities of the Special Evaluator and the BTC.
- Belgium is invited to develop an aid effectiveness action plan based on the Paris Declaration, describing the institutional adjustments – including in terms of devolution – procedural changes and training requirements that are relevant in this context.
- Whatever institutional solutions are adopted, it is important to retain all the competency related to development co-operation at federal level without restricting the scope for federated entities to pursue development co-operation activities in line with their own competencies, so as to ensure the coherence and effectiveness of Belgian aid.
- Belgium is encouraged to finalise and implement its long-term, cross-cutting, strategic note regarding the coherence between development assistance and other sectoral policies with an impact on developing countries. It should look at ways of strengthening its interministerial information and co-ordination mechanisms, taking due account of the specifics of the institutional system and providing a means of arbitration between the federal and federated authorities.
- Belgium needs to continue with its policy of educating the population in development matters and step up its information activities with the object of securing greater public backing for international development goals and government action in this area.

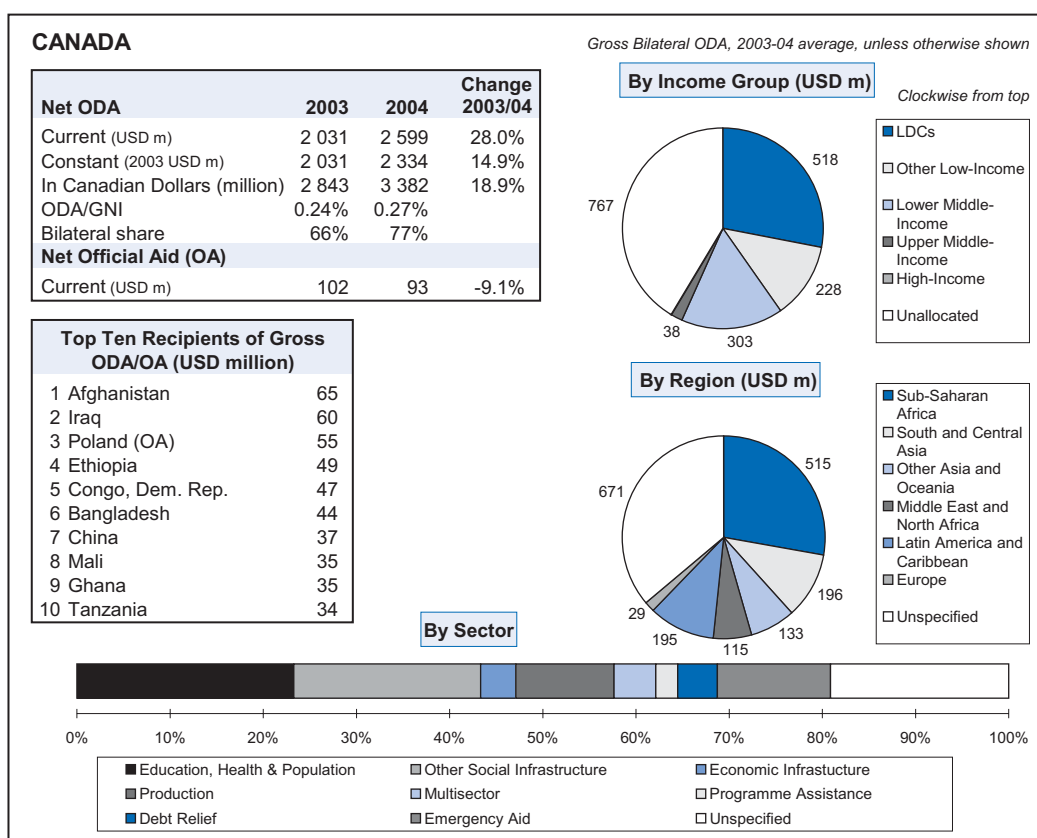
Canada

In 2004, Canada's net ODA increased by 14.9% in real terms to reach USD 2.6 billion. Its ODA/GNI ratio rose from 0.24% to 0.27%. This was mainly due to declining loan repayments compared to 2003 when India repaid its Canadian aid loans.

Commitment to MDGs. Canada continued to focus and intensify its support for the MDGs, building on current initiatives, increasing aid volumes and concentrating efforts where it can make the greatest difference, i.e. health, basic education, private sector development and governance. These commitments were re-affirmed in the International Policy Statement published by the government in April 2005 which situated development co-operation in a national policy framework.

Aid effectiveness. Canada continued to implement its 2002 statement *Strengthening Aid Effectiveness* with increased emphasis on local ownership, improved donor co-ordination and a results-based approach, in line with the 2005 Paris Declaration. Effectiveness activities will include use of new programming approaches, alignment of administrative practices with partner systems and procedures and harmonisation with local needs.

Policy coherence. Canada believes a whole-of-government approach is necessary to harness policy instruments that complement the aid programme, notably in areas such as debt relief, market access, private investment and intellectual property rights. The International Policy Statement noted above will provide a clear framework for efforts to ensure complementarity of Canadian government policies and that developing country needs and priorities are taken into account.



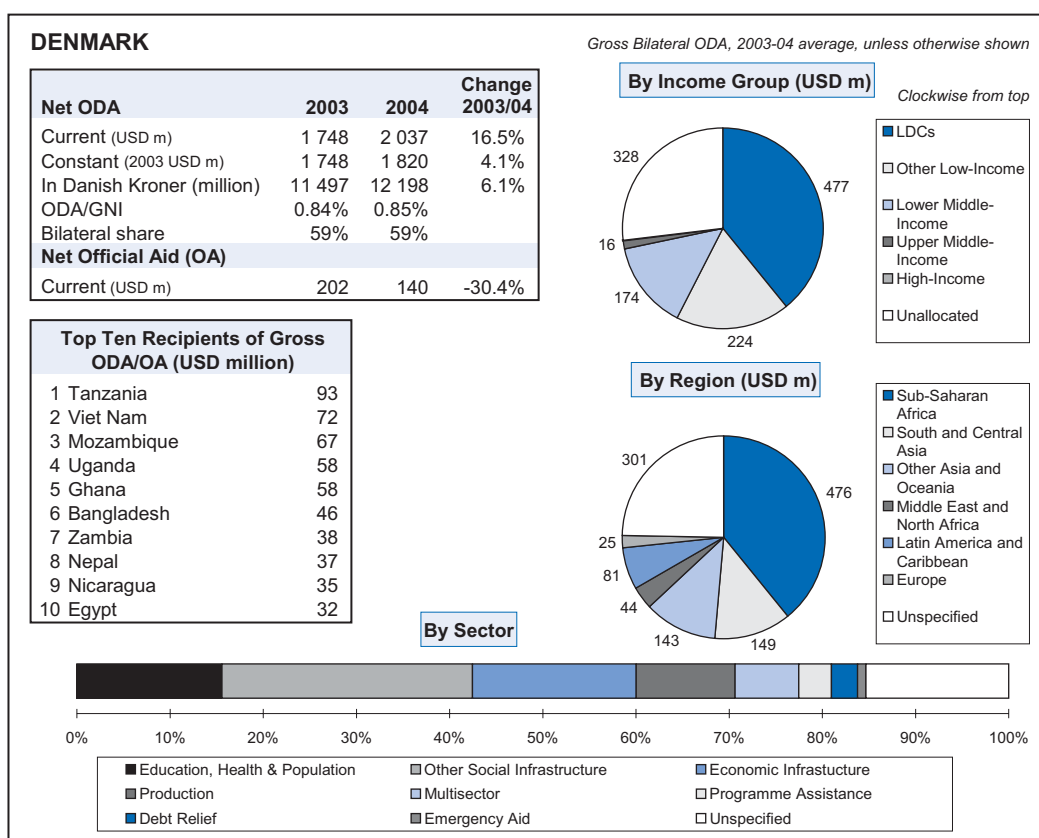
Denmark

In 2004, Denmark's net ODA amounted to USD 2.04 billion representing an increase in real terms over 2003 of 4.1%. The ODA/GNI ratio of 0.85% was the second highest of all DAC countries.

Commitment to MDGs. Poverty reduction is the overarching goal of Danish assistance with its programming focus on sectors with particular relevance to the poor, as well as strong recognition of gender issues. Denmark supports country-led poverty reduction strategies, in collaboration with other donors and sees the MDGs as a means to focus attention on poverty reduction impact, supporting local joint efforts to measure them.

Aid effectiveness. Denmark's policy *Partnership 2000* affords local partners substantial opportunities to influence strategy formulation. Denmark believes in recipient country ownership of its aid programmes and has played a longstanding role in supporting partnership around sector programmes at the country level. Denmark has a highly decentralised aid administration and is frequently recognised for its operational leadership in the field of performance measurement. It recognises that the current interest in poverty reduction strategies, sector programming and results orientation suggests a need for joint evaluations of combined donor efforts. Denmark is an active player in the Paris Declaration implementation efforts.

Policy coherence. Since 1991, the same regional departments within the Ministry of Foreign Affairs have dealt with development co-operation, foreign policy, and general economic relations. This has permitted substantial, although not systematic, coherence among key national policies relating to development. Denmark agrees with untying aid to the LDCs, but also insists on the principle of untying "effort sharing" among all donors.



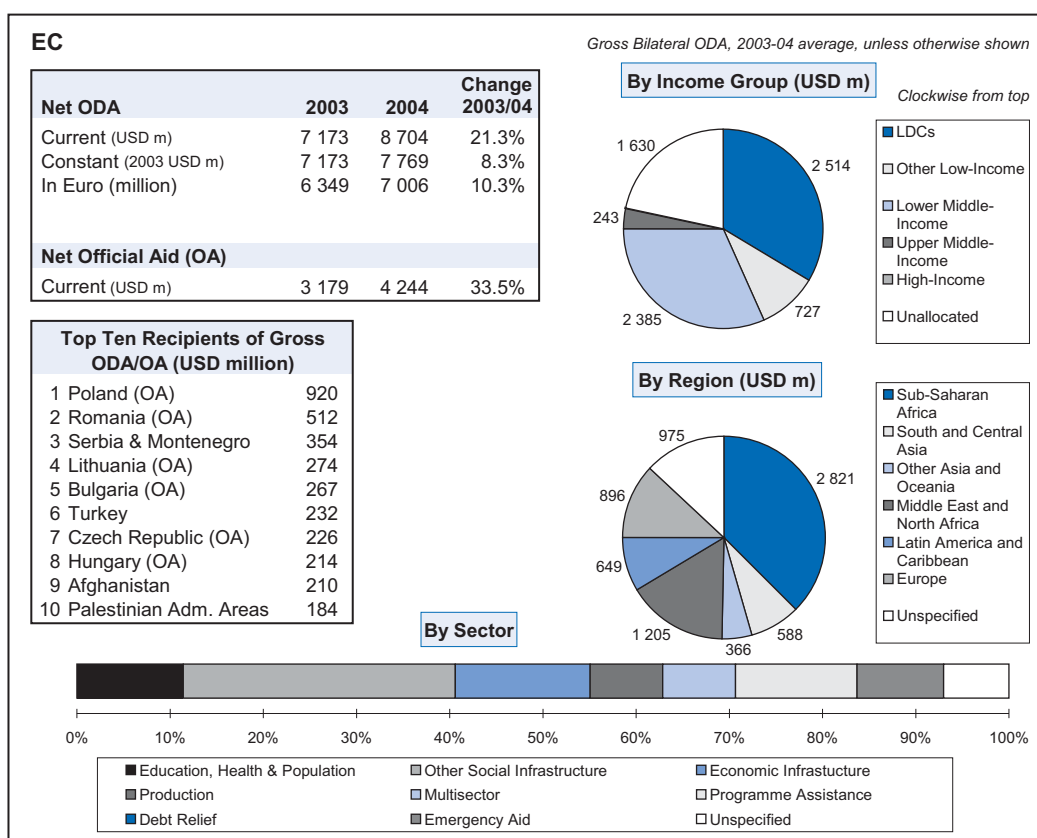
European Commission

In 2004, the EC's net ODA volume was USD 8.7 billion, an increase in real terms over 2003 of 8.3%, continuing a trend for more timely disbursement of resources.

Commitment to MDGs. Poverty reduction remains the core objective of European Community development co-operation which is managed by the EC. A set of ten key indicators is being used by the Commission to track progress towards the MDGs in partner countries and to assess the impact of its development co-operation.

Aid effectiveness. The Commission played an important role in discussions on harmonisation and alignment and has further shown its support to the aid effectiveness work by committing to additional targets beyond those set by the Paris Declaration. This reflects the lead taken by the Commission in applying principles of harmonisation and alignment to a number of important areas, e.g. budget support, monitoring and evaluation, education and information management. At the Barcelona Summit the EU committed itself to "improve aid effectiveness through closer co-ordination and harmonisation" and the Commission is to report annually to the European Council on progress in meeting these commitments. The Commission has already taken steps to monitor progress in the implementation of the aid effectiveness agenda and to better incorporate it into existing processes. For example, work is ongoing to identify those countries already using an EU roadmap and to encourage others to start. The revision of the multi-annual programming framework will ensure that harmonisation plays a central role in the current programming round.

Policy coherence. Increasing coherence between the objectives of the European Union Development Policy and those in other areas, such as trade or agriculture, remains an operational priority. "The European Consensus", the basis of a new development statement proposed by the Commission, requires further policy coherence in twelve areas. Policy coherence is addressed through impact assessments of different policies and through the process of drafting and reviewing country strategy papers.



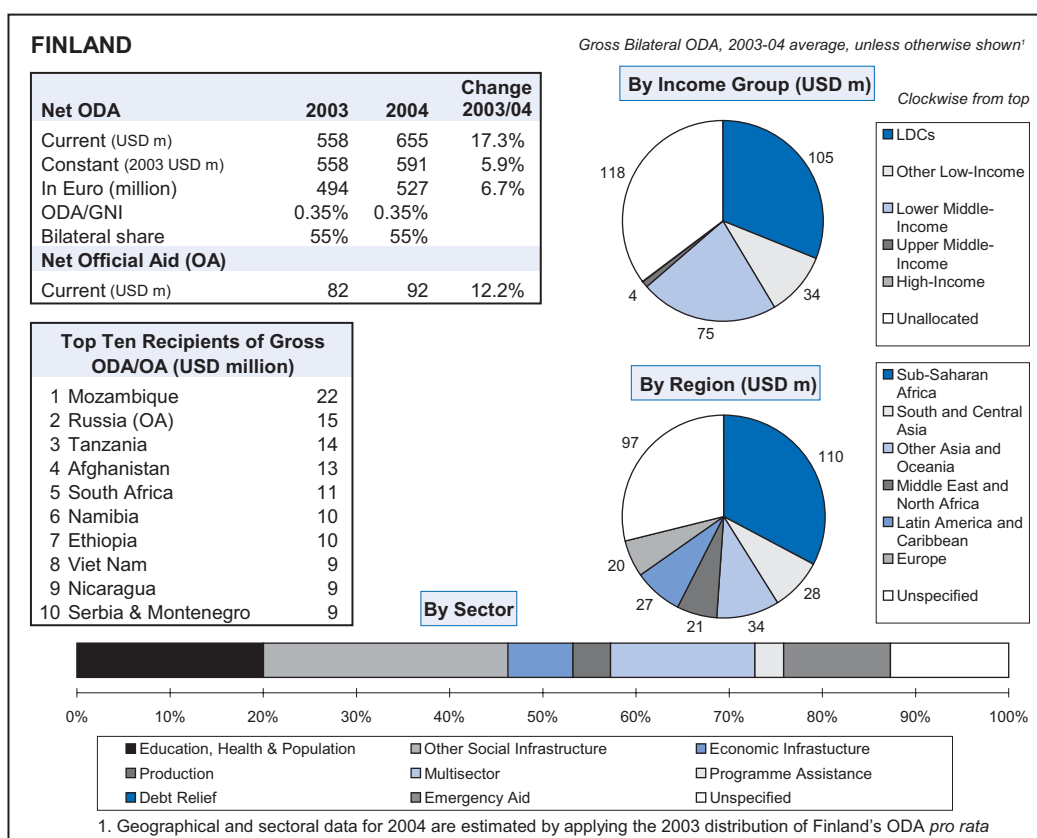
Finland

In 2004, Finland's net ODA volume was USD 655 million, an increase of 5.9% in real terms over 2003. The ODA/GNI ratio was 0.35%, the same as in 2003. Finland was unable to meet its DAC statistical reporting obligations for flows in 2004, and therefore the data for total ODA are preliminary figures submitted in April 2005, whereas the geographical and sectoral data for 2004 are estimated by applying the 2003 distribution of Finland's ODA *pro rata*.

Commitment to MDGs. Finland's 2004 development policy programme was set directly within the framework of the Millennium Declaration and the MDGs. Finland is contributing to eradicating extreme poverty from the world and is committed to a justice-based system and the principles of sustainable development. Themes receiving particular attention are: women's and girl's rights; equity in economic development; the environment; and vulnerable groups in emergency situations.

Aid effectiveness. In subscribing to the commitments of the Paris Declaration, Finland supports mutual responsibility through the global partnership and places priority on harmonisation, local leadership, use of new programming approaches (sector support and budget assistance) as well as sectoral/thematic concentration. Partner country PRSPs are key strategic guides for Finland's bilateral assistance.

Policy coherence. Finland has actively promoted coherence through the establishment of policy networks within government and through the creation of the Development Policy Committee. Attention is being given to the risk of dispersion of responsibility for coherence at the cost of a comprehensive overview. Links between development policies and sustainable development processes have not yet been systematically recognised and utilised.



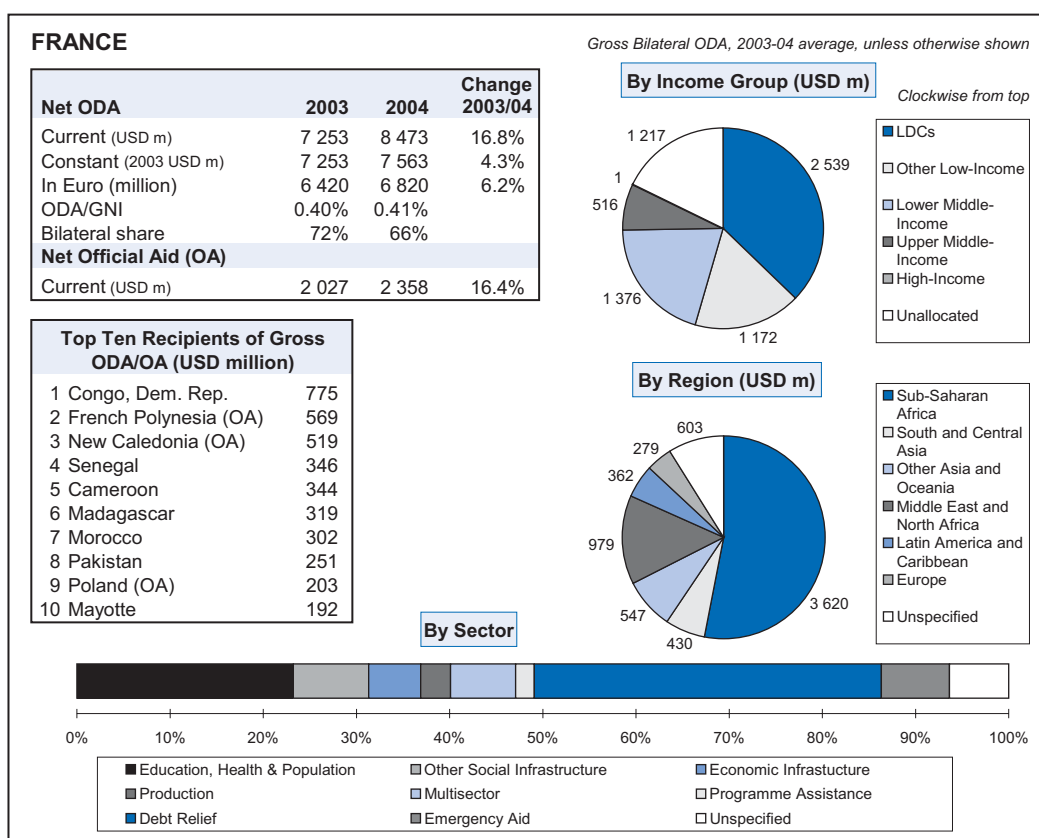
France

In 2004, France's net ODA increased 4.3% in real terms, reaching USD 8.5 billion. However, the ODA/GNI ratio of 0.41% remained unchanged compared to 2003. France is committed to reaching the UN target of 0.7% by 2012 with an interim target of 0.5% in 2007.

Commitment to MDGs. French aid remains primarily concentrated in Africa (almost 70%). France was closely involved in the launch of large mobilising programmes such as the Fast Track Initiative for Education for All and the Global Fund to Fight AIDS, Tuberculosis and Malaria. It campaigns actively for the mobilisation of new ways of financing development and has presented the international community with concrete proposals concerning international taxation. In addition, it has developed new instruments such as guarantees, loans, and catalytic investment that leverage private finance.

Aid effectiveness. France participates actively in the international community's work on harmonising donor procedures and practices. In light of the encouraging results of the initial measures implemented in Mozambique and Burkina Faso, France selected 17 other countries where the emphasis is to be placed as soon as possible on harmonisation. Consideration is currently being given to ways of adapting French aid instruments with the object of making them partnership-oriented. France takes part in budget support operations using resources released by bilateral debt relief operations, which are then invested in programme-aid tools such as debt reduction and development contracts.

Policy coherence. The Interministerial Committee for International Co-operation and Development (CICID), chaired by the prime minister, has an important role in policy coherence. The French authorities are anxious to promote globalisation with a human face, based on democratic principles and social equality and have launched various initiatives aimed at integrating African countries more fully into the global economy. French initiatives led to the EU's action plan in support of the cotton sector in Africa.



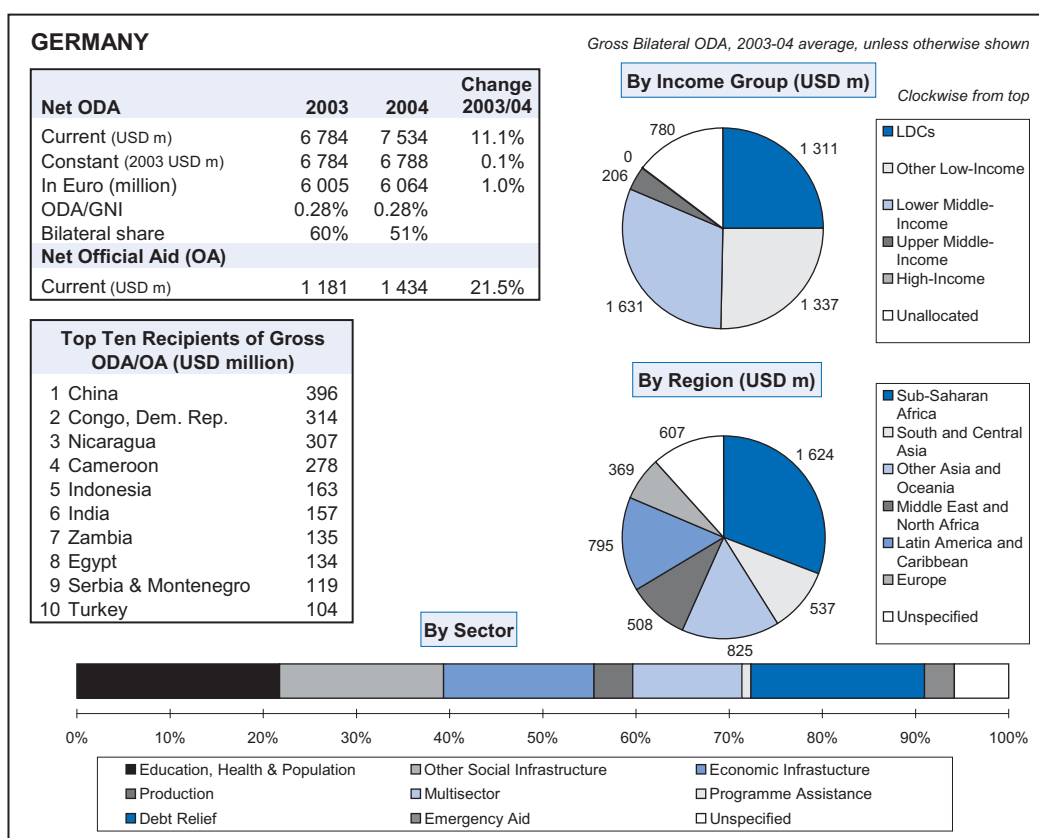
Germany

In 2004, Germany's net ODA was USD 7.5 billion. It remained practically unchanged compared to 2003 (up 0.1% in real terms).

Commitment to MDGs. Germany sees its development policy as part of the joint global task of realising the goals of the Millennium Declaration, as set out in its Programme of Action 2015. Poverty reduction, peace building and achieving justice in globalisation are the three pillars of German development policy. The aim of improving general international conditions and national structures in both partner countries and in Germany is linked with the goal of sustainable development, which comprises economic efficiency, social justice, ecological sustainability and political stability. Germany has developed a strategy paper on how to focus the instruments and procedures of German development co-operation on the MDGs. This operational approach is linked with the strategy on harmonisation and alignment.

Aid effectiveness. Germany has updated its action plan on harmonisation and alignment which now contains operational measures for action relating to the indicators of the Paris Declaration. This builds on previous efforts, which included a system of focal points in Germany and the field, co-ordinated by a harmonisation officer and training for headquarters and field staff. Bilateral co-operation and priority strategies are aligned with partner country strategies for poverty reduction where such strategies exist. Germany has moved to multi-year commitments and participates in joint financing of programmes with other donors.

Policy coherence. As stated in Germany's Programme of Action 2015, improving policy coherence is a central element of national policies; interministerial coherence dialogue sensitises all ministries regarding development policy issues. A specific interministerial action plan contributes to the national coherence debate in the fields of peace and crisis prevention. To promote policy coherence on the international trade agenda, Germany supported the reform of the European Cotton Market Regulations in 2004, as well as the cotton initiative within the WTO, and has called for an early reform of the European Sugar Market Regulations.



Box 4.2. DAC Peer Review of Germany, 13 December 2005*Examiners: France and the Netherlands*

The DAC welcomed Germany's decision to increase its ODA to 0.51% of GNI by 2010 and to 0.7% by 2015. Achieving these commitments raises the double challenge of mobilising the necessary resources and the capacity to spend them effectively. Given its tight fiscal situation, Germany intends to achieve this objective through budgetary resources, debt relief and innovative financing mechanisms. The DAC urged Germany to adopt an ODA growth implementation plan, incorporating both dimensions of the challenge.

Germany is committed to increase its ODA in support of the MDGs and to improve the quality of its aid in line with the 2005 Paris Declaration. Responding to current development challenges will require adjustments in aid delivery modalities that the Ministry for Economic Co-operation and Development (BMZ) has started to address. The DAC concluded that within the existing development co-operation system the potential for further efficiency gains is limited. The German government was encouraged to go further in its reform efforts with a view to joining the individual structures of German development co-operation into a more cohesive force for development change. A related, but more specific aspect of the overall organisational context is the increasingly artificial distinction that is traditionally made in the German system between "technical" and "financial" co-operation.

Other key conclusions and recommendations from the DAC Review of German development co-operation were as follows:

- Germany needs to pursue a more strategic approach towards geographic and thematic focus that better reflects its overarching poverty reduction objective. Further thinking is needed around the balance between middle income countries and low income countries and the determination of the appropriate mix of countries and instruments to enable Germany to contribute effectively to poverty reduction and achieving the MDGs. There is also need for a systematic and consistent approach to assessing the impact of Germany's comprehensive way of addressing poverty reduction.
- A clearer and more operational policy statement on coherence for development should be framed to better focus and organise national action around specific substantive priority issues, and to promote greater political and public support. The organisational and resource considerations of BMZ need to be addressed as it further attempts to implement the priority accorded to policy coherence. Tracking and reporting of progress should be improved in relation to the existing monitoring of Germany's Programme of Action 2015 on Poverty Reduction.
- In support of the aid effectiveness agenda and taking account of the scaling up of its aid, Germany should enhance its efforts to integrate the operations of its implementation agencies in the field. It should intensify co operation with other donors, including the use of modalities such as budget support and forms of delegated partnership, to the extent they support partner country realities. Linkages with country-led poverty reduction strategies should be used more systematically, with emphasis at the sector level.
- BMZ, in collaboration with all technical co-operation agencies, should strengthen the implementation of its policy aimed at using technical assistance in support of capacity development. It should consider playing an active leadership role in exploring these issues with other donors.
- The current push for operational decentralisation should gain speed and, to the extent feasible, go beyond simply co-ordinating German aid to actively managing it under the authority of a BMZ field representative. This will require a new understanding between BMZ and the Federal Foreign Office on their relationships in the field.
- BMZ should intensify its efforts to join up the different parts of the German system to harmonise evaluation activities and promote learning. Adequate resources should be committed for this purpose.

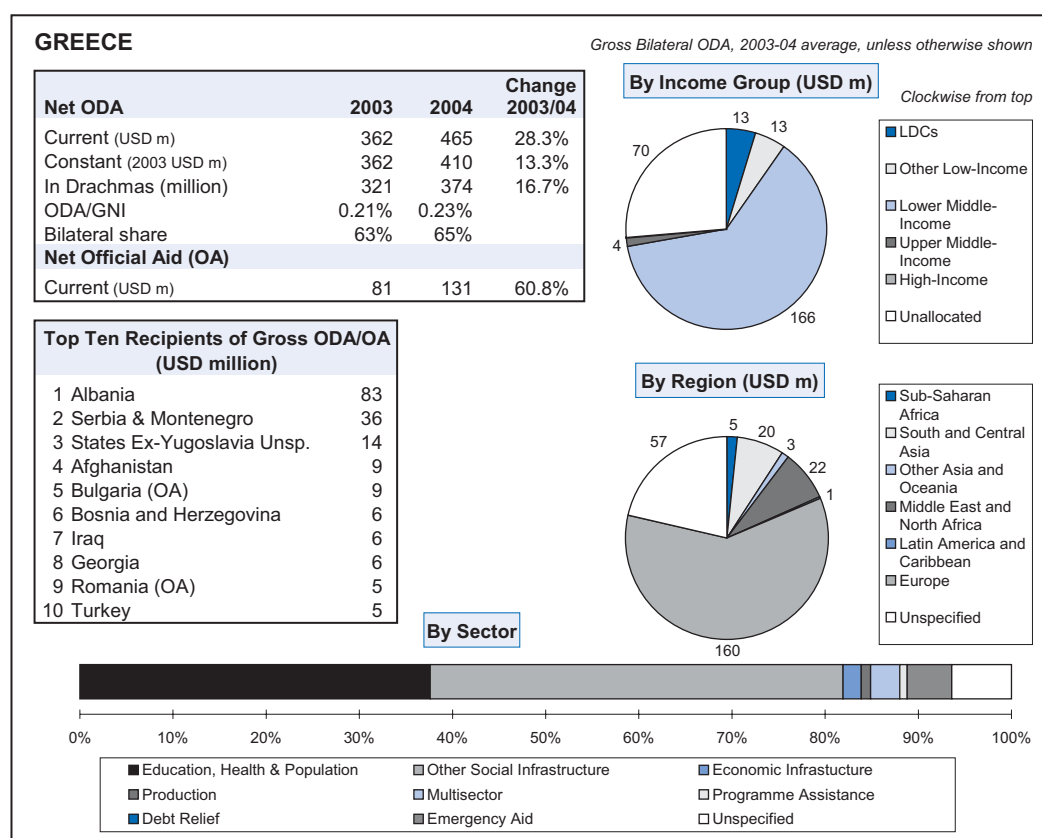
Greece

In 2004, Greece's net ODA increased to reach USD 465 million, 13.3% higher in real terms than in 2003 due mainly to emergency aid and technical co-operation. Expressed as share of GNI, Greece's ODA was 0.23% compared to 0.21% in 2003.

Commitment to MDGs. The goal of Greek development co-operation is to reduce poverty and achieve the MDGs. Greece is committed to a vision of development that promotes human development as the means to sustain social and economic progress, while at the same time it recognises the importance of creating a global partnership for development. The development budget is targeted at a limited number of priority countries including in sub-Saharan Africa sectors in which Greece enjoys a comparative advantage.

Aid effectiveness. Greece supports the efforts of the international community to improve effectiveness via the commitments set by the Paris Declaration. The most important parameter in the process of achieving this target is to enhance co-operation between donors and recipients. Greece has therefore developed an action plan and adopted the principles of ownership, alignment and harmonisation in the delivery of aid. Sri Lanka is the most recent case study of this policy implementation. Greece was among the first to provide emergency humanitarian assistance after the tsunami struck, and is currently participating in the Reconstruction Plan of the Sri Lankan government implementing social infrastructure programmes according to the principles of aid effectiveness. Meanwhile, Greece is working to enhance its results orientation having recently set up a Performance Monitoring System, to monitor results in the process of achieving the MDGs.

Policy coherence. Greece acknowledges that effective development policy presupposes policy coherence in the form of systematic and concerted actions via cross-departmental co-operation. In this respect there are certain policy areas where particular active efforts for promoting consistency have been undertaken with encouraging results, notably, in the fields of international trade, money laundering, illegal trafficking in persons, organised crime, good governance and environmental sustainability.



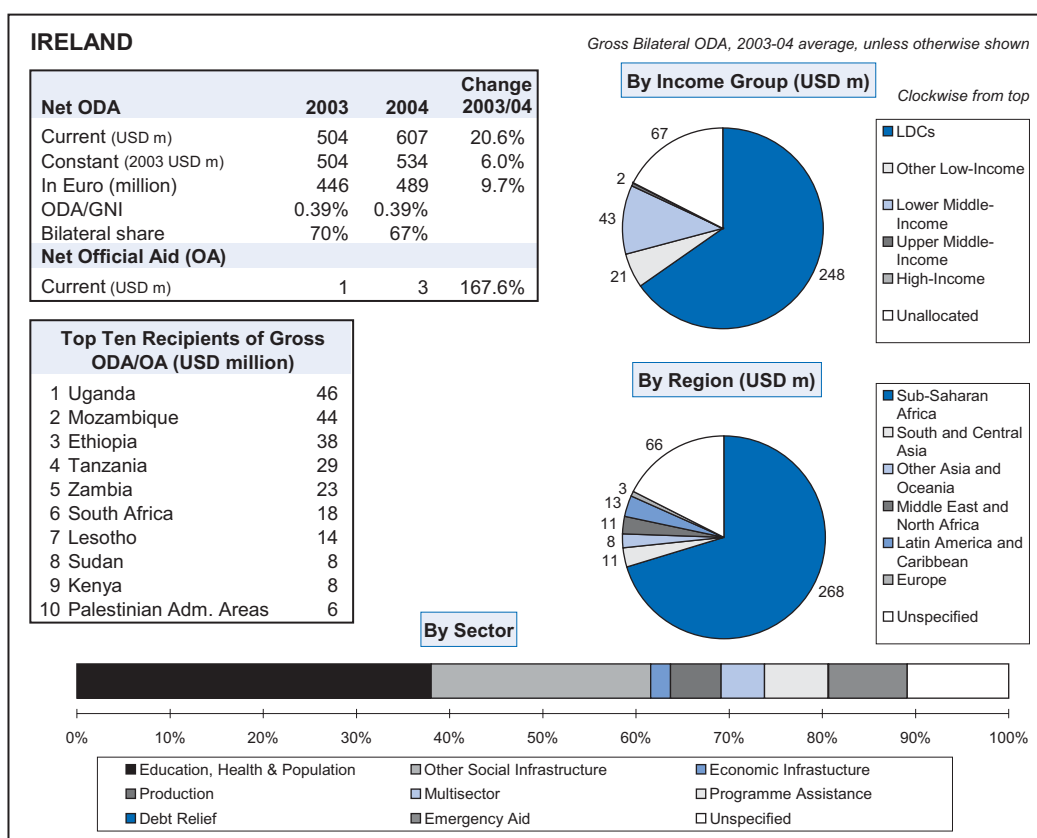
Ireland

In 2004, Ireland's net ODA expanded to USD 607 million, a 6% increase in real terms over 2003. ODA as a share of GNI remained at 0.39% in 2004.

Commitment to MDGs. Ireland's development co-operation programmes have for a number of years been planned and delivered in the context of the MDGs. Approximately half of its bilateral assistance goes to LDCs, and Ireland is committed to reaching the UN ODA target of 0.7% by 2012, three years ahead of the European Union target date. To further intensify and sharpen Ireland's development aid a White Paper on development co-operation is being prepared and will be published in 2006.

Aid effectiveness. Ireland has made key themes of the international aid effectiveness agenda central elements of its bilateral policy framework for some time. It has made extensive use of sectoral approaches and general budget support and has been a promoter among donors of partnership and alignment with local poverty reduction strategies. Harmonisation of its practices with other donors and especially with partner procedures and systems are priorities in Ireland's current effectiveness activities.

Policy coherence. Policy coherence for development has been a challenge for Ireland, especially with regard to agricultural policy and aspects of intellectual property rights. As well as working in the national context, liaising with other government departments to ensure awareness and consideration of developing country implications of non-aid policies, Development Co-operation Ireland has worked to increase coherence in such fora as the EU and the WTO.



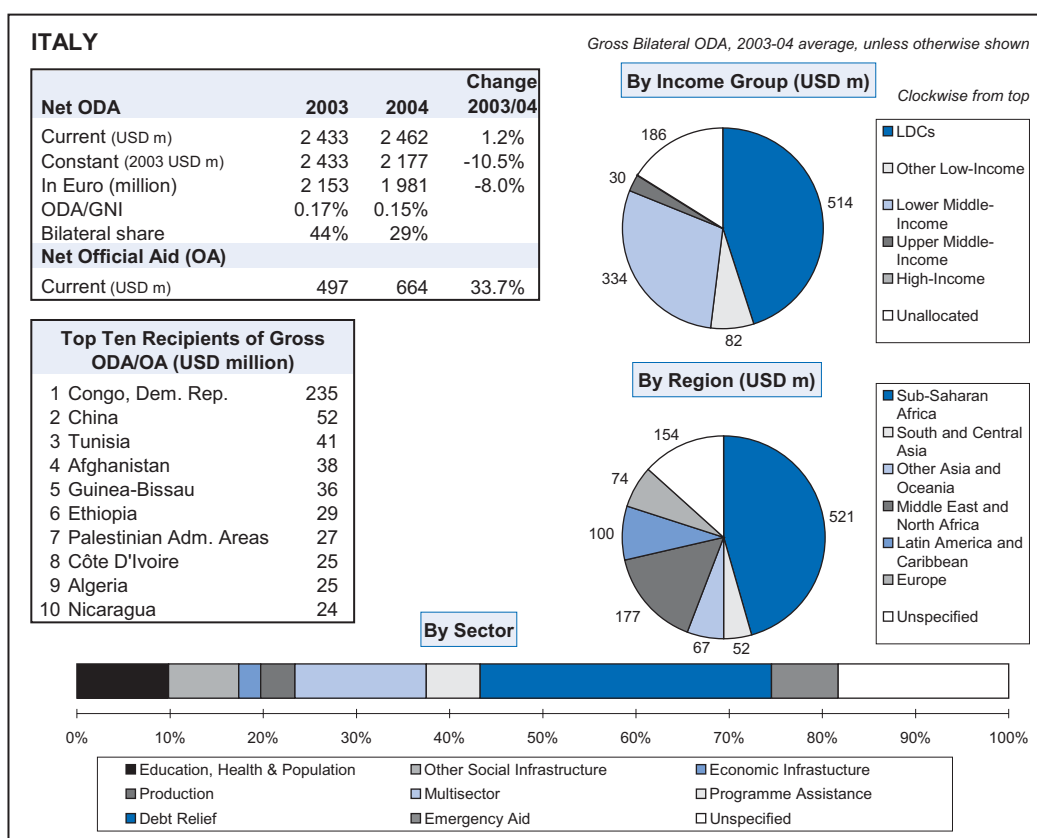
Italy

In 2004, Italy's net ODA volume was USD 2.5 billion, a 10.5% decrease in real terms from the previous year, mainly due to reduced debt forgiveness grants (down by about USD 400 million). The ODA/GNI ratio also decreased from 0.17% in 2003 to 0.15%. Italy is committed to an ODA target level of 0.33% by 2006.

Commitment to MDGs. Since the adoption of its *Poverty Reduction Guidelines* in 1999, poverty reduction has been one of the chief objectives of Italian development co-operation. However, Italy has yet to establish a coherent approach to mainstreaming this focus throughout its aid portfolio, nor has it yet developed an operational strategy on its contribution to the achievement of the MDGs in view of the 2015 deadline.

Aid effectiveness. Italy played an important facilitating role by hosting the 2003 High-Level Forum on Harmonisation in Rome and is committed to the 2005 Paris Declaration agenda. Italy supports the principle of partner country ownership of its aid and attempts to align its programmes around local strategies where they exist. However, it is hampered in carrying out its commitments by a lack of staff and organisational support, as well as operational flexibility. The 2004 DAC Peer Review recommended that Italy build upon its current efforts at administrative streamlining to develop a clear implementation strategy on harmonisation. Italy has yet to establish a regular system of monitoring and evaluation consistent with the DAC Principles on Evaluation. However, several actions are underway to reinforce the quality and utility of evaluation feedback in the broader system, including improved evaluation planning and operational guidance.

Policy coherence. The ministries of Foreign Affairs, Foreign Trade and Treasury maintain regular contact and on occasion have co-ordinated on *ad hoc* policy issues as they arise. The Italian government does not have a specific statement on policy coherence for development, nor has it regularly mobilised the expertise and analytical capacities within and outside of government that would be necessary to address such issues more systematically at the national and European levels.



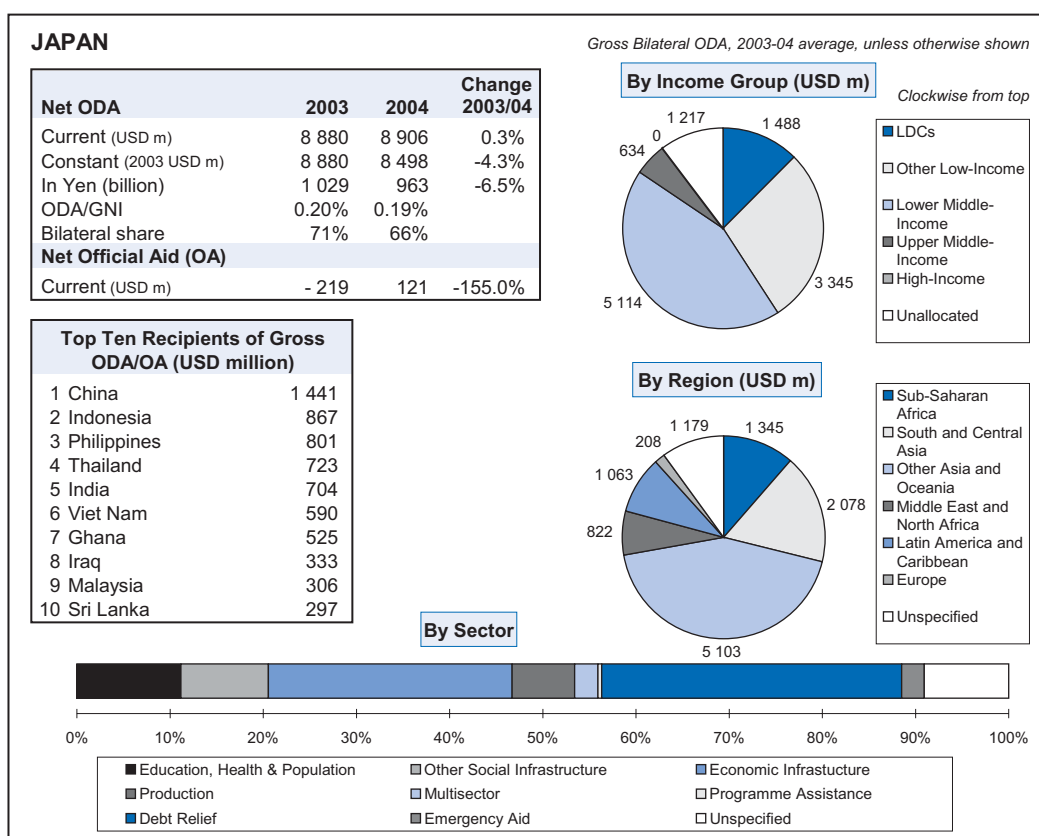
Japan

In 2004, Japan's net ODA decreased by 4.3% in real terms to USD 8.9 billion. The ODA/GNI ratio also dropped to 0.19% in 2004 from 0.20% in 2003. However, in gross terms Japan's ODA rose by 18.9% to USD 16.2 billion. This was mainly due to increased debt relief to HIPC countries and aid for reconstruction in Iraq.

Commitment to MDGs. While in the past Japan has had a high level of support for infrastructure in its ODA, it has been allocating more attention recently to the social sectors such as education, health and water and sanitation. In its 2005 report to the UN regarding support for the achievement of the MDGs, Japan cited its assistance to small island states, low-income countries, and the need for continuing attention to poverty reduction through economic growth. It has adopted a "human security" perspective in supporting the achievement of the MDGs, and recently announced an increase in ODA volume by USD 10 billion in aggregate over the next five years, to double ODA to Africa in the next three years and committed USD 5 billion to its Health and Development Initiative over the next five years.

Aid effectiveness. Japan is committed to implementing the Paris Declaration. To fulfil its commitment, Japan launched an action plan which stressed the importance of: i) enhancing alignment of Japan's ODA with partner countries' national development strategies; ii) capacity development; iii) public financial management; iv) untying; v) rationalising aid procedures; vi) managing for development results; and vii) enhancing planning and implementation framework of Japan's ODA.

Policy coherence. Though there is no formal policy on the coherence of development and non-aid policies, co-ordination between ministries is increasing to improve consistency of ODA. Japan continues to work to improve market access so that now approximately 93% of imports to Japan from LDCs enjoy duty-free and quota-free treatment. Japan is also supporting trade capacity-building and encouraging South-South co-operation, trade and investment.



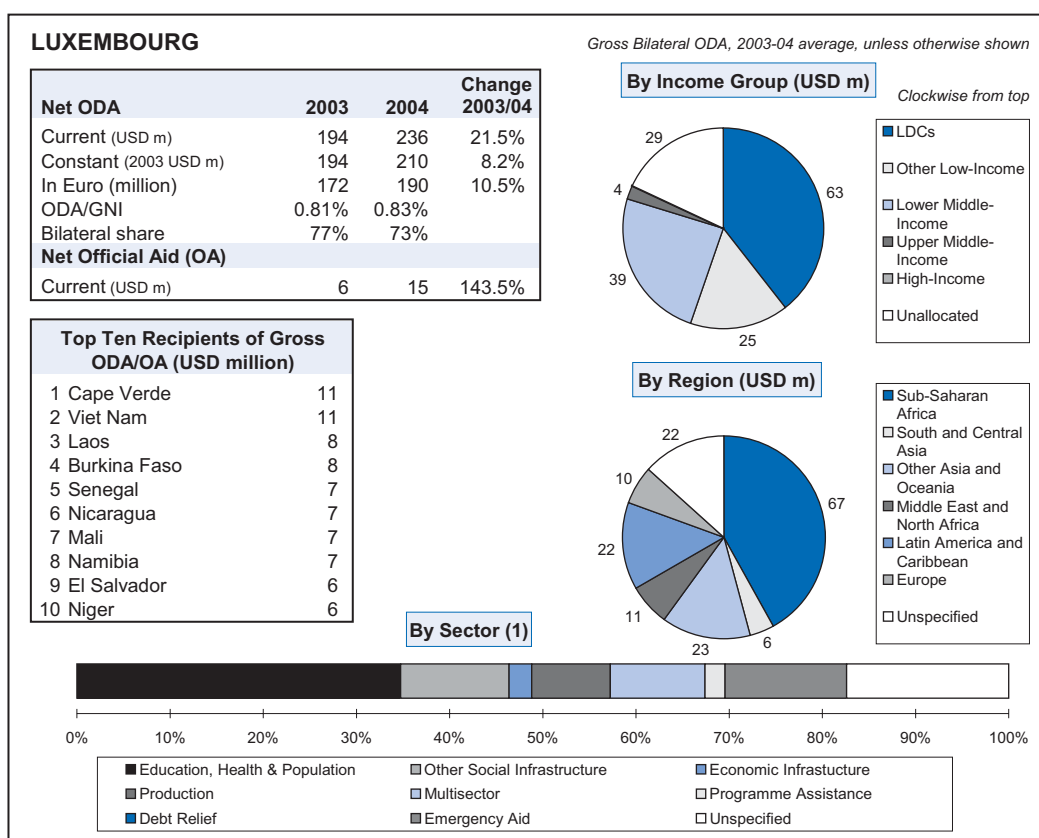
Luxembourg

In 2004, Luxembourg's net ODA increased 8.2% in real terms to reach USD 236 million due to increased contributions to regional development banks. ODA as a share of GNI also rose from 0.81% to 0.83%. Luxembourg is committed to reach an ODA/GNI ratio of 1% by 2009.

Commitment to MDGs. Poverty reduction and sustainable development are key objectives in Luxembourg's aid programme. ODA goes mainly to least developed and low-income countries. Luxembourg has subscribed to the MDGs and most of its programmes place special emphasis on primary education, basic health care, HIV/AIDS as well as water and sanitation.

Aid effectiveness. 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. The new indicative co-operation programme for Viet Nam (2006-10) is in line with the national Socio Economic Development Plan and will provide opportunities for new aid modalities. Luxembourg participated actively in the elaboration of the Hanoi Core Statement, the local EU action plan for the implementation of the Paris Declaration. All its new projects are in compliance with the EU guidelines for financing of local costs. Co-ordination in the field has been stepped up with greater representation in priority countries. Most of Luxembourg's aid is untied and project implementation relies greatly on local contractors. Multilateral co-operation is increasingly developed through "multi-bi" initiatives in priority countries with four main agencies (UNDP, WHO, UNICEF, UNFPA).

Policy coherence. Luxembourg is committed to policy coherence and is promoting a globalisation process with a human face. A policy coherence focal point has been set up in the Ministry of Foreign Affairs. Luxembourg is supportive of the EU cotton initiative and is encouraging reform efforts in the area of sugar.



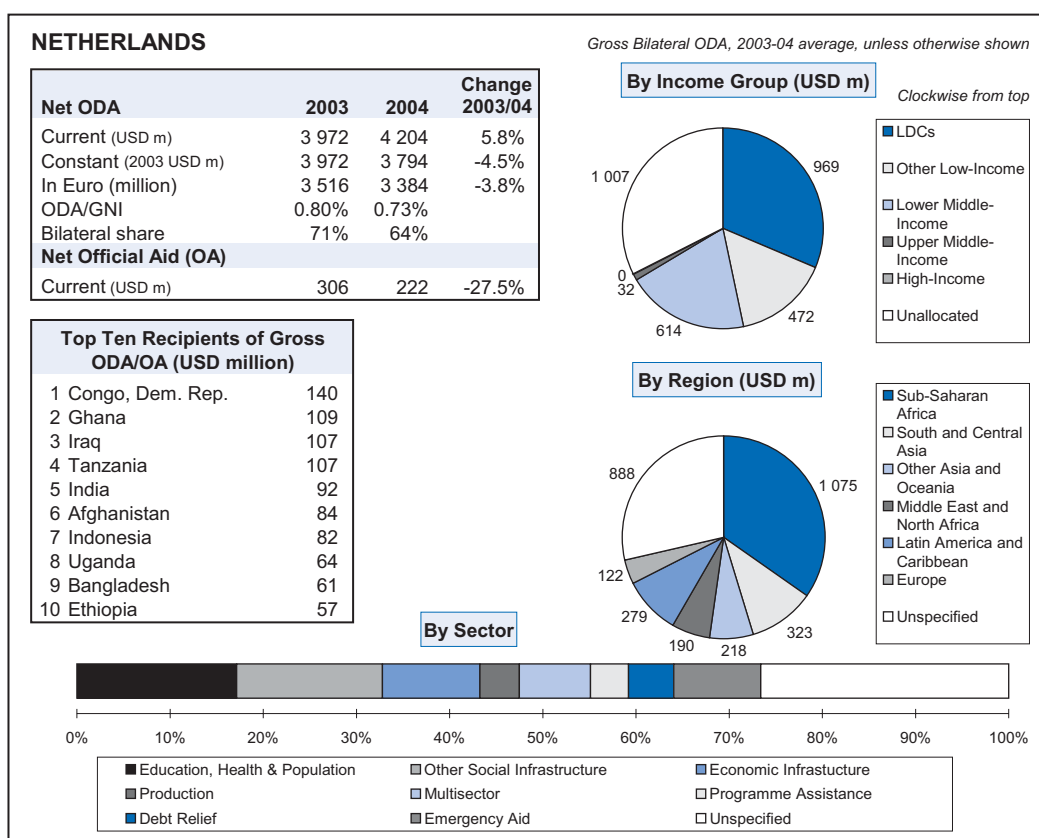
Netherlands

In 2004, Netherlands' net ODA volume in constant terms fell by 4.5% to USD 4.2 billion as India repaid its outstanding Dutch aid loans. This reduced its ODA/GNI ratio to 0.73% compared to 0.80% in 2003. The Netherlands nevertheless intends to maintain its target of 0.8% of GNI, on average, over the period 2004-07.

Commitment to MDGs. Poverty reduction is one of the main objectives of Dutch foreign policy in general and the overarching objective of 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. As to the MDGs, the Netherlands focuses its contribution on those relating to education, HIV/AIDS, reproductive rights, the environment and water.

Aid effectiveness. The Netherlands actively supports the principles of the Paris Declaration and has traditionally sought to form partnerships with relevant actors in its field programmes. It continues to focus its aid on its 36 partner countries and on a limited number of sectors within those countries. Sector approaches emphasise ownership by the recipient country and are also used to identify areas for national capacity strengthening. The Netherlands favours the use of budget support linked to PRSPs and related results frameworks wherever there is effective local capacity to manage. Its strong decentralised presence allows co-ordinated implementation with other donors and it already has established a number of active or silent partnerships in different sectors. Within the ministry, a new department focusing on effectiveness and quality of aid has been established. The department has an analysing, advising and monitoring role. As one of its first products, a results report on development assistance was presented to parliament, thus reinforcing the orientation towards managing for development results.

Policy coherence. The Cabinet actively engages with coherence issues within the government and approves all instructions for international meetings. The Ministry established a Policy Coherence Unit in 2002 to ensure more systematic identification and treatment of issues. Based on a positive evaluation, the Unit's mandate has been extended until 2010. The Netherlands uses international forums to address coherence issues and has taken a leadership role in establishing a European Network in Brussels.



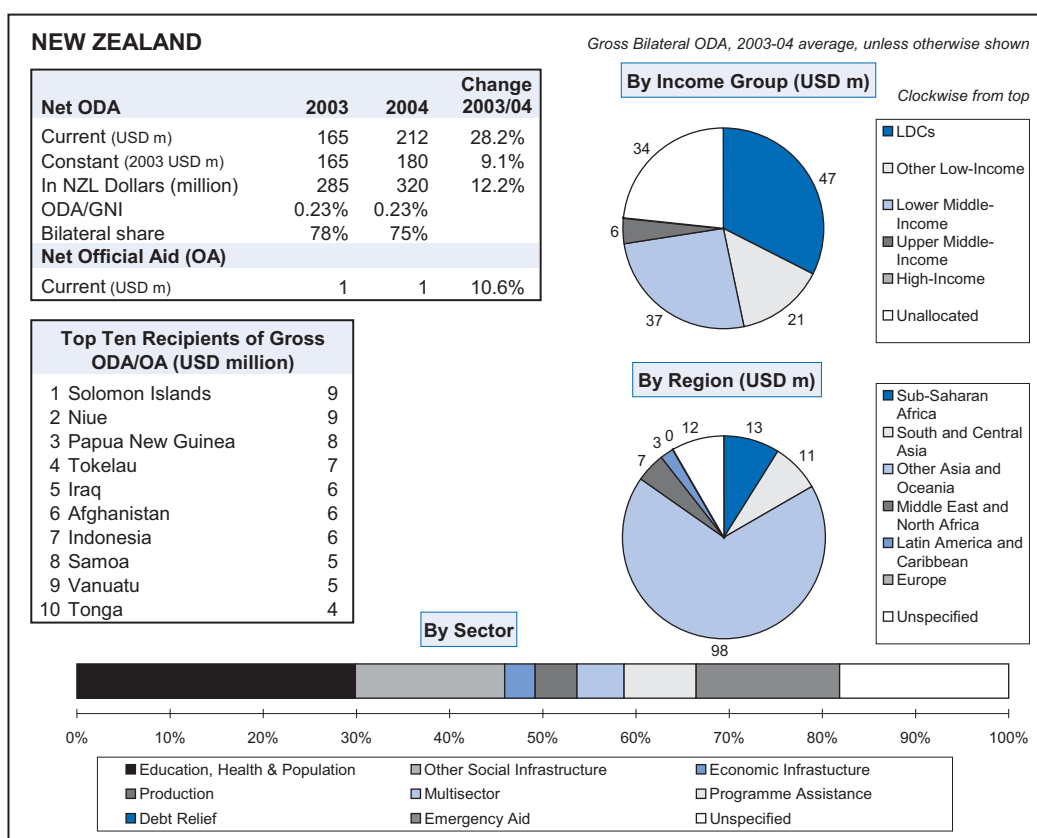
New Zealand

In 2004, New Zealand's net ODA increased 9.1% in real terms over 2003, amounting to USD 212 million due mainly to a significant increase in grants to the South Pacific agencies. The ODA/GNI ratio remained 0.23%.

Commitment to MDGs. Strategies to address poverty include targeting programmes to the poorest communities within partner countries and assisting those communities to fulfil basic needs, expand opportunities and reduce vulnerability to poverty. Support to global commitments has led to a re-targeting of New Zealand's health and education policy to better address needs to be fulfilled for the achievement of the MDGs. In addition, New Zealand assists with efforts to strengthen governance, economic, social and environmental conditions conducive to the long-term elimination of poverty.

Aid effectiveness. New Zealand Agency for International Development's (NZAID) Policy Framework confirms New Zealand's focus on poverty reduction and its intention to move towards more formally integrating New Zealand's programming process with its core partner countries' national development strategies. Harmonisation is a key focus area in NZAID's five-year strategic plan. New Zealand is contributing to SWaPs in the health and education sectors. The development of an action plan is under way to implement the Paris Declaration. Previous efforts have led to a review and simplification of operational procedures and internal capacity building. Specific measures have been adopted for delegated co-operation between Australia and New Zealand in some of the South Pacific countries.

Policy coherence. New Zealand sees its contribution to the MDGs in the context of a wider range of efforts to address development challenges worldwide, including ODA, trade, debt relief, migration policy and peace operations. Instability in parts of 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. The main areas of engagement of NZAID in promoting policy coherence for development have been in trade, bio-security, environment, immigration and security affairs.



Box 4.3. DAC Peer Review of New Zealand, 13 April 2005*Examiners: Denmark and the EC*

The DAC welcomed New Zealand's decision to reform its aid policies and delivery system with the creation of NZAID in 2001 as a semi-autonomous body with a central focus on poverty elimination. This reform addressed problems identified in the previous DAC Peer Review in 2000, namely the lack of strategic focus and of development expertise.

The most visible shift since the last Peer Review was in the education programmes, previously founded on tertiary scholarships in New Zealand, with the decision to devote half of New Zealand's education assistance to basic education in support of policies and systems in partner countries. The DAC noted New Zealand's efforts in reconstructing the education system and helping to build local capacity in the Solomon Islands where political conditions have been difficult.

New Zealand is committed to the UN 0.7% target but has yet to adopt a medium-term goal to make such a commitment credible. While New Zealand's ODA has increased in absolute terms, at 0.23% of GNI, it still lags well behind the DAC average country effort of 0.42%.

Other main findings and recommendations from the Peer Review included:

- New Zealand should back its ambition of being a good global citizen and its commitment to the MDGs with increased funding for development co-operation. With the creation of NZAID, which has enhanced New Zealand's capacity to deliver effective development programmes, the logic for an increase in ODA has become inescapable. This calls for the establishment of a firm medium-term ODA target which is both realistic and ambitious and which clearly establishes a path towards reaching the UN target of 0.7%.
- NZAID is encouraged to continue with the implementation of its communication strategy. Proper attention should be given to ensure a better public understanding of what the agency does, including the rationale underlying new aid delivery modalities, and of development issues and outcomes in general.
- New Zealand's new policy and programme focus needs to be reconciled with the current ODA dispersion. NZAID has 19 core bilateral partner countries and funds activities through various delivery channels in about 100 countries. New Zealand has a welcome focus on the Pacific, where it has an important role and has demonstrated that it can be most effective. It is encouraged to reduce the number of its core bilateral partner countries, particularly in Asia where its resources are spread thinly.
- NZAID needs to ensure that staffing levels and skill mixes are continuously adjusted to evolving needs. With a few exceptions, personnel from high commissions and embassies are responsible for field implementation. Strengthening NZAID's field presence is critical to the agency's ability to actively participate in policy dialogue with local partner countries and to co-ordinate with other donors.
- NZAID has taken a lead role in promoting SWAPs in the education sector in some countries of the South Pacific. The agency is encouraged to consider ways of further increasing local ownership by reviewing how its various other delivery channels can be complementary to core bilateral country programmes and be based on partner country-led development policies and programmes.
- NZAID has opted to integrate evaluation within the overall programme design and to share evaluation responsibility among programme staff. This is key to ensuring timely dissemination of evaluation findings and integration of lessons learnt into programme management. Alongside this approach, the programme of independent evaluation is important to guarantee objectivity and critical judgement.
- Given its policy advice mandate and its credibility as a development agency, NZAID is well positioned to promote policy coherence for development across the government. New Zealand's commitment to policy coherence for development would be strengthened by a political statement which would identify this as an objective for overall government action and which could be used as a basis for more systematic interdepartmental co-ordination.

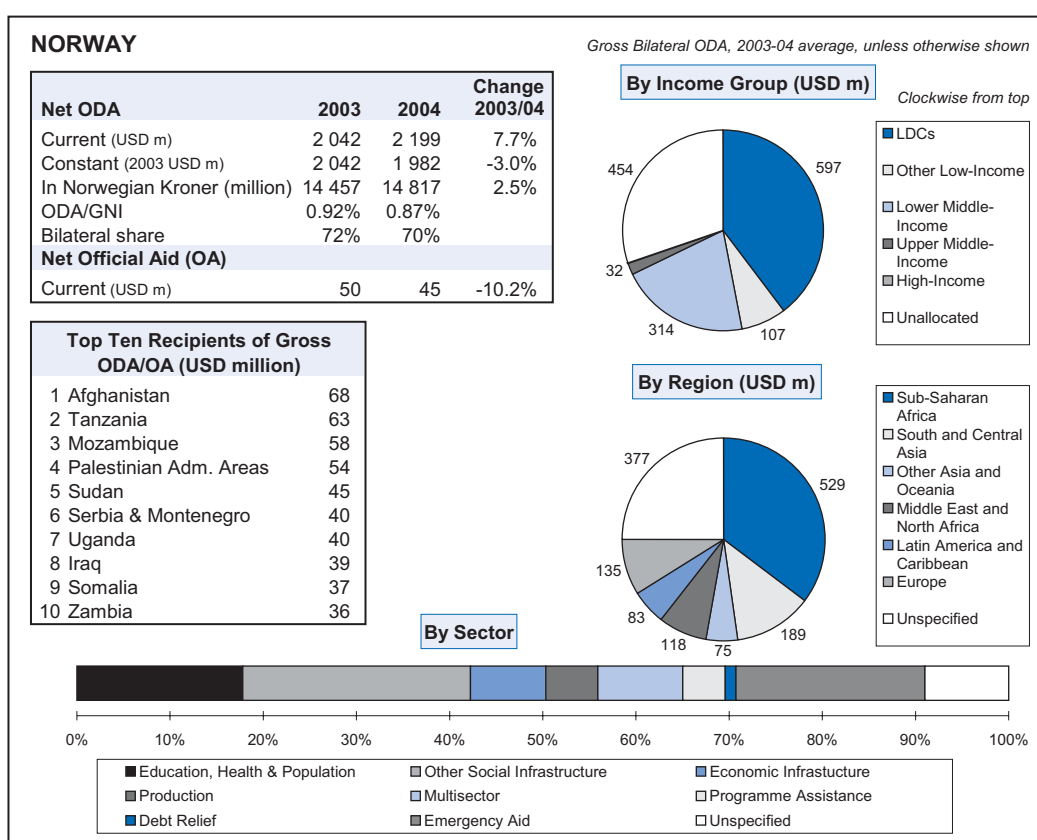
Norway

In 2004, Norway's ODA fell slightly by 3% in real terms to USD 2.2 billion. This represented an ODA/GNI ratio of 0.87% compared to 0.92% in 2003.

Commitment to MDGs. In 2004, about half of Norwegian bilateral ODA was allocated to LDCs and to sub-Saharan Africa. Norway's 2004 development policy White Paper emphasises: i) changes in the international framework conditions; ii) improved governance in developing countries; iii) more assistance and better development co-operation; and iv) mobilising the private sector and civil-society organisations. Norway's programme focuses on sectors that are crucial to achieving the MDGs. Norway actively participates in international forums to promote international awareness of the MDGs, to review progress and to identify ways to overcome obstacles to their achievement.

Aid effectiveness. The Norwegian aid administration emphasises results and improving capacity to measure the practical impact of interventions on an ongoing basis. Norway actively supports locally identified priorities and programmes. Within the Nordic+ group of countries, it has led discussions on the scope for harmonisation and alignment with PRSPs, and is implementing new aid modalities such as delegated co-operation and silent partnership. Norway continues to play a decisive role in the construction of tailored plans for donor harmonisation in a number of countries.

Policy coherence. Norway contributes to international initiatives to assess the extent to which the policies of OECD countries support poverty reduction in developing countries. It is actively involved in reducing the burden of debt of poor countries, fighting corruption and improving health and security standards. Norway also contributes to the integration of developing countries in world trade, i.e. by providing duty and quota free access to products from LDCs.



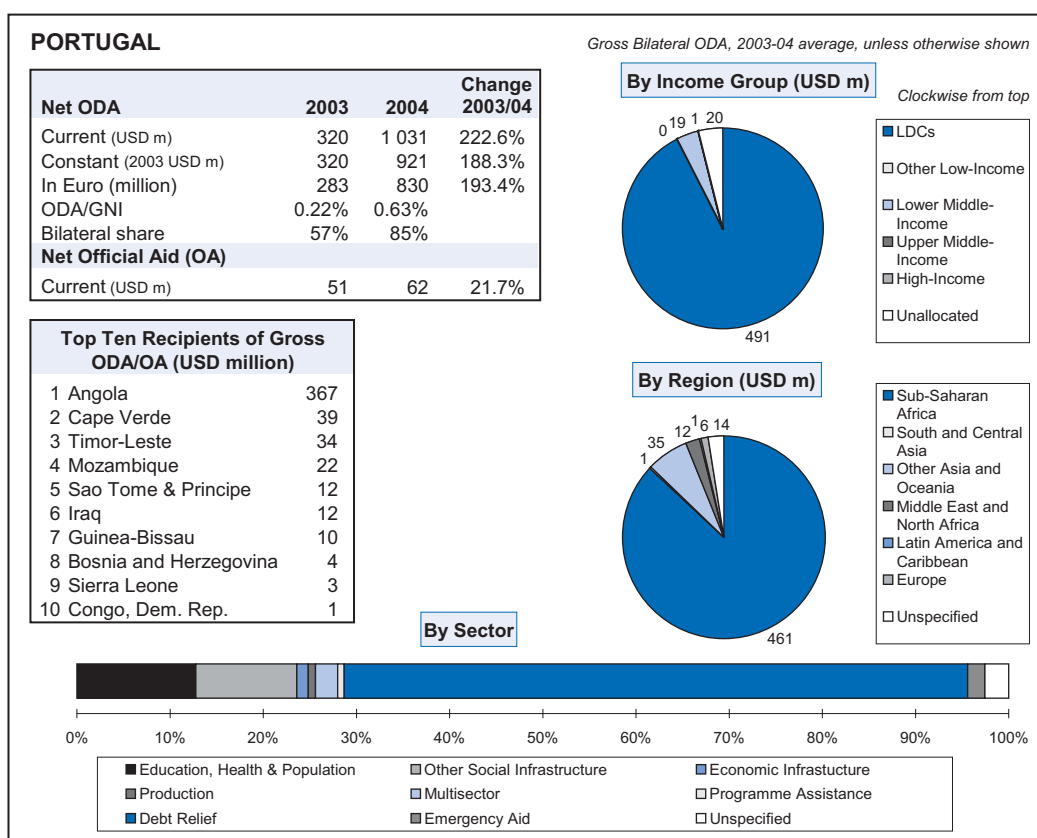
Portugal

In 2004, Portugal's ODA volume surged 188.3% in real terms as a result of exceptional debt relief for Angola. The ODA/GNI ratio increased from 0.22% in 2003 to 0.63% in 2004. Portugal is committed to devoting 0.33% of its GNI to ODA in 2006.

Commitment to MDGs. Portugal continues to focus its ODA on the five Portuguese-speaking African countries (PALOPs) and Timor-Leste, all of which are LDCs. Poverty reduction is the development co-operation priority of the recently elected government. While technical co-operation and debt rescheduling are the dominant aid modalities, education (in particular the teaching of the Portuguese language), governance and institution building are areas of focus. Portugal reported on MDGs to the UN General Assembly in September 2005.

Aid effectiveness. In February 2005, Portugal produced an Action Plan for Harmonization and Alignment which is both a reference and an operational instrument for Portuguese co-operation in line with the DAC's Good Practices Paper and the EU Action Plan for Co-ordination and Harmonisation. Portugal still relies predominantly on small projects rather than programme and sector aid. Between 2003/04, five Indicative Co-operation Programmes were prepared for the PALOP countries plus one for Timor-Leste based on national poverty reduction strategies and/or national development plans.

Policy coherence. The designated discussion forum to address policy coherence is the Interministerial Committee for Co-ordination (CIC). The CIC, chaired by the Portuguese Institute for Development Assistance (IPAD) President, helps to supervise the planning and decentralised execution of development co-operation policy and has played a key role in sensitizing ministries on IPAD's role and the new financial planning system linked to programming. IPAD has the double role of development co-operation policy co-ordination and financing. The Portuguese Government recognises that policy coherence deserves deeper attention and a growing awareness by national structures other than IPAD.



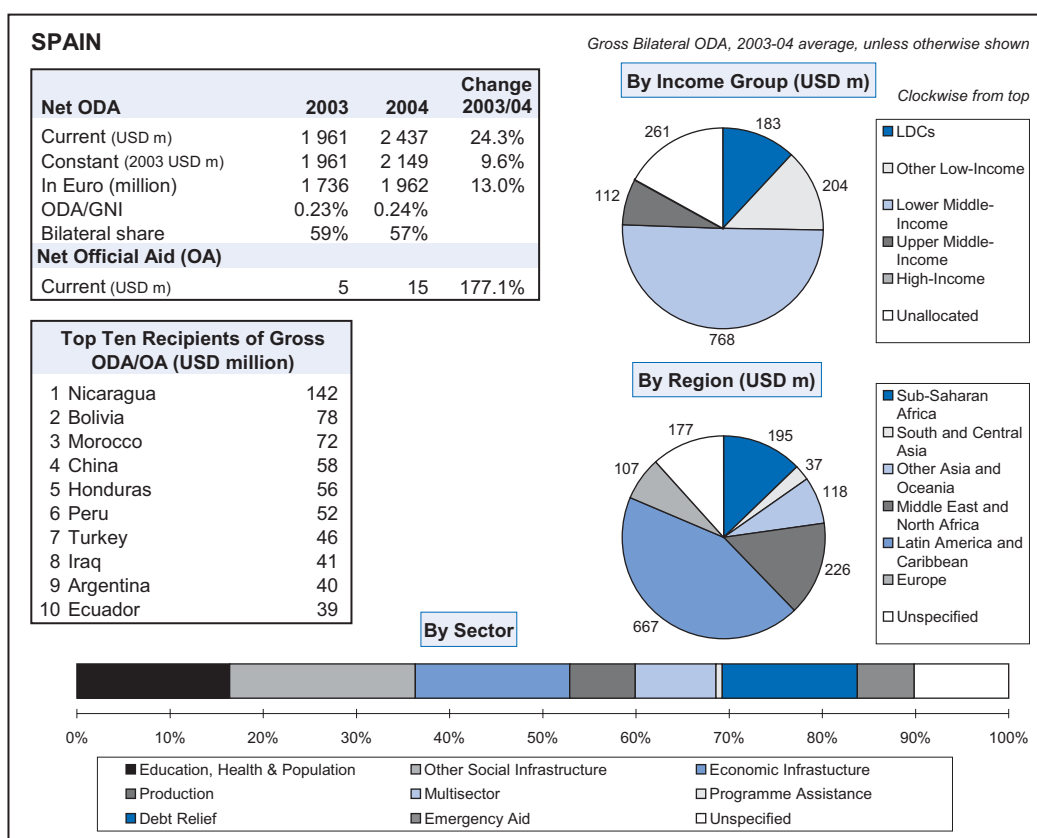
Spain

In 2004, Spain's net ODA increased by 9.6% in real terms to reach USD 2.4 billion due to the timing of contributions to international organisations. This represents an ODA/GNI ratio of 0.24%, compared to 0.23% in 2003. Spain is committed to attain 0.33% in 2006, 0.5% in 2008 and 0.7% in 2012.

Commitment to MDGs. Spain has just launched its second Master Plan for International Co-operation and is now undergoing a complex planning process which includes annual plans and geographic and sector strategies. Spain is about to finalise five sectoral strategies in support of the MDGs regarding indigenous people, health, education, gender and culture and development while strategies on governance, food security, humanitarian action, conflicts, security and peace and the environment will be completed at a later stage.

Aid effectiveness. Since the Rome Declaration of 2003, Spain's country strategy papers include specific chapters on analysis of bilateral and multilateral donors in different sectors and regions and on co-ordination in working with the partner country. Spain is now strongly committed to aligning with national development strategies such as the PRSs.

Policy coherence. Spanish law mandates regular consultation between central and regional public administrations and civil society working on ODA in order to ensure common approaches. Spain's Master Plan for International Co-operation establishes the need for coherence of non-aid policies with the objective of poverty reduction in developing countries. In order to establish an overall policy and mechanism to promote policy coherence, a report on this subject will be presented to parliament in early 2006. As a member of the EU, Spain aligns its policies with EC decisions that affect developing countries.



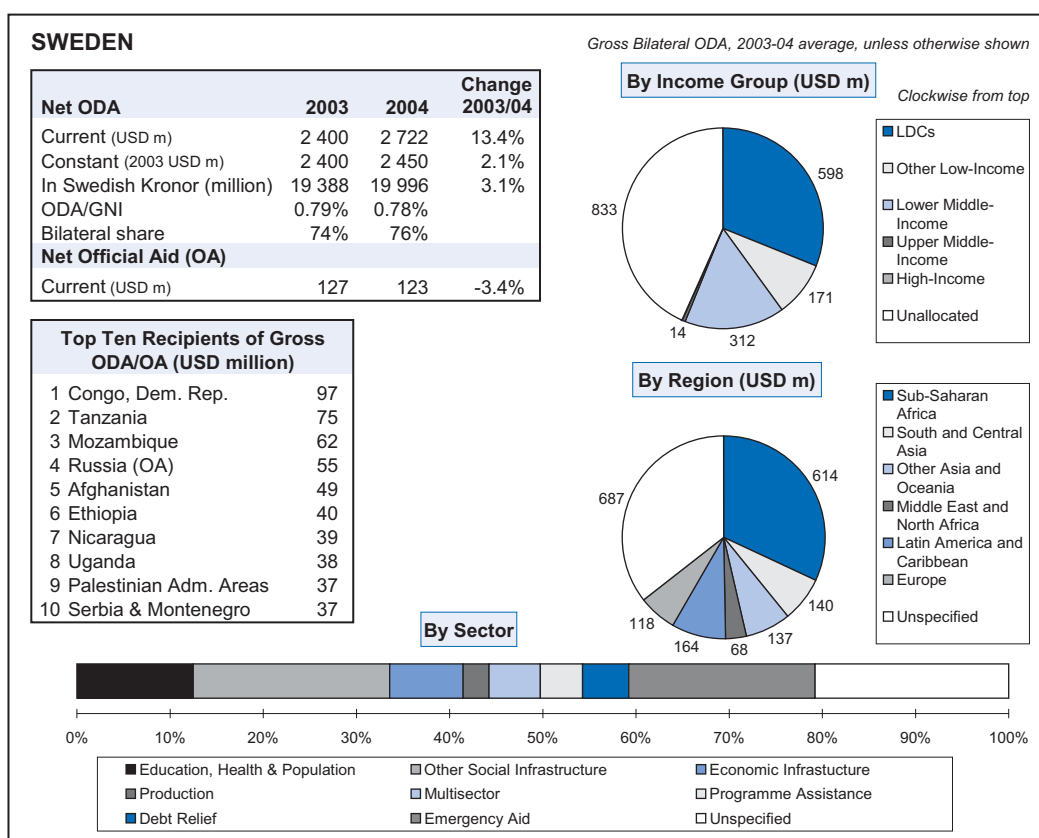
Sweden

In 2004, Sweden's net ODA volume increased by 2.1% in real terms to USD 2.7 billion, representing 0.78% of its GNI, slightly lower than the 0.79% in 2003. Sweden has announced its goal to reach an ODA/GNI ratio of 1% by 2006.

Commitment to MDGs. Sweden has agreed to work towards achieving the MDGs and supports international donor MDG reporting. In 2004, Sweden was one of the first countries to report to the UN on its achievements with respect to the MDG8 indicators. The Swedish government has launched an information campaign to raise Swedish awareness and support for the MDGs.

Aid effectiveness. Swedish policy stresses the importance of ownership and the need for its actions to be aligned with developing country priorities and PRSs. It also supports a gradual transition to using recipient country systems, accompanied by funding for capacity building. Sweden is a strong proponent of harmonisation and takes part in a number of harmonisation initiatives. Together with the Nordic+ group, Sweden has developed a common action plan and advocates increased harmonisation among UN agencies, the World Bank, the IMF and the regional development banks. Sweden also supports results based management. The results of its development co-operation will be included as part of MDG8 reporting, as well as periodic collaborative assessments of the impact of aid on poverty.

Policy coherence. Sweden recognises the need to integrate development issues more systematically into national policy where relevant, and into EU policy (including trade, agriculture, environment, security, migration and economic policy). Legislation in 2003 obliged all ministries to report annually on how they are addressing Swedish objectives for global development. The first two annual reports were submitted to parliament in 2004/05, although they were not actively discussed until this year.



Box 4.4. **DAC Peer Review of Sweden, 25 May 2005***Examiners: Australia and Belgium*

The DAC commended Sweden on its innovative Policy for Global Development (PGD), endorsed by parliament in 2003 which commits Sweden to an overarching poverty reduction mandate and prescribes a government-wide approach to global development. Sweden is the first DAC member country to adopt such an approach. However, the DAC identified challenges Sweden will have to meet as the PGD is implemented. They include the need to obtain buy-in from all government departments and to identify results that can be reported annually to parliament.

The DAC also applauded Sweden's continued commitment to increase its aid budget, in support of achievement of the MDGs. Sweden's volume of aid in 2004 stood at USD 2.7 billion, making it the DAC's seventh largest donor and representing 0.78% of Sweden's GNI. Current budget projections call for a 1% level in 2006/07.

Other main findings and recommendations from the Peer Review included:

- Already noted in the 2000 Peer Review, a tendency to disperse ODA **geographically** and by **sector** still persists, with the effect of reducing resources for the more strategically selected long-term recipients and sectors. For the moment, the growing size of Swedish ODA has lessened the pressure to address programme priorities. With the advent of PGD it now should be possible to establish a clearer policy on setting priorities.
- A feature of Swedish development co-operation (18% of bilateral ODA) is its special reliance on **NGOs**. PGD promotes even greater collaboration with these organisations. As such, Sweden could reflect upon and update, as appropriate, the range of its actions and procedures in relation to NGOs.
- The **multilateral** share of Swedish ODA was about one-quarter of the total in 2003 and Sweden attaches increasing importance to this form of co-operation. This gradual evolution toward multilateralism has yet to be accompanied by similar levels of strategic thinking and performance monitoring. An immediate implication for the increased use of this channel is, therefore, the formulation of a clearer multilateral strategy, and a system which more systematically tracks the performance of the multilateral institutions.
- Sweden should consider establishing a special analytical body that could regularly identify, analyse and promote resolution of issues of **policy coherence for development**. It is encouraged to maintain a credible and high level approach to monitoring and evaluation of the implementation of PGD. Finally, as the Ministry of Foreign Affairs (MFA) develops the operational contours of the new evaluation agency mandated by the PGD, it could consider a role for the new agency more in line with a whole-of-government approach.
- The MFA and Swedish International Development Cooperation Agency (Sida) should initiate creative discussions on **operational relationships** which permit greater system efficiency and promote more of a team environment. Decentralisation is an important new direction and Sweden is encouraged to review regularly and collaboratively its field operations, how they can be made better and the organisational trade-offs between headquarters and the field that may be necessary to its efficiency.
- **Staffing** needs to be an ongoing preoccupation. As the government and Sida continue to implement the new directives of PGD and their operational reforms in the field, they will need to continuously reflect on the size, type, skill base and location of its professional development staff.
- Sweden is reviewing reforms in the way it measures **results**. It is encouraged to do so in a way that most effectively integrates monitoring, evaluation and other results based management approaches.
- The DAC noted that a large proportion of Swedish aid is allocated to **humanitarian response** (16% in 2003). Sweden has a strong humanitarian tradition and has been contributing actively to the development of international good practice. The DAC encouraged Sweden to examine how to improve co-ordination among the various bodies that deal with humanitarian aid.

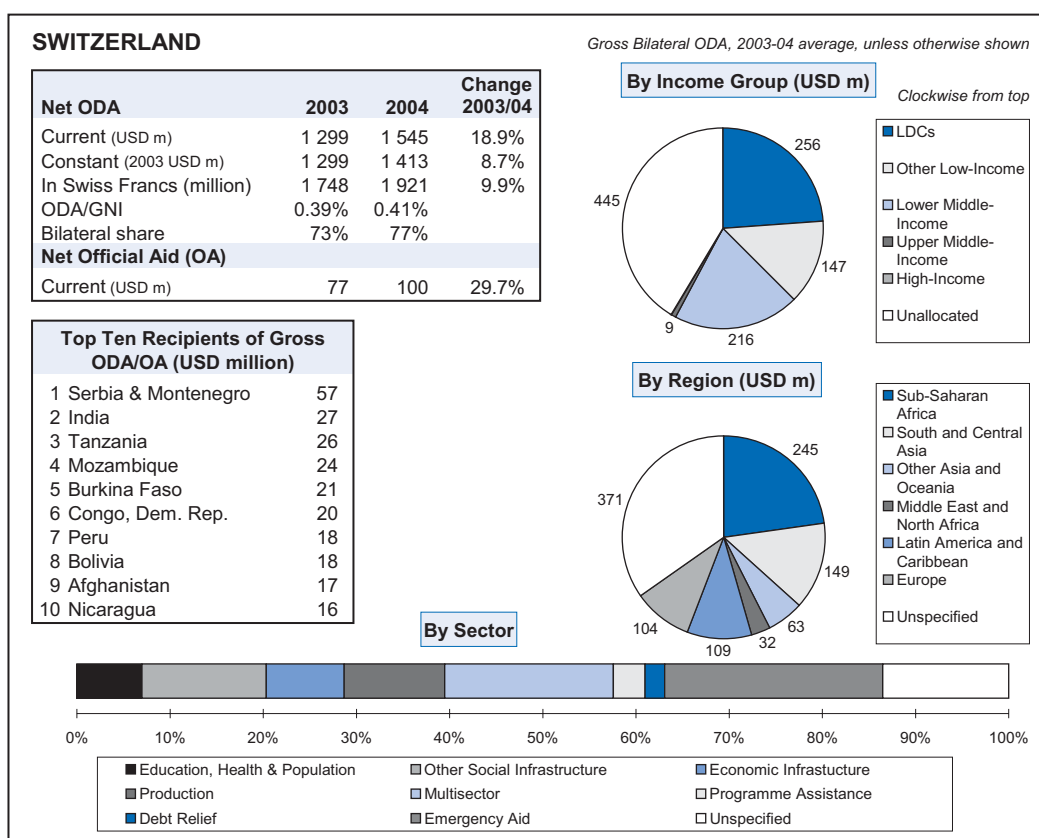
Switzerland

In 2004, Swiss net ODA increased by 8.7% in real terms over 2003, reaching USD 1.5 billion. The ODA/GNI ratio also rose from 0.39% to 0.41% as Switzerland began reporting initial costs of asylum seekers from developing countries.

Commitment to MDGs. Switzerland has made poverty reduction one of the five strategic goals of its foreign policy and considers the MDGs and the Millennium Declaration as development policy milestones. Both the Swiss Agency for Development Co-operation (SDC) and the State Secretariat for Economic Affairs (seco) have made poverty reduction a main objective of their respective strategies and address poverty with different, yet complementary, approaches and tools. Governance and the private sector are at the centre of Switzerland's operations in this respect. SDC has developed a toolkit for addressing the gender dimension of poverty.

Aid effectiveness. Switzerland is committed to implementing the Paris Declaration. A High-Level Statement, dated February 2004, makes national PRSs the policy and operational framework for Swiss development co-operation and the vehicle for reaching the MDGs. An action plan common to both SDC and seco will bring Swiss procedures closer in line with those of other donors and Swiss aid delivery mechanisms will be matched with partner countries' own systems and procedures once those are in place and strengthened.

Policy coherence. The challenge for promoting policy coherence across the Swiss administration remains to ensure that the debate includes not only SDC and seco but other Federal agencies as well. A number of concrete steps have been taken to strengthen policy coherence in the agriculture and financial sectors such as returning illegally acquired funds to some countries, gradually abolishing import tariffs and quotas on LDCs' agricultural products, and reducing tariff escalation for the food industry. A decision to progressively phase out milk quotas between 2006-09 has also been taken.



Box 4.5. **DAC Peer Review of Switzerland, 30 June 2005***Examiners: New Zealand and Norway*

The DAC commended Switzerland for its strong political commitment to poverty reduction but called for a more unified vision of Swiss development co-operation, which is split between the Swiss Agency for Development and Co-operation (SDC) of the Federal Department of Foreign Affairs and the State Secretariat for Economic Affairs (seco) of the Federal Department of Economic Affairs. Switzerland has already met its commitment made in Monterrey to bring ODA levels to 0.4% of GNI in 2010. It prioritizes low-income countries, which received the largest share of bilateral ODA between 1999-2003.

The DAC also congratulated Switzerland for implementing the measures drawn up by the Financial Action Task Force on Money Laundering, with concrete steps taken to return illegally acquired funds to some countries and for the quality of its development co-operation.

Other main findings and recommendations from the Peer Review were:

- To increase the visibility and transparency of Swiss development co-operation, Switzerland should consider developing a single set of strategic guidelines covering the entire ODA system and linking the guidelines to its poverty reduction orientation.
- As Switzerland has much to contribute as a bilateral donor to poverty reduction, peace and security, it should revisit the issue of **ODA volume commitments**. Sustained ODA increases would provide Switzerland with the means to do more to address the many pressing development challenges in its partner countries.
- Switzerland is encouraged to reassess the number of its priority countries. It should concentrate aid in each country or region on sectors and themes based on comparative advantage, effectiveness and potential for impact on a larger scale.
- Switzerland should strengthen its existing institutional arrangements for **policy coherence for development** and continue to work towards a development-oriented outcome of the Doha Round of trade negotiations, addressing in particular the issues of agricultural subsidies and tariff escalation.
- Switzerland should ensure that all field offices represent both SDC and seco and are granted the appropriate authority over financial and human resources to manage the Swiss programme effectively. Swiss evaluation culture could be scaled up to put greater focus on the poverty reduction aspect of Swiss interventions.
- In contributing to the **aid effectiveness agenda**, SDC and seco should actively pursue their efforts at elaborating common operational approaches and adopt aid modalities that reduce transaction costs for partner countries, including delegated/silent partnerships and sector and budget support, where conditions permit.
- Switzerland should provide more opportunities for developing country partners to manage co-operation activities directly. It should increase the use of local and regional technical expertise whenever possible and enhance the involvement of partner countries in the selection and performance assessment of technical assistants.
- **Humanitarian assistance** holds a distinct position in Swiss foreign affairs and Switzerland has a strong tradition of humanitarian aid, being a valuable contributor to the international humanitarian system. SDC could clarify multilateral and bilateral strategies in this field and make them focused on operations. The use of humanitarian specialists in embassies and field offices could be evaluated to further strengthen this function in field operations.

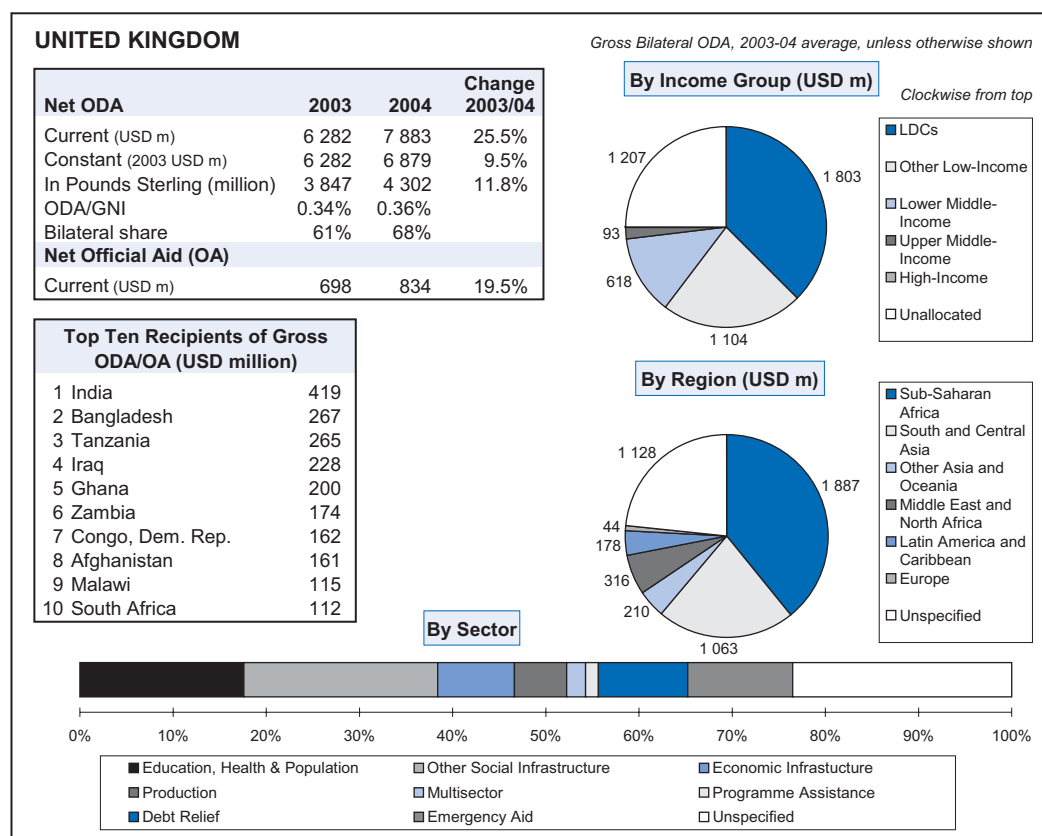
United Kingdom

In 2004, the UK's ODA increased by 9.5% in real terms to reach USD 7.9 billion due to higher project and programme aid expenditures and debt relief. The ODA/GNI ratio rose from 0.34% to 0.36%. The UK has set itself to attain an ODA/GNI ratio of 0.47% by 2007/08 and 0.7% by 2013.

Commitment to MDGs. The UK aid programme's dominant aim is to secure the elimination of poverty in the poorest countries through the achievement of the MDGs by 2015. The Department for International Development (DFID) concentrates its assistance on African and Asian low-income countries, where aid can make the most difference. In order to raise the additional resources needed to meet the MDGs, the UK is working to build support for its proposed International Finance Facility. A separate facility will support increased immunisation coverage.

Aid effectiveness. The UK endorsed the Paris Declaration and DFID is committed to supporting the international effort to achieve more and better aid, through: i) developing a policy framework on aid effectiveness; ii) improving aid programme delivery; and iii) supporting reform in the multilateral system. DFID seeks to promote good practice on country-led approaches, harmonisation and conditionality, and will conduct new work on monitoring donor behaviour and on mutual accountability, including through promoting a more results-based approach. DFID's Public Service Agreement provides the means for showing how DFID activities contribute towards achieving the MDGs while monitoring shorter-term performance.

Policy coherence. Policy coherence is supported by a high-level policy commitment shared by the Prime Minister, the Chancellor of the Exchequer and the International Development Secretary of State. It will be a strong component of the White Paper on development planned for mid-2006. The UK government is actively engaged in encouraging wealthy countries to reduce the debt burden of the poorest countries and puts a strong focus on how trade reform can further development. DFID works closely with other government departments on a range of issues including trade, conflict prevention, debt relief and reform to international financial institutions (IFIs), migration and the environment, where joint Public Service Agreement targets have been set.



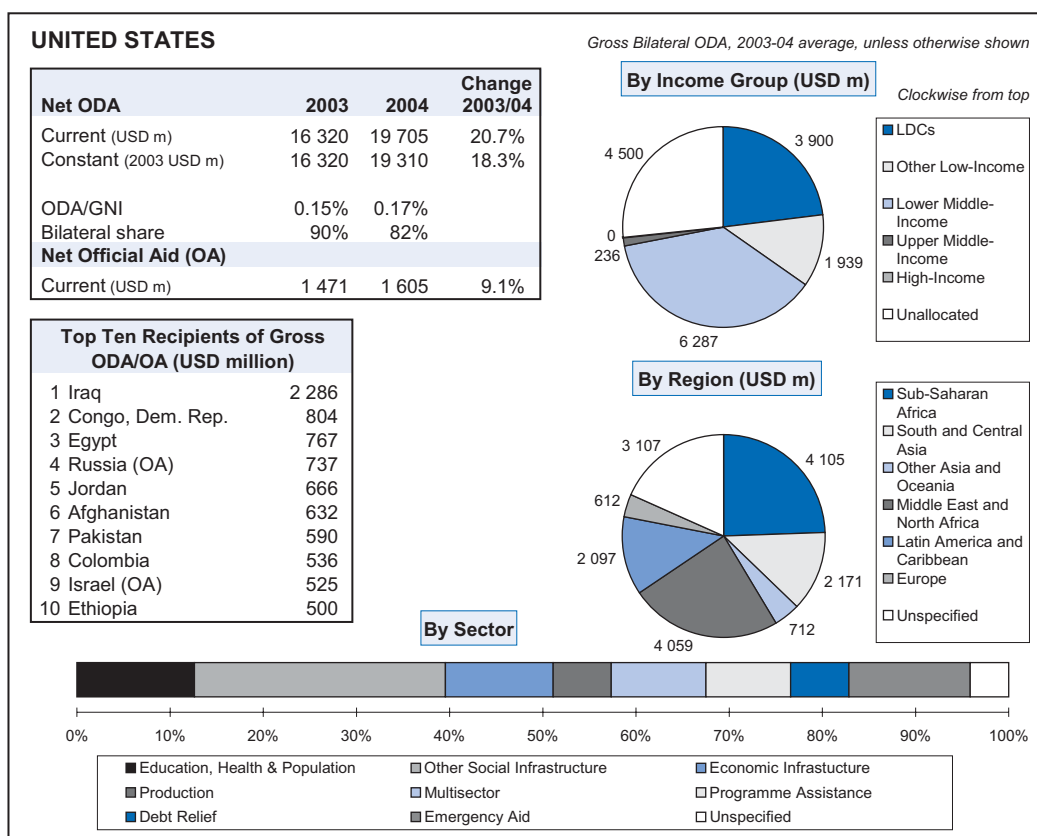
United States

In 2004, US net ODA volume increased by 18.3% in real terms to USD 19.7 billion. Most of the increase was due to a USD 1.8 billion contribution to IDA. Aid to Afghanistan and Iraq also rose substantially. Although the US continues to be the largest DAC donor, and has increased its ODA by 87% in real terms since 2000, it has the second lowest ODA/GNI ratio in 2004 at 0.17%.

Commitment to MDGs. The US subscribes to the Millennium Declaration challenge of halving extreme poverty by 2015. United States Agency for International Development's (USAID) strategic objectives (economic growth, agriculture and trade; global health; democracy, conflict prevention and humanitarian assistance) are seen as essential to sustainable poverty reduction and meeting specific MDG goals, although the targets are not used operationally in USAID programming. The US considers private sector-led growth as essential to poverty reduction.

Aid effectiveness. A *New Compact for Development* announced in 2002 advocates collaboration among development actors, both international and American. 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. Internal to the US system, USAID sponsors the Global Development Alliance aimed 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. Pursuant to the Government Results Performance Act of 1993, USAID has used a system that tracks results through a co-ordinated planning-implementation monitoring process. The large MCA programme, still in its early stages, uses performance-based results as its operational focus.

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



Notes on non-DAC Donors

The DAC brings together the major OECD aid donors. But other donors, both within and outside the OECD, are playing an increasing role in development co-operation. MDG8 calls for a global partnership for development. At the same time, there is limited information on non-DAC donorship, and often a lack of co-ordination with the traditional donor community. Over the past year the DAC has undertaken to address this by expanding its dialogue with non-DAC donors as partners in development co-operation.

In early 2005, the DAC hosted the Forum on Partnership for More Effective Development Co-operation in collaboration with UNDP. It concluded by calling for structured and sustained dialogue, including improved sharing of information and expertise, with the objective of improved aid effectiveness. In September 2005, an informal meeting with aid managers from non-DAC donors offered valuable perspectives on how to advance this mutual engagement.

As the authoritative source on development co-operation statistics, the DAC aims to provide as comprehensive as possible an overview of world-wide ODA on the basis of comparable data. To date, this objective has been only partially met. It is hoped that in the future other significant non-DAC donors will start to report on their ODA, so as to receive due credit and recognition for their efforts and to contribute to a more complete picture of global aid flows.

The following sections present information on the programmes of non-DAC donors. The data received from these donors are included in Table 33 of the statistical annex of this report.

Non-DAC OECD members

Czech Republic

In 2004, Czech ODA increased by 5% in real terms to USD 108.2 million, 0.11% of its GNI. The increase was due primarily to the Czech contribution to the EC development budget (USD 33.6 million). Czech Official Aid (OA) to economies in transition amounted to USD 13.5 million in 2004, of which nearly USD 10 million went to the Central and Eastern Europe Countries (CEEC) and Newly Independent States (NIS). All assistance was in the form of grants.

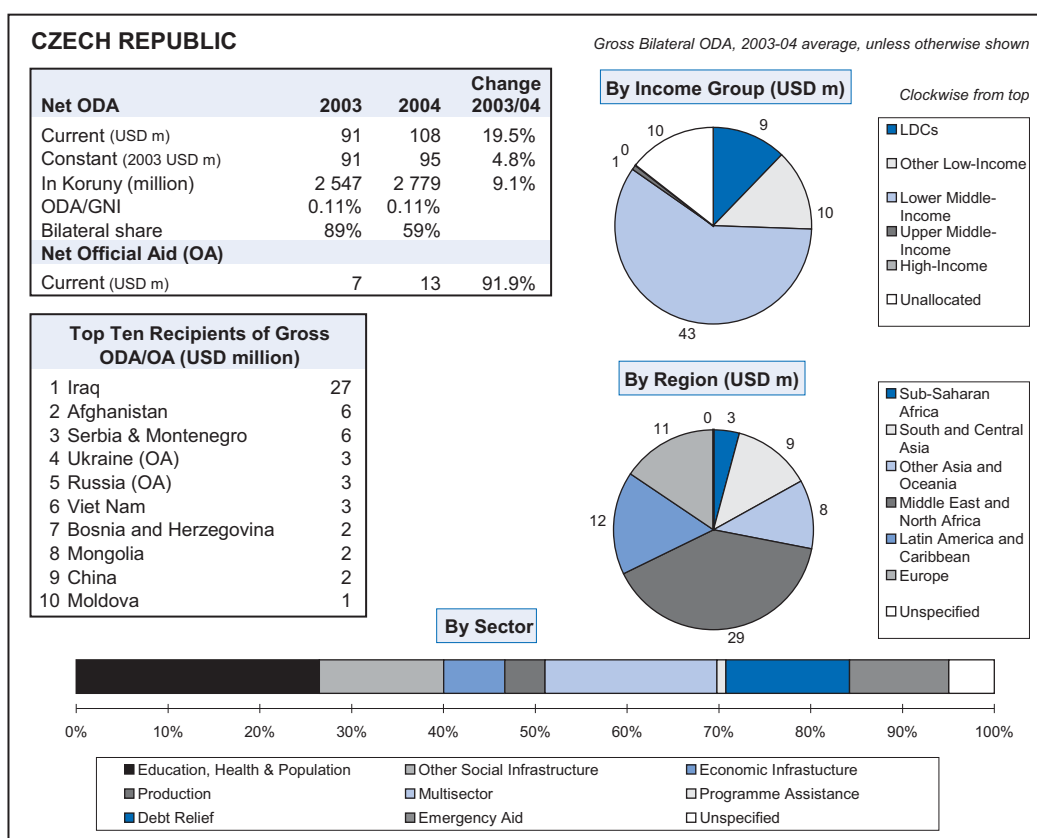
Czech ODA in 2004 comprised bilateral investment projects (about 13% of the total), technical assistance and scholarship programmes (7% and 3%), special programmes in the Middle East and the Balkans (14%), assistance to refugees and other humanitarian aid (7% and 2%), debt relief (10%), and administrative costs including public awareness (4%). Multilateral assistance (including through the EU budget) amounted to 41% of the total. Bilateral aid focused on the Balkans, the Middle East (Iraq and Afghanistan) and southeast Asia. Main themes were good governance, environmental protection, education and health.

In 2004, the government approved new Principles for International Development Co-operation following the accession of the Czech Republic to the European Union. These will underpin mid-term programmes with eight priority countries – Angola, Bosnia and Herzegovina, Moldova, Mongolia, Serbia and Montenegro, Viet Nam, Yemen and Zambia.

Hungary

In 2004, Hungary disbursed USD 55.3 million for development, amounting to 0.06% of its GNI. Of this, approximately USD 35 million represented Hungary's development assistance contribution to the EC, while bilateral flows amounted to approximately USD 21 million. Bilateral assistance focused on Europe and Asia. In addition, Hungary disbursed USD 11.7 million in OA, of which 75% was bilateral aid to the CEEC/NIS countries.

Hungary's strategic partners included Bosnia and Herzegovina, Serbia and Montenegro, the Palestinian Administered Areas and Viet Nam. China, the Kyrgyz Republic, Macedonia, Moldova, Mongolia and the Ukraine are the other partner countries. Among the LDC's, Hungary continued to



extend assistance to Cambodia, Ethiopia, Laos and Yemen. It also supported the efforts of the international community to help Afghanistan and Iraq restore the rule of law and build democracy.

In terms of aid sectors, Hungary continued to share its experiences in governance reform gained during its political and economic transition and subsequent accession to the EU. It also extended assistance in the form of knowledge transfer, education and training, health services, agriculture and water management.

Iceland

Iceland's ODA disbursements in 2004 totalled USD 21.2 million, 0.18% of GNI. Bilateral development assistance increased from USD 14 million in 2003 to USD 16.4 million in 2004, and represented 77% of total ODA. Contributions to multilateral agencies increased from USD 3.7 million in 2003 to USD 4.9 million in 2004. In spring 2004, the Government of Iceland set an ODA target of 0.35% of GDP by 2009.

The Icelandic International Development Agency (ICEIDA), an autonomous institution attached to the Ministry for Foreign Affairs, accounted for 33% of Iceland's ODA in 2004. ICEIDA operates in Malawi, Mozambique, Namibia and Uganda, and in 2004 initiated discussions with Sri Lanka and Nicaragua on possible bilateral co-operation. A General Agreement on Development Co-operation between Iceland and Sri Lanka was signed in 2005, followed by the establishment of an ICEIDA country office in Colombo.

The Icelandic Crisis Response Unit (ICRU) of the Ministry for Foreign Affairs, which supports peace operations, accounted for approximately 24% of ODA in 2004. It deployed civilian experts in Afghanistan, Bosnia and Herzegovina, Kosovo and Sri Lanka, in co-operation with other bilateral and multilateral agencies.

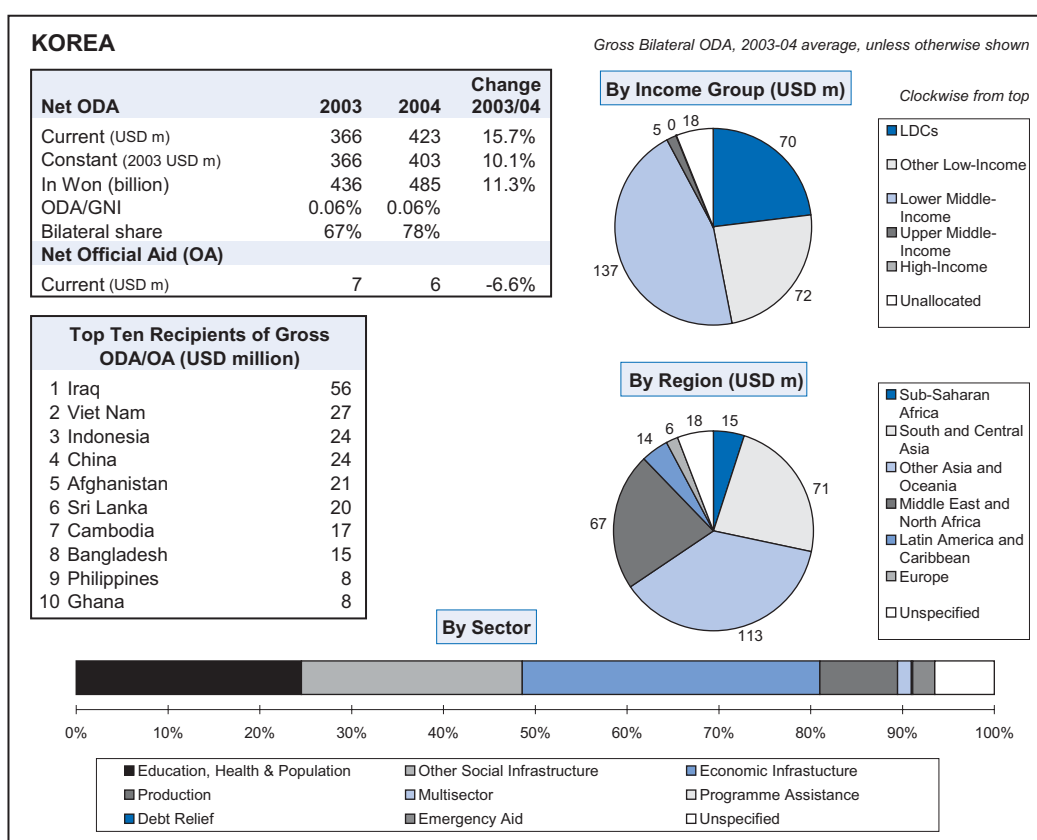
Multilateral development co-operation is increasingly important in Iceland's policy towards developing countries, among other things through enhanced co-operation with the World Bank Group, the FAO and UNDP.

Korea

In 2004, the strong growth of bilateral assistance led Korean ODA to USD 423 million, a 10.1% increase in real terms from 2003. Bilateral assistance accounted for 78% of total ODA, marked by large grants to Iraq and Afghanistan. Grants represented 64% of bilateral ODA. Multilateral assistance dropped by 23% from 2003, but is expected to increase with Korea's membership in the IDB in 2005. Contributions to UN agencies and the World Bank Group made up 71% of multilateral assistance.

A major share of bilateral assistance (82%) was channeled to the Asian region. The geographical proximity and interest of many Asian countries to emulate Korea's experience partially explains such concentration. Social and economic infrastructure sectors accounted for 54% and 31% respectively of bilateral ODA. More specifically, government and civil society, and health each took leading shares of 14%, followed by communications (12%), transport (12%) and education (11%).

In 2004, the ODA/GNI ratio remained unchanged at 0.06%. The upward trend in ODA will continue with Korea's commitment to double ODA by 2009. Korea, with the support of the international community, has become the world's 11th largest economy, and endeavours to reciprocate the assistance it has received, and to share its development experience with other nations.



Mexico

Mexico is committed to achieving the MDGs, and recognises the role of international co-operation in this respect. Contributions to the development of national capacities and achievement of social stability and economic integration are the principal objectives of its co-operation.

In 2004, Mexican international co-operation included 672 projects in sectors including education, environment, science, social development, agriculture, health, culture and energy. The main beneficiaries were in central America, the Caribbean and South America.

The country is in the early stages of establishing a monitoring and evaluation system for development co-operation and is making efforts to improve its tracking of ODA.

Poland

In 2004, Polish ODA reached USD 117.5 million, representing 0.05% of GNI. Bilateral ODA totalled USD 24.9 million, while USD 92.6 million (79% of total ODA) was channelled through multilateral institutions, mainly through the EC budget. OA amounted to USD 20 million of which USD 4.6 million was bilateral.

Among the main recipients of Polish bilateral ODA were China, Ethiopia, Kazakhstan, Serbia and Montenegro and Viet Nam. Most OA was directed to Belarus, Lithuania, Russia and Ukraine. As in 2003, Polish development assistance was delivered mainly in the form of technical assistance, concessional loans, debt relief and humanitarian aid. Assistance to refugees from developing and transition countries also constituted an important part of Polish aid in 2004.

Poland intends to expand the scope of its bilateral aid activities. The Ministry of Foreign Affairs is working on an ODA strategy for 2006-10. This will describe the main directions, priority sectors and modalities of aid delivery, including general budget support and sector-wide approaches. The new strategy will also contain provisions to adjust the Polish ODA programme to the principles of effective aid, as outlined in the Paris Declaration.

Slovak Republic

The Slovak Republic's ODA disbursements in 2004 totalled USD 28.2 million, representing 0.07% of GNI compared with 0.05% in 2003. The increase in the ODA/GNI ratio resulted from a higher level of multilateral development assistance (USD 12.8 million) following the contribution to the EC budget. Slovak bilateral aid accounted for 38% of total ODA, and 62% of multilateral aid. In 2004, the Slovak Republic also provided USD 2.9 million in OA.

In April 2005, the government approved a new *Annual Programme*, which provided USD 5 million for new projects including USD 1.8 million for bilateral aid to Serbia and Montenegro and USD 2.7 million for 13 priority countries: Afghanistan, Albania, Bosnia and Herzegovina, Cambodia, Kazakhstan, Kenya, Kyrgyz Republic, Macedonia, Mongolia, Mozambique, Sudan, Tajikistan and Uzbekistan.

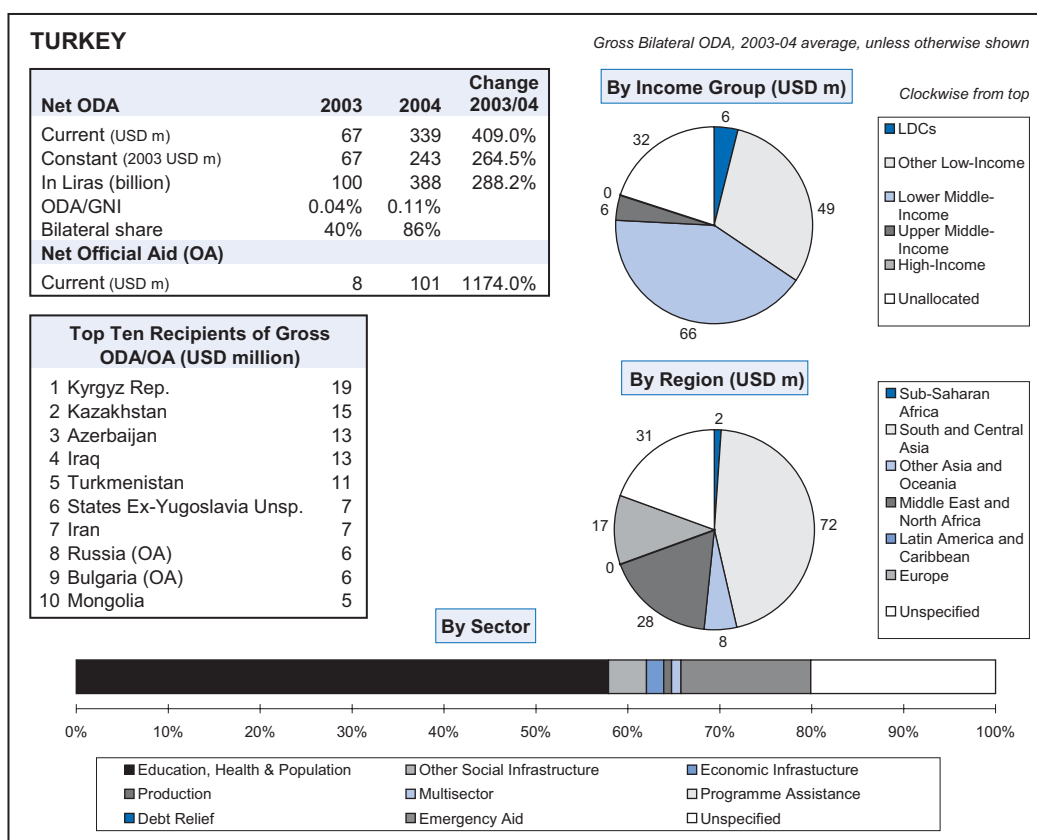
The Slovak Republic supports the MDGs by focusing on social infrastructure, including health and education, sustainable economic development and environment, and developing democratic institutions and a market economy. Future annual programmes will grow in line with the goal set by the European Council to achieve an ODA/GNI ratio of 0.17% in 2010.

Turkey

In 2004, Turkey's ODA increased to USD 339.2 million from USD 66.6 million in 2003. The ODA/GNI ratio rose from 0.04% to 0.11%. Turkey's reported OA rose from USD 7.9 million in 2003 to USD 100.5 million in 2004. The large increases stem from a major reform in Turkish reporting systems following their transfer to the Turkish International Co-operation Agency (TICA) in April 2005.

TICA is the principal body dealing with the administration of Turkish development aid. It is an autonomous technical co-operation organisation under the prime minister's department and promotes institutional development and the improvement of human resources in partner countries. Technical co-operation is provided in private sector development, agriculture, health, environment, taxation, banking, infrastructure, legislation and tourism.

To facilitate its overseas operations, TICA has opened field offices in 17 countries and regions: Afghanistan, Albania, Azerbaijan, Bosnia and Herzegovina, Ethiopia, Georgia, Kazakhstan, Serbia and Montenegro (Kosovo), Kyrgyz Republic, Macedonia, Moldova, Mongolia, the Palestinian Administered Areas, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.



Non-OECD donors

Estonia

In 2004, Estonia disbursed USD 4.9 million in ODA, of which USD 0.6 million was bilateral and the rest multilateral, with a USD 3.3 million contribution to the EC. OA flows amounted to over USD 3 million.

Estonia shares its reform experiences and practical knowledge with countries interested in learning from its know-how, mainly the Commonwealth of Independent States (CIS) and Balkan countries, including Albania, Armenia, Azerbaijan, Belarus, Georgia, Kyrgyz Republic, Moldova, Tajikistan and Ukraine. Fields of co-operation have included WTO accession negotiations, reforming a national health care system, and implementation of information technology in state administration. The aim of Estonian development co-operation is to ensure long-term stability and sustainable development in recipient countries.

Israel

Israel's ODA disbursements totalled USD 65.8 million in 2004, of which 87% were bilateral and 13% multilateral. Of bilateral aid, 50% went to Africa and 30% to Asia. Included in ODA reporting are 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 their countries of origin due to humanitarian, religious or political reasons.

Israel provides ODA through several ministries. The Centre for International Development Co-operation of Israel's Ministry of Foreign Affairs (MASHAV), provides guidance and training in Israel and abroad. Part of MASHAV's activities take place in co-operation with other countries and international institutions, or with their financial assistance in integrated regional projects. MASHAV's priorities are poverty alleviation, food security, empowerment of women and improvement of basic health and education services.

MASHAV operates an extensive training programme in fields such as agriculture; medicine and public health; science and technology; management and entrepreneurship; education; and economic, social, community and rural development.

Kuwait

After significant fluctuations in recent years, Kuwait's ODA increased in 2004 to reach USD 208.6 million.

The bulk of Kuwaiti aid focuses on Asia (USD 155.8 million), especially the Middle East and south and central Asia. Eighteen per cent of bilateral aid goes to Africa, with over half of this to north Africa. Europe, Oceania and America are also included in the Kuwaiti aid programme. Kuwait also provides some USD 24 million in multilateral ODA.

The Kuwait Fund for Arab Economic Development is charged with the disbursement of the country's bilateral ODA and also channelled resources to multilateral development institutions. It provides concessional loans and grants, the latter towards technical, economic and financial studies often in relation to development assistance investments. The partner countries which received the highest volume of loans in 2004 were Bahrain, Bangladesh, China, Egypt and Mauritania. The main grant recipients were in Afghanistan, Bahrain, and the Palestinian Administered Areas. The partners of the Kuwait Fund in recipient countries include central and regional governments, public utilities and other public institutions. The sectoral focus of the assistance is on infrastructure development in transport, agriculture and irrigation, water and sewerage, energy and social development.

Latvia

Latvia's total ODA in 2004 increased to USD 8.3 million, representing 0.06% of GNI. The increase was largely due to Latvia's accession to the EU. Approximately 97% of Latvia's ODA was disbursed through multilateral channels including the EC, UN agencies, the IMF, the International Bank for Reconstruction and Development (IBRD) and the International Organisation of Migration (IOM). Bilateral ODA was implemented through *ad hoc* technical assistance projects.

In 2004, bilateral assistance was mainly directed towards the Balkan countries (Albania, Bosnia and Herzegovina, Croatia and Macedonia [FYROM], Moldova and countries in south and central Asia [Georgia, Kazakhstan and Uzbekistan]). In addition humanitarian assistance was provided to Iran after the earthquake in Bam.

The year 2005 marks the first year for a separate budget for development. The Policy Plan for 2005 defines the main activity sectors for development co-operation: strengthening democratic civil society; promotion of national economic reforms; support for public administration and security system reforms; as well as providing technical assistance in the fields of environment protection, education, social work, health, domestic and judicial affairs. The priority recipient countries for Latvia are Belarus, Georgia, Moldova, Ukraine and Uzbekistan.

Lithuania

Lithuania's total 2004 ODA flows reached USD 9.08 million, consisting of USD 0.8 million bilateral and USD 8.28 million in multilateral flows, including a USD 7.09 million contribution to the EC development assistance budget. In addition, Lithuania's OA flows totalled USD 6.75 million, again with the bulk going to the EC.

Lithuania concentrates its bilateral development co-operation mainly on regional projects with the Balkans, Belarus, the Caucasus, the Kaliningrad Region, Moldova and Ukraine, but also has development assistance projects in Afghanistan and Iraq. Humanitarian assistance, provided in the case of natural disasters, is customarily delivered to countries in neighbouring regions and those most seriously affected.

Lithuania seeks to share with development partners its comparative advantage in having undergone political and economic reform. Development assistance efforts focus on the areas of democratisation, human rights, good governance, market reforms, justice and home affairs, European integration, health and social security, culture, education and environmental issues.

Saudi Arabia

Saudi Arabia has the largest known ODA programme among non-OECD donors. In 2004, it disbursed a total of USD 1.7 billion, of which the bulk was bilateral. Its ODA/GNI ratio was 0.69%.

The Saudi Fund is the main channel for Saudi Arabia's bilateral development assistance. The Fund maintains an independent financial status, managed by a Board of Directors which is chaired by the Minister of Finance. ODA is disbursed through soft loans provided directly to the governments of

partner countries. In conducting its concessional financing activities, the Saudi Fund places a strong emphasis on co-operating with other bilateral and multilateral development institutions and co-financing of programmes and projects. In 2004, priority was given to the social infrastructure sector, especially health and education. The Saudi Fund's new 2004 project commitments included Algeria, Ghana, Guinea, Jordan, Mauritania, Morocco, Rwanda, Sri Lanka, Tunisia and Yemen.

Chinese Taipei

In 2004, Chinese Taipei's ODA amounted to USD 421 million, of which the bulk was bilateral assistance. The strongest regional focus has been on Africa, followed by Latin America, the Caribbean, Asia and the Pacific.

Since 1996, Chinese Taipei's development assistance has been implemented through the International Co-operation and Development Fund (ICDF), which operates a three-year rolling programme for its international development activities. The assistance provided by the ICDF includes concessional lending, technical co-operation, human resource development and humanitarian assistance. In delivering its development assistance, Chinese Taipei supports a strategy of combining official assistance from the government with private assistance, and in the future intends to strengthen co-operation with NGOs. A particular focus is placed on public health and medical technology, as well as information and communication technology. Other areas of co-operation include macroeconomic policy formulation, small and medium-sized enterprise (SME) development, agriculture and vocational education.

Chapter 5

Technical Co-operation

Technical co-operation (TC) has always played a central role in aid programmes. It is, however, controversial. In fact, TC programmes have come under repeated criticism for being too costly, inappropriate to recipients' needs, or fostering dependency. In the past, donors have broadly assumed that they will promote capacity development, but reality has proved much more complex. This chapter explores the extent to which statistics – particularly DAC statistics on aid flows – can throw light on these controversies. It also flags recent proposals for improving the impact of TC, and outlines current DAC work to improve the data.

What is technical co-operation?

Development can be considered to have two broad strands. The first comprises physical infrastructure, including the buildings, utilities, transport and machinery necessary for production. The second consists of the skills and productive aptitudes available in the economy.

Technical co-operation (TC) addresses the second strand, and comprises activities designed to increase the capacity of developing countries. It can in turn be divided into two categories, since the increase can be achieved either through direct supply of skills from outside, or by efforts to enhance the capacities of the local population. DAC statistics on TC focus on these latter measures, and have thus been used as a proxy to measure capacity development. These concepts are compared in Box 5.1.

Technical co-operation and skills development

The main resources to develop skills in any society are domestic and include both formal systems of education and training and informal systems for passing on traditional knowledge. Formal education systems alone absorb nearly USD 300 billion annually from developing countries' own budgets – about 15 times the reported cost of TC funded from aid programmes. There is wide variation between countries, however. In some of the world's poorest countries, TC may even exceed governments' education spending, when valued at market exchange rates, as illustrated in Figure 5.1.

Employers are also key agents of skills development, partly through training courses but mainly through the broadening of knowledge and abilities which employment itself provides. This process is probably unquantifiable in any meaningful sense, and DAC statistics specifically abjure the task of estimating TC by private firms based in donor countries. Yet it is obvious that employment (primarily in the private sector, which accounts for the bulk of productive output) is the primary means by which skills are developed after formal education.

Components of technical co-operation

The main elements of donors' TC programmes are:

- Study assistance through scholarships and traineeships.
- Supply of personnel, including experts, teachers and volunteers, from the donor country, or funding of such personnel from the recipient country or other developing countries (South-South co-operation).
- Research on the problems of developing countries, including tropical crops and diseases.

These categories can overlap. For example, a developing country national could receive a scholarship to research a development problem under the supervision of a state-salaried professor at a research institute.

Box 5.1. Capacity, capacity development and technical co-operation

Capacity is the ability of people, organisations and society as a whole to manage their affairs successfully. This definition does not prescribe either development objectives or criteria for measuring their attainment, though aid donors focus mainly on the capacities necessary for achieving the MDGs and other development objectives.

Capacity development is the process by which people, organisations and society as a whole initiate, strengthen, create, adapt and maintain capacity over time.¹ This definition has largely replaced the term “capacity building”, with its implications of building something from nothing based on a preconceived design.

Donor support for capacity development aims to unleash, channel and strengthen existing potentials. Thus capacity is an outcome, whereas TC is an input. Capacity may also be developed through non-TC support, such as certain financial assistance programmes.

DAC data on TC spending provide the best available measure of donor inputs aimed at capacity development. Indeed, the 2005 Paris Declaration on Aid Effectiveness takes TC as a proxy for measuring progress towards more co-ordinated support for capacity development.² This is logical as DAC statistics only specifically record TC aimed at capacity development, known as “free standing” TC. “Investment related” TC, the supply of skills to support a physical project, is subsumed under project aid. DAC members’ internal definitions of TC may vary from this coverage, although they make efforts to adhere to this definition in their DAC reporting.³

The growing international consensus on the importance of capacity development reflects two inter-related observations:

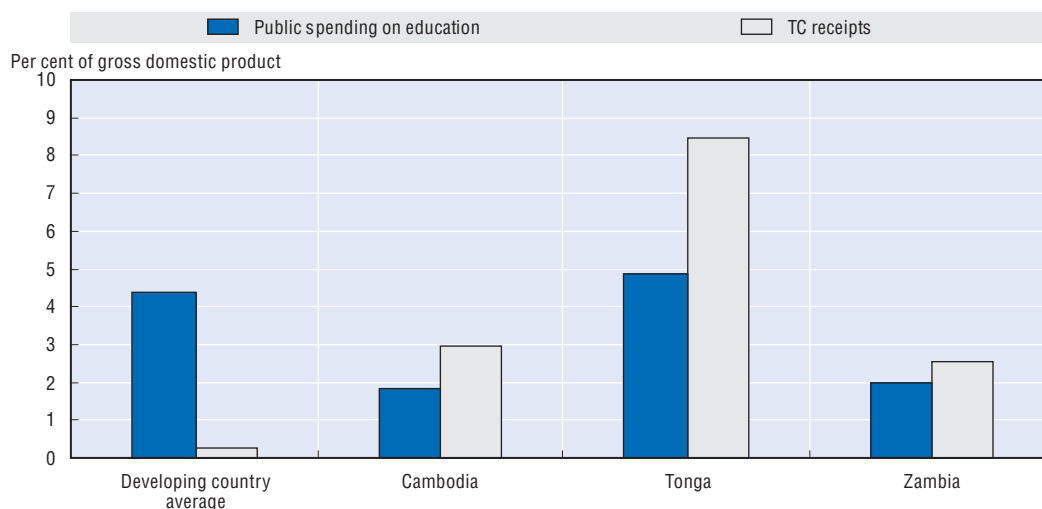
- Country capacity is the key to accelerating economic growth and reducing poverty. This applies to both generic capacities (e.g. planning and managing organisational changes and service improvements) and specific capacities in critical fields (e.g. public financial management or trade negotiation). Capacity in the public sector is often an important constraint on private enterprise and private sector capacity development.
- Country ownership is the cornerstone of contemporary thinking about aid and development effectiveness. Yet country ownership of policies and programmes assumes the capacity to exercise it. Ownership will not begin to emerge in the absence of sufficient local capacity.⁴

These observations are the foundation of recommendations to improve the impact of TC reflected in the Paris Declaration and a forthcoming DAC guide to good practice in capacity development.

1. OECD, *The Challenge of Capacity Development: Working Towards Good Practice*, forthcoming.
2. OECD (2005), Paris Declaration on Aid Effectiveness. See in particular Indicator 4.
3. Although the Creditor Reporting System provides the opportunity to report on other, “investment related” TC at the activity level, most members have had great difficulty in isolating these amounts. They must, nevertheless, be substantial, since the costs of skilled personnel remain a high share of most infrastructure projects even in donor countries. Thus “investment related” and “free standing” TC together account for about half of total official development assistance. For a review of the then-current definitions of TC in various agencies, see Eliot J. Berg (1993), *Rethinking Technical Co-operation: Reforms for Capacity Building in Africa*, UNDP, New York, pp. 42-47.
4. Francis Fukuyama argues that this tendency means that donors need to define capacity itself as the primary objective of all development assistance, rather than focusing on the services, infrastructure or other results that donors typically define as the targets of their support. See *State Building: Governance and World Order in the 21st Century*, Ithaca, NY, 2004, esp. pp. 82-91, 99-104.

Figure 5.1. **Technical co-operation exceeds education spending in some poor countries**

2001 data



Statlink: <http://dx.doi.org/10.1787/412801624437>

The boundaries of TC are also rather vague. Technical help is often an important component of infrastructure projects, which are not classified as TC in DAC statistics. On the other hand, equipment and supplies can form part of TC activities such as scientific research or capacity development in health or education.

Despite these definitional problems, DAC statistics can give a broad idea of the scale of TC funding. “Free standing” TC amounted to USD 19 billion in 2004 – accounting for about a quarter of total net ODA. The main types of TC were study assistance and the supply of experts, with development research playing a lesser role. About a third of TC is given in the form of capacity development projects.

Scholarships account for the bulk of expenditure on study assistance. There are almost as many traineeships, but since their duration is shorter, the costs are lower. Experts account for the lion’s share of spending on personnel, since there are more of them and they receive higher pay and ancillary benefits than teachers and volunteers.

Technical co-operation as a share of DAC donors’ programmes

The share of TC in donors’ programmes varies and although some of the variation is accounted for by differences in internal definitions, most of it is real, and an interesting pattern emerges. As Figure 5.2 shows, there is a loose but clear correlation between high per capita aid spending and low shares of TC. In other words, the more aid donors give, the less of it is in the form of technical help.

There are probably several factors behind this. First, the most generous donors in terms of ODA/GNI ratios are smaller, non-Anglophone countries. These countries tend to have fewer university courses that are immediately suitable for international students. Second, these donors tend to be strong advocates of moving away from TC and towards SWAPs or pooled funding arrangements that give recipients greater control over the

Box 5.2. Technical co-operation in historical perspective

Organised importation of technical skills started with the nation-building of the early modern era. Some aspects of these historical efforts prefigure contemporary issues in technical co-operation.

Among the first technically-oriented development schemes were those of Jean-Baptiste Colbert (1619-83), France's Secretary of State under Louis XIV, who aimed to raise national wealth by developing industries and exports. He imported skilled labour from across Europe to staff large new state-assisted enterprises: miners and metalworkers from Germany, copper-smelters from Liège, mirror-makers from Murano, hatters from Spain. Construction of the Palace of Versailles began in 1669 and new teaching and research institutes, including the Observatoire, were established. Colbert employed forceful methods against brain-drain: foreign workers who tried to return home were imprisoned, and French artisans who tried to emigrate faced the death penalty.

Another early example of TC was the construction of St Petersburg, which began in 1703. Peter the Great had worked and trained incognito in western Europe. He imported French and Italian architects to build the magnificent city on the Neva, which was to serve as centre of Russian naval power and a window to Western technology and culture.

Japan commenced its economic development from 1868 by importing Western machinery and hiring foreign experts to help build up its mining, steel-making, ship-building, transport and production industries. The enterprises were gradually privatised after 1885, forming the basis for the conglomerates, or *Zaibatsu*, which drove Japanese industrial expansion in the twentieth century. Since the 1960s, Japan has been a source of TC for many Asian countries.

Aid to increase developing countries' own intellectual potential was largely pioneered by private philanthropy, such as Rhodes and Fulbright scholarships. Private foundations, especially the Rockefeller and Ford foundations, also created agricultural research centres in developing countries, which were later expanded with public financing.

Decolonisation saw a rapid increase in government scholarship programmes for developing countries, including the Colombo Plan, and Commonwealth and Francophonie scholarships. These were primarily aimed at development but were also designed to build goodwill for the donor. Communist regimes responded with comparable schemes, including the creation in Moscow in 1960 of Friendship University, reserved exclusively for students from developing countries.¹

1. Friendship University illustrates the political motivations and the racial and social tensions often involved in TC programmes: "The Soviet authorities probably decided to establish Friendship University (later renamed Patrice Lumumba University) as a means of isolating the rambunctious foreign students [...] Khrushchev described it as a place where youths from the underdeveloped nations would find the knowledge and skills not yet available to them in their own countries". Khrushchev made the aims of the university clearer on opening day in October 1960: "We will not impose our views, our ideology, on any student. If you want to know my views, I'm a Communist, and I think Marxist Leninism the most progressive ideology. If some of you come to the conclusion that this ideology suits you, we shall not take offense". From the start, however, Africans called the new school "Apartheid U", a sardonic reference to South Africa's segregation policies. Their resentment rose even further when they learned that "white foreign students were permitted to attend Moscow State University, where they mixed freely with Russians", V. Lasky (1965), *The Ugly Russian*, New York, pp. 72-73. Consistent with South African precedent, "Apartheid U" applied a converse ban against whites, as a 1961 rejection letter to Lee Harvey Oswald makes clear (www.aarclibrary.org/publib/jfk/wc/wcvols/wh16/pdf/WH16_CE_72.pdf).

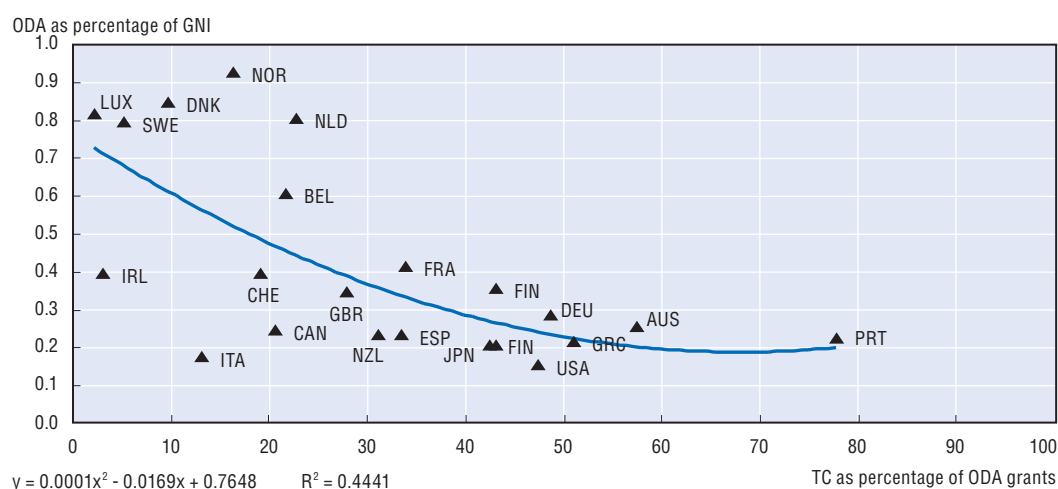
Box 5.2. Technical co-operation in historical perspective (cont.)

Recent years have seen an expansion of co-operation among developing or transition countries, with new aid programmes emerging in China, India, Thailand and Turkey, as well as in Central and Eastern Europe. There has also been some revival of the type of reciprocal arrangements practiced in the former Soviet bloc, whose members exchanged skills for commodities. A recent example is an agreement under which Cuba supplies doctors, medical training and teachers to Venezuela in return for oil supplies.²

TC has been responsible for some of the glories of civilization, but is also prey to recurrent problems: resentment of foreign experts, or foreign students, and the risk of transferring inappropriate technologies or indulging in uneconomic prestige projects. It is also noticeable that the main beneficiaries of TC – past and present – tend to be not the poorest countries, but those undergoing rapid transformation of their economies.

2. “Fidel Castros neue Freunde”, *Neue Zürcher Zeitung*, 26-27 March 2005.

Figure 5.2. **The more aid donors give, the smaller the share of technical co-operation**
2003 data



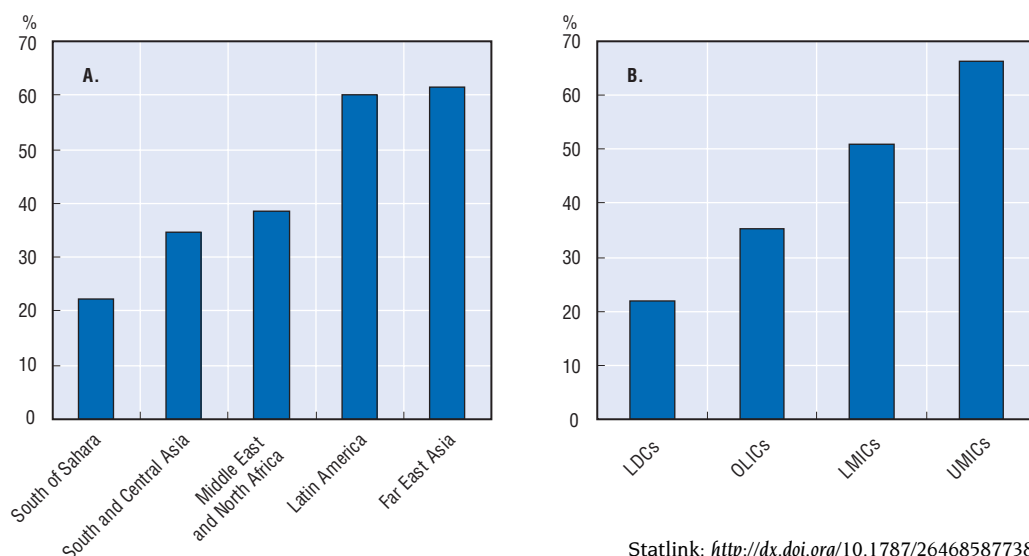
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disbursement of funds. Third, for historical reasons, the largest donors in volume terms tend to have more highly developed TC programmes, but low ODA/GNI ratios.

Technical co-operation by recipient

As noted above, it is only in the poorest countries, mainly in sub-Saharan Africa (SSA), that TC spending reaches levels comparable with public spending on education. It is also in these countries that shortages of skills, and hence the need to enhance and supplement them, are most acute. One might therefore imagine that TC forms a higher share of aid to such countries, but in fact the opposite is the case. As Figure 5.3 shows, SSA, and LDCs generally, receive the smallest shares of TC in their aid. This was not always the case.

Figure 5.3. **African and other poor countries receive the lowest shares of technical co-operation in their aid**



In 1970, SSA and LDCs both received nearly half their net ODA in the form of TC, double the average for developing countries as a whole.

There are many reasons for the collapse in the shares of TC in poor countries' aid receipts, but the fundamental one is absorptive capacity. The poorest countries lack the investment opportunities and resources to employ technical skills. As Figure 5.4a shows, their aid is concentrated on meeting emergencies, basic needs and severe financial difficulties, not on building human capital. Greater demand for technical expertise and training comes from countries undergoing rapid economic transformation and, as detailed in Box 5.1, history shows that this is a typical pattern.

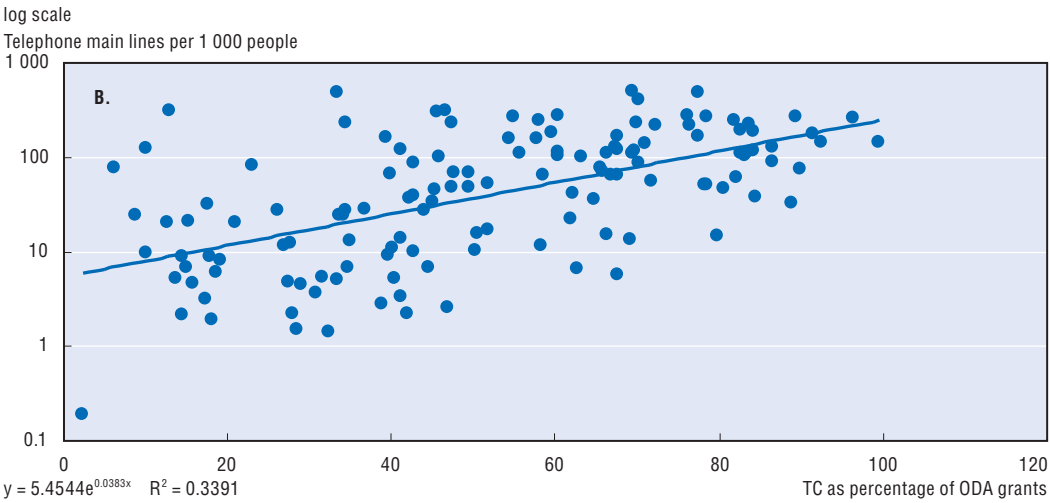
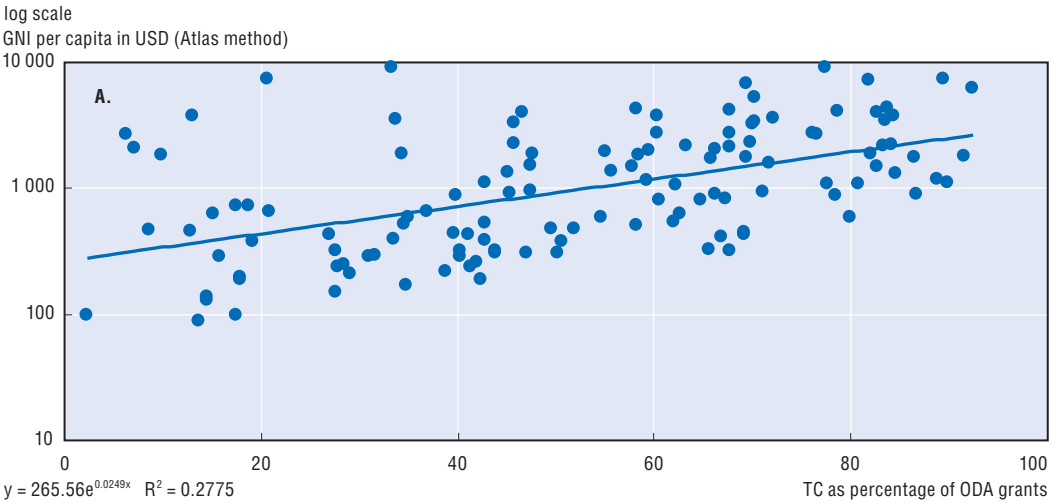
Critiques of technical co-operation

TC has long been controversial, with disaffection already apparent in the 1960s. A DAC review in 1968 observed that "Assessments already made invariably stress the need for better co-ordination of technical assistance at country level in order to use available resources effectively".¹ The 1969 Pearson Commission went further, claiming that "Experience indicates that technical assistance often develops a life of its own, little related either in donor or recipient countries to national or global development objectives".² The DAC review called for reform on educational and research programmes to focus more on local training institutions and less on scholarships for study in donor countries. This would help "[...] reduce the waste of domestic skilled manpower and underutilisation of domestic training institutions which exists in some developing countries, as well as [...] avoid the losses of such manpower through emigration to developed countries".³

Ironically, the category of TC that received the most favourable assessment in this early review has attracted the most criticism – namely the provision of foreign experts, particularly advisers and technical staff. Citing inadequate training facilities in many developing countries, the review saw a continuing need for "[...] substantial amounts of

Figure 5.4. **Better-off and more technologically developed countries receive higher shares of technical co-operation**

ODA data for 2003; GNI and telephone mainlines 2002 or latest available



Statlink: <http://dx.doi.org/10.1787/537622451320>

broadly based technical support”, and even recommended that “With regard to the supply of technical assistance personnel, much larger numbers should be forthcoming from those donor countries which are at present making a small effort relative to their stocks of domestic skills”.⁴

General assessments of the effectiveness of TC became increasingly negative over subsequent decades, especially with regard to the provision of experts, and various reorientations were proposed. A DAC meeting in 1986 focused on using TC to improve economic management capacity, especially through civil service reform and public management training.⁵ DAC Principles for New Orientations in Technical Co-operation agreed in 1991 emphasised capacity building, local ownership and the greater use of local

expertise and structures.⁶ DAC criteria published in 1999 stressed the need to integrate capacity development into donor agencies' day-to-day operations, especially at field level.⁷ These are still prime themes in more recent studies by international agencies and consultants.⁸ Their recommendations reflect perceived problem areas, namely the overall effectiveness of TC and the high costs of experts. A few statistical perspectives on these issues are offered below.

Effectiveness of technical co-operation

There is little data-based analysis of the overall effectiveness of TC as an aid instrument, whether in terms of cost/benefit, impact on growth, fiscal impact, or other financial measures. Nor have evaluations focused sufficiently on the impact of TC on incentives or organisational capability.

Moreover, the recent trend for TC to focus on institutional and capacity development may make it more difficult to quantify outputs. Many institutions, especially in the public sector, either lack specific outputs or contribute to an enabling environment that promotes many diverse outputs. Measuring their specific contribution in cost-benefit or other financial terms can become an artificial exercise.⁹ An outcome-based approach to monitoring TC for capacity development may be more practical.

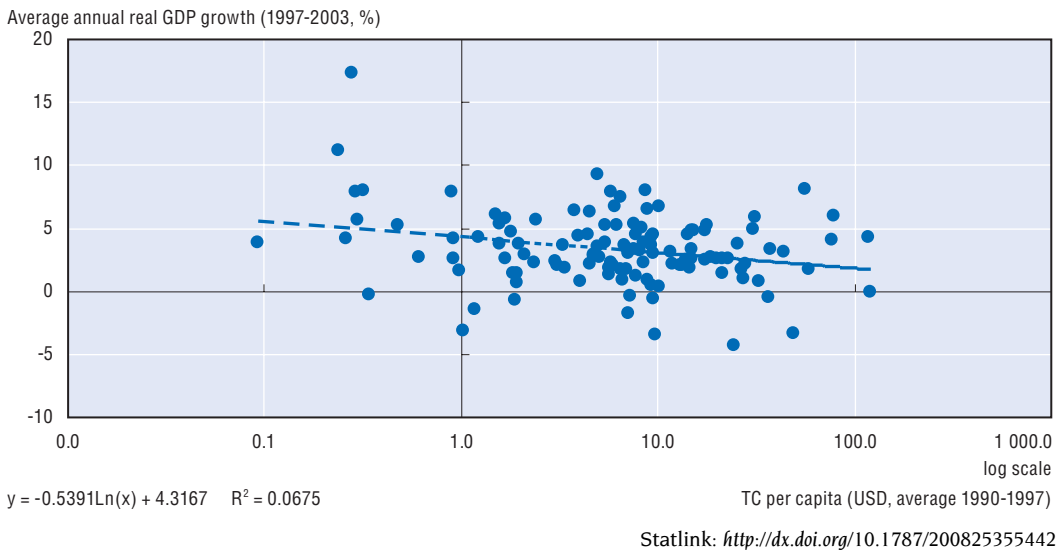
Most published assessments have concentrated on individual projects, and the timing and level of analysis varies enormously. Some of the most rigorous assessments have been done by multilateral development banks. These generally indicate a good success rate for TC projects, with key determinants of success including the degree of:

- Engagement by the recipient in terms of financial participation, detailed and continuing dialogue in project implementation, and shared understanding of project goals.
- Technical competence of experts. (By contrast, bilateral evaluations have often found that ability to adjust to the local customs and working environment may be more important than skill level).
- Professional supervision by the extending agency, including accompanying experts on planning missions and limiting staff turn-over so that the same case officer follows all phases of a project.¹⁰

Not all bilateral programmes have followed these criteria. For example, subsidies of private students' education costs through low tuition fees did not allow donor or recipient countries to set capacity development priorities. As a result, several DAC members have moved away from such schemes towards scholarship programmes where subsidies are directed to students based on assessment of country needs. Some critics also complain of a "donor-driven" provision of experts in programmes where commercial or political interests play a significant role.¹¹ Again, there is little hard statistical analysis of the impact of such flaws. This is not surprising as the success of TC depends on subtle interactions of qualitative factors such as individual competences, organisational capacity and institutional performance.

In searching for a statistical assessment of the effectiveness of TC, one might of course adopt the rather crude approach used in many general studies of aid effectiveness, and simply observe the correlation of TC with growth. In principle, one might expect a positive relationship since, as shown above, more developed recipients tend to receive higher shares of TC in their total aid. Is aid-funded TC therefore responsible for a significant share of the development they have already enjoyed?

Figure 5.5. **No significant correlation between technical co-operation receipts and economic growth**



Figures 5.4 and 5.5 suggest that the answer is probably “no”. Figure 5.4a plots recipients’ current national per capita income against their current shares of TC. As we have already observed in terms of broad regions and income groups, it shows a loose but clearly recognisable trend towards higher TC receipts in better-off recipients. The correlation improves slightly if we plot TC receipts against telephone coverage, a standard indicator of technological development,¹² as shown in Figure 5.4b.

But Figure 5.5 suggests that TC is unlikely to be a significant factor behind recipients’ growth performance. It plots TC receipts against subsequent growth rates for around 150 countries for which data are available and would show a positive relationship (rising trend line) if TC stimulates growth. In fact there is a (statistically insignificant) negative relationship so the contribution to growth of aid-funded TC appears negligible.

It is perhaps not surprising that TC does not seem to have a measurable impact on growth. First, the absolute amounts of TC are small – under USD 10 per head per year for most countries. Second, those receiving the highest TC per capita are small countries – often islands – whose possibilities for economic diversification and growth may be limited. Third, some recent analyses suggest that aid itself is not positively correlated with growth, though the point is disputed.¹³

The cost of technical co-operation

Perhaps the most important issue here is the costs TC imposes on recipients. These are almost impossible to calculate accurately, but in 1969 the Pearson Commission came up with some interesting estimates. It claimed that, for every USD 100 of donor TC spending, recipients were required to spend between USD 50 and nearly USD 140.¹⁴ The costs included part of the salaries of some experts themselves, salaries of counterpart staff, offices and accommodation, transport and general administrative assistance. The direct costs may be slightly lower today – for example, it is rare to ask recipient governments to contribute to salaries except in the case of volunteers who are paid only

Box 5.3. Technical co-operation by multilateral agencies

Multilateral agencies offer a wide variety of specialised TC to developing countries, in line with their particular mandates.

The IMF helps developing countries improve the functioning of their central banks, reform their tax and other revenue collection systems, and boost their data collection capacity by sending personnel and supplying long and short term experts, most of whom are current or former officials of the relevant government agencies. Responding to evident weaknesses in the international financial architecture, IMF help now focuses on preventing financial crises, improving financial stability in middle income countries, implementing debt relief and poverty reduction, and assisting post-conflict countries.¹

The World Bank and regional development banks provide technical help to develop, manage and monitor the development projects they fund. Both staff and outside experts are used. Some of them represent one of the few examples in the multilateral system of tied aid, since they may be financed by donor country trust funds reserved exclusively for experts who are donor nationals. Like the IMF, development banks have rigorous evaluation standards, but because of the integration of TC into the project process, it is difficult to establish performance criteria for TC alone. Indeed evaluations have suggested that development bank TC activities need to be better integrated with other bank support, and more closely monitored.²

Three funds and programmes (UNDP, UNICEF and UNFPA) account for the majority of the UN's TC. Specialised UN agencies have both a standard-setting and a TC role. The shares of TC vary widely: about three-quarters in the case of WHO, half for FAO, a quarter for UNESCO, etc.

The TC activities of UN bodies have been placed under considerable strain over recent decades. While core budgets of UN bodies have fallen, earmarked contributions for specific activities have increased, threatening the coherence and multilateral character of their efforts. The risks of fragmentation and overlap have increased as new bodies have been created to deal with emerging issues such as peace operations, environmental threats or new diseases, and as the international financial institutions have expanded their TC activities.

The recent Millennium Project report observed that UN bodies were now “[...] usually asked to focus on small pilot projects” and “[...] were not prepared to help countries scale up national programmes”. The report recommends setting up a UN technical support unit in each recipient country to assist host government implementation of poverty reduction strategies.³ The Millennium+5 Summit in September 2005 asked the UN Secretary-General to investigate proposals for more tightly managed entities in the field of development.⁴

The trend towards more specification and specialisation of activities has left gaps, and one of the avowed roles of TC has been to fill gaps in developing countries' expertise. In the multilateral system, this role has fallen to generalised agencies, especially the UNDP and to a lesser extent bodies such as the Commonwealth Fund for Technical Co-operation.

In the 1990s there was a trend away from gap-filling and towards providing policy advice. This was logical for recipients who had developed the capacity to recruit their own technical-level expertise, but has recently been felt to be somewhat premature for many least developed and small island states. In response, some agencies – including the Commonwealth Secretariat – have chosen to retain their gap-filling role, but tried to focus more sharply on strategic gaps in expertise that are creating development bottlenecks.

Box 5.3. Technical co-operation by multilateral agencies (cont.)

The gap-filling role of generalist multilateral agencies has been difficult to maintain in the face of persistent demands for more focus and strategic programming of such activities. Here, as in other aspects of aid work, the ideal of responding to recipient demands may conflict with management demands for strategic focus and programme predictability.

A welcome trend has been the increase in the use of consultants from developing countries that multilateral agencies have encouraged. The UN's unit on South-South co-operation and the Commonwealth Secretariat have shown that this can be a cost-effective way to both spread knowledge and build the professional skills and experience of developing country personnel. These examples, and the recent broadening of the DAC Recommendation on Untying Aid, may help to promote greater use of consultants from developing countries in DAC members' bilateral programmes.

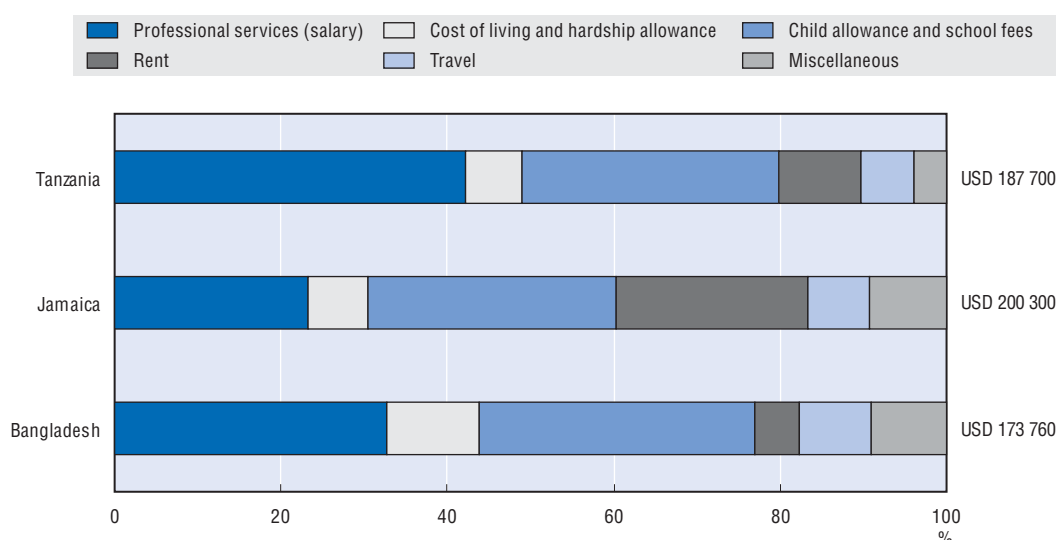
1. IMF (2005), *Evaluation of the Technical Assistance Provided by the International Monetary Fund*, IMF, Washington.
2. See, for example, World Bank (2005), *Capacity Building in Africa: An OED Evaluation of World Bank Support*, World Bank, Washington.
3. UN Millennium Project (2005), *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, UNDP, New York, pp. 194, 206.
4. UN General Assembly Resolution 60/1 [adopted 16 September 2005], 2005 World Summit Outcome, paragraph 169.

local salaries and benefits. Indirect costs of counterparts, offices and administration are probably still substantial, although there is very little hard data available.

A more frequent complaint is that TC is too expensive for the donor – or at least that it is an inefficient use of scarce donor resources. Indeed this is a recurrent theme in popular denunciations of aid,¹⁵ and criticism has intensified recently. The recent Millennium Project report excluded spending on developed country experts from its estimate of funding that supported the MDGs, and a recent study by the charity ActionAid protested at “[...] runaway spending on overpriced technical assistance from international consultants”,¹⁶ which it placed in a category of “phantom aid”. The ActionAid study claimed, among other things, that the total cost of 740 international advisors in Cambodia exceeded the wage bill for that country's 160 000 civil servants.

The high costs of expatriate experts result partly from professional fees, which are typically higher than those of comparable developing country experts. But research suggests that a larger part of the cost differential between expatriate and local expertise is due to non-salary costs. Figure 5.6 sets out the costs of three actual experts funded by a DAC member country and chosen as representative of TC costs in the recipient countries concerned. In each case, the cost of professional services provided by the expert is considerably less than the overheads involved in simply maintaining them in the recipient country rather than in their own country.

There can be no doubt that international consultancy services are far more expensive than recruiting similar services locally in developing countries. The problem, however, is that this local expertise may not be available at the level required to meet donors' requirements in terms of technical standards, conformity with policy objectives, financial accountability or sheer physical accessibility. Again the problem is particularly acute in the poorest countries, since these are likely to have the most limited numbers of local experts,

Figure 5.6. **Most spending on experts is not for their professional services**

Note: This graph shows the total annual costs of three aid-funded expatriate experts posted to the countries shown, broken down by type of cost.

Source: Data courtesy of DFID.

Statlink: <http://dx.doi.org/10.1787/603561834201>

and where low rates of remuneration provide an incentive for skilled personnel to emigrate to better-off countries. At the same time, the conditions of work in such countries are difficult and donors' costs in sending experts there are higher than in other countries.

A couple of examples may illustrate how costs tend to rise in inverse proportion to the income levels of recipient countries. The International Civil Service Commission establishes conditions for UN staff, including experts. Mobility and hardship allowances depend on length of service and difficulty of postings, and provide an additional amount of up to 46% of salary. Conditions also include assignment grants, removal and shipping costs, duty travel expenses, rent subsidies, post adjustments, medical costs, dependants' allowances, children's educational costs, pension contributions, home leave fares and hazard pay.¹⁷ In the most difficult locations, the costs of expatriate expertise can rise to surprising levels. When Australia posted civil servants from various departments to assist the government of Papua New Guinea in 2004, the total bill for some of them reached over USD 500 000 annually – almost 10 times their gross pay at home.

Such costs seem excessive. Whether they can be justified depends on how effective the experts are at improving the performance of the sectors in which they work. There is also a spin-off in the form of contributions to the local economy. While it is often assumed that donor country experts spend practically all their incomes in their home country or on imported goods, some of the costs associated with such "tied" expertise are actually tied to procurement in the recipient country, *e.g.* office and residential rents, salaries of local support staff, security costs, utilities, local schooling, medical bills and local travel. Even so, such "spin-off" effects are unlikely to significantly boost capacity development.

An often-proposed method for reducing the donor's costs for TC, thus freeing scarce resources for other aid activities, is to place funds at the disposal of recipient countries and allow them to recruit whom they wish.¹⁸ Theory suggests that this is more economical, since recipients have an incentive only to resort to international recruitment when

qualified personnel are not available locally or regionally. Whether it is practicable depends on a number of factors, including the transparency and fairness of recipients' recruitment procedures and their ability to take over financial responsibility for the expertise in the medium term.

But perhaps the greatest benefit of more local recruitment is that by raising effective demand for professional services in developing countries, it would also tend to reduce the incentives for qualified personnel to leave those countries. This raises a perennial issue in TC programmes, to which we must now turn.

Brain drain

The problem of brain drain epitomises the difficulties and paradoxes of TC. On the one hand, the lack of skills in developing countries is precisely the problem that TC is supposed to address. On the other hand, it may make things worse. Scholarships for study in donor countries can lure the brightest students to the developed world, where they may settle. Hiring expatriate experts can inhibit the development of local professionals. Even hiring locals to work on aid projects can reduce the pool of local expertise available for other purposes, and encourage locals to join an internationally mobile labour force. In all these cases, individual interests can run contrary to national development.

While it would be futile to stand in the way of individual interests, one could work to reduce the disparities which make emigration to advanced economies so attractive to skilled and talented people from developing countries. However, most of the action governments can take in this direction again involve TC of some kind. Among the measures suggested by previous DAC work are:

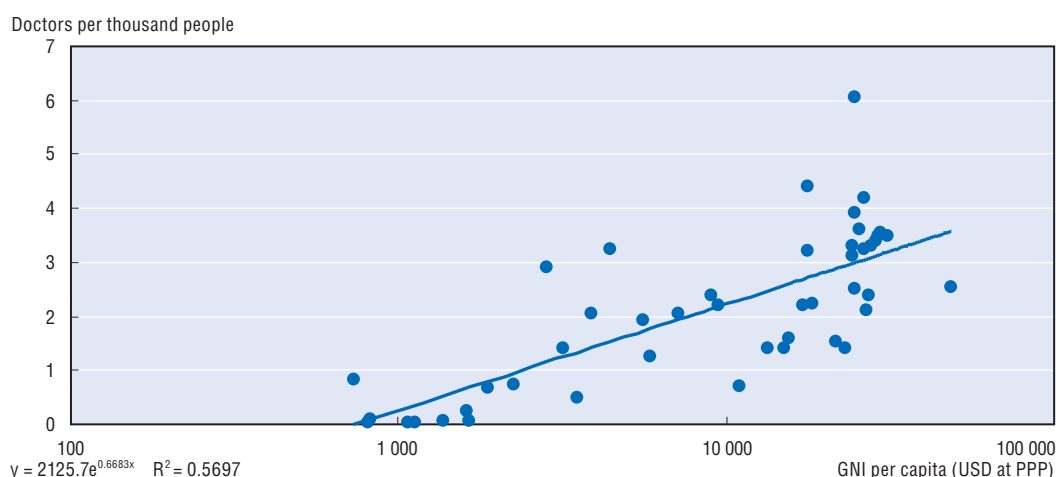
- Improving the local educational system and institutions.
- Ensuring that individuals that have benefited from training use their skills in their home country.
- Ensuring that counterparts are fully equipped to take over from expatriate experts.¹⁹

A recent report in *The Lancet* gave point to these suggestions by examining the emigration of health professionals from SSA. It highlighted problems on each of the above counts:

- A quarter of SSA countries have no medical schools, and half have only one.
- Over half the doctors trained in some SSA countries have left.
- Doctors imported from other poor countries, *e.g.* Cuba, require interpreting assistance and drain resources from training locals.²⁰

Thus, efforts to restrict the outflow of critical expertise from developing countries need to address a wide range of problems. In the case of doctors and nurses from SSA, the *Lancet* study first recommended increasing medical training in the UK, to reduce the skills shortages there that are “sucking in” professionals from other countries. Other measures included tightening visa control of medical students from “proscribed”²¹ countries, and bonding schemes under which health professionals must promise to work in their home countries for a specified period after completing their studies.

While such measures may be useful, they perhaps neglect the core of the problem of brain drain, which is the huge disparity in income of skilled professionals between the poorest and richest countries. Regardless of measures taken to train or retain doctors and other professionals in developing countries, perhaps the greatest contribution to

Figure 5.7. **Richer countries have more doctors per head**¹

1. The data are for 2001 and cover 44 countries. These are all the countries for which both series are available in the current online edition of the World Bank's World Development Indicators, excluding Communist and former Communist countries. The latter countries, during Communist rule, trained many more doctors than did market economies with comparable levels of per capita income; Cuba still does.

Statlink: <http://dx.doi.org/10.1787/001123754217>

increasing the availability of their services would be to improve the growth performances of their home economies. As Figure 5.7 shows, per capita income alone explains 57% of the variance in the number of doctors between countries.

On the other hand recent studies emphasise the benefits of the increasing international mobility of skilled labour because of the contribution this makes to economic growth and personal advancement. Developing countries also benefit from this flow financially through the steady growth of remittances from their nationals working abroad. But in the case of the medical professional, it is unlikely that this compensates for the loss of expertise at home. Some African countries have fewer than five doctors per hundred thousand population – compared with typical rates of 200-400 in developed countries. This severely constrains health provision.²²

The future of technical co-operation

As we have seen, TC remains a controversial aspect of development co-operation. Two broad approaches have been proposed for improving its effectiveness. The first is to reform TC mechanisms and modalities so as to better support capacity development. In this regard, suggestions have been made by various studies to:

- Make contributions in the form of cash to recipients, and let them recruit and manage experts, provided appropriate management systems are in place.
- Ensure that experts' terms of reference meet the needs of partner countries.
- Better integrate TC within national development strategies.²³
- Pool TC among donors to ensure greater coherence and co-ordination.²⁴
- Concentrate on strengthening national institutions rather than offering scholarships for study in donor countries, or creating stand-alone project implementation units.²⁵

The common thread in all these approaches is to bring TC under more direct control by the recipient and thus to make it more responsive to recipients' real needs. This strategy also recognises that development success depends largely on the governance capacity of recipients, including their ability to monitor and implement their development programmes, and managing public finances.

The second approach to improving the effectiveness of TC focuses on sectors rather than mechanisms. In answer to the question whether there were common factors in the successes of TC, the 1994 *Human Development Report* observed that:

"[...] the best projects and programmes have involved well-defined and established technologies that have remained relatively free of changes in developmental theory and fashion. These include civil aviation, meteorology, plant protection, various types of education (particularly vocational training) and the eradication of such diseases as malaria."²⁶

Pessimists might observe that even these specific areas seem to have become increasingly subject to fashions and ideologies since the passage was written. But the basic point remains that significant progress can be made using well-understood and well-tested interventions, provided these are adapted to specific needs.

A recent Millennium Project report on innovation²⁷ reiterates the importance of applying existing knowledge, but also calls for greater use of "platform technologies" that have the potential for broad applications or impact on an economy. In particular, it suggests a focus on information and communications technology and biotechnology, as well as research on nanotechnology and new materials. The report also advocates:

- Developing the infrastructure required to introduce better technology, especially electricity, transport and telecommunications.
- Refocusing on higher education, particularly to improve co-operation between universities and industry.
- Government incentives and concessions to encourage innovation, improve the export potential and broader international links of businesses, and attract foreign direct investment.
- Improving advice to governments on technology, limiting the adverse effects of regulation, and promoting open access to scientific publications.

The emphasis in these recommendations on technology, physical infrastructure, higher education, and the role of the private sector marks a considerable break with earlier UN advice to concentrate on basic human needs in the social sectors. Indeed the authors go so far as to portray themselves as "disturber(s) of natural religion" and insist that implementing their recommendations will require intellectual courage.²⁸

In many ways, however, these recommendations are no more than common sense. Improving techniques and productivity are two key factors for development, and the most effective way of enhancing them is to build on existing skills, institutions and economic structures. Current DAC work on capacity development and the Paris Declaration show that the donor community is taking this challenge seriously and is seeking to improve its performance.

Box 5.4. Improving data on technical co-operation

Policymakers' interest in TC data has sharpened recently. At the spring 2005 meeting of the Development Committee, outgoing World Bank President Wolfensohn referred to the lack of transparency and detailed accounting of this roughly USD 20 billion annual expenditure, and the Chair of the Committee, Finance Minister Trevor Manuel of South Africa, asked the DAC Chair, Richard Manning, to investigate the possibilities of improving data quality and usefulness. Mr. Manuel subsequently repeated his call for better TC data at a meeting of ECOSOC.

Obtaining internationally comparable data on TC is indeed difficult. The number of TC parameters recorded in DAC aggregate data has been reduced on several occasions over the past decade. Members have had difficulties in reporting, for example, the number of persons benefiting from scholarships and traineeships or the number of experts employed, or measuring the latter's contribution in person-months. Such data collections are time-consuming and costly due to the fact that the administration of TC programmes is highly decentralised. In capitals numerous ministries are involved, and if training is carried out in developing countries data need to be collected through embassies.

Data on TC expenditure have improved, by contrast, over the last few years. At present all DAC members report complete data on their TC allocations and expenditure to the CRS Aid Activity database. Data are thus available on the sectoral and geographical breakdown of TC. Most data are reported at the activity level, so descriptive information exists too. This can be used to identify different forms of assistance, *e.g.* scholarships, traineeships, long- and short-term experts, research projects.

The 2005 meeting of the DAC Working Party on Statistics discussed how to improve the detail of TC in DAC statistics to respond to the policy demands. It tasked the Secretariat to produce a statistical overview of DAC members' TC programmes on the basis of members' reporting in the CRS. In practice this implies examining all activities reported as TC for 2003 and assigning them to sub-categories so as to estimate amounts spent on:

- Feasibility studies.
- Consultancies and advisory services.
- Institution and capacity building ("project-type" TC).
- Developmentally oriented cultural programmes.
- Research and scientific co-operation.
- Student programmes, including scholarships, fee subsidies and university co-operation.
- Volunteers.
- Evaluations, monitoring reports and other activity management activities.
- TC through multilateral agencies and NGOs.

Work is under way. As of 30 November 2005 data for 15 members (about 45% of the total amount of TC extended in 2003) has been categorised. First results indicated that the bulk of TC is allocated to multi-year capacity building activities in specific sectors and recipient countries. Student programmes remain important for some members, absorbing up to 50% of their total TC expenditure, but at the total DAC level the share is likely to be less than 20%. The data also show that DAC members finance a huge number of short-term training courses and seminars in developing countries but, in total, these represent only a few per cent of total TC spending as do developmentally oriented cultural programmes, such as language training. Amounts spent on research and university co-operation are relatively small for most members although there are a few exceptions.

Box 5.4. Improving data on technical co-operation (cont.)

The overview will be completed shortly. The Working Party on Statistics will consider its findings in its meetings in 2006. One issue is whether there is scope for introducing a new breakdown of TC in DAC statistics to easily identify at least some of the above categories. There will also be discussions concerning the definition of TC and its link to capacity development.

Perhaps the largest problem in measuring TC is that there is no objective measure of its value to the recipient or its impact on capacity development. Data can only be compiled on expenditure. Assessing whether the expenditure was worthwhile requires careful analysis and a degree of speculation as to what might have happened in its absence.

Nevertheless, the information obtained through the above statistical overview may be relevant when analysing success factors, *e.g.* by comparing assistance in the form of a discrete project with that given as part of a long-term programme to a particular sector. By contrast, the overview will not touch upon other important variables such as whether procurement of TC services is tied to procurement in the donor country, whether counterparts are being trained, and whether the recipient government is contributing to costs or directly managing the assistance. The basic limitation remains that DAC statistics measure donors' efforts and cannot be directly used to assess outcomes or efficiency. While current work to improve data on TC is no exception in this regard, it should still contribute greatly to increasing the transparency of aid flows.

Notes

1. OECD (1968), *Technical Assistance and the Needs of Developing Countries: Report of an Expert Group of the Development Assistance Committee*, OECD, Paris, p. 36.
2. Pearson, L.B. (Chairman) (1969), *Partners in Development: Report of the Commission on International Development*, New York and London, p. 180.
3. *Technical Assistance and the Needs of Developing Countries*, *op. cit.*, pp. 36-38.
4. *Ibid.*, p. 37.
5. OECD (1986), *Development Co-operation Report*, OECD, Paris, pp. 123-136.
6. These points were reinforced at a major OECD/UNDP/World Bank seminar in 1994. See OECD (1994), *Development Co-operation Report*, OECD, Paris, pp. 20-25.
7. See OECD (1999), "Criteria for Donor Agencies' Self-Assessment in Capacity Development", available at www.impactalliance.org/ev_en.php?ID=4045_201&ID2=DO_TOPIC.
8. Williams, G. et al. (2003), *A Vision for the Future of Technical Assistance in the International Development System*, Oxford Policy Management, Oxford, and references therein, available at www.opml.co.uk/docs/ACF5400.pdf.
9. The problems are discussed at various points in an interesting paper by G. McMahon (1997), "Applying Economic Analysis to Technical Assistance Projects", World Bank, Washington.
10. These points emerge from the unpublished documentation from a meeting of the Evaluation Co-operation Group of the Multilateral Development Banks held in London on 16 March 2005.
11. *A Vision for the Future of Technical Assistance in the International Development System*, pp. 13-14.
12. The graph plots fixed telephone lines only. The correlation coefficient falls if mobile phones are either added or plotted separately against the share of TC. This confirms the view that mobile phone use is expanding rapidly in most countries, irrespective of their previous levels of telephone service.

13. Rajan, R. and A. Subramanian (2005), "Aid and Growth: What Does the Cross-Country Evidence Really Show?" Working Paper 05/127, IMF, Washington, (available at www.imf.org/external/pubs/ft/wp/2005/wp05127.pdf). T. Ovaska (2005), *More Aid Less Growth*, Globalisation Institute, London, (available at www.globalizationinstitute.org/publications/moreaidlessgrowth.pdf). F. Erixson (2005), *Aid and Development: Will it work this time?*, London, esp. pp. 8-15. The contention that aid is not a significant growth factor goes back at least to P.T. Bauer (1971), *Dissent on Development*, Cambridge, Mass., who stated that: "Economic achievement depends primarily on people's abilities and attitudes and also on their social and political institutions. Differences in these determinants or factors largely explain differences in levels of economic achievement and rates of material progress." During the 1990s, P. Boone argued that aid has no effect on growth because it supports consumption rather than investment (see e.g. "Politics and the effectiveness of foreign aid", *European Economic Review* 40, pp. 289-329). In 1998, D. Dollar countered that aid did boost growth, but only when the recipient had sound macroeconomic policies ("Assessing Aid", World Bank, Washington). In 1999, W. Easterly counter-claimed that data showed neither that aid boosted investment in developing countries, nor that investment boosted growth ("The Ghost of the Financing Gap: Testing the Growth Model Used in the International Financial Institutions", *Journal of Development Economics*, Vol. 60, No. 2, pp. 423-438). In 2001, C.J. Dalgaard and H. Hansen challenged both Dollar and Easterly, concluding that aid did improve per capita income, but that giving it to countries with good policies reduced growth by undermining the beneficial effects of the policies ("On Aid, Growth and Good Policies", *Journal of Development Studies*, Vol. 37, No. 6). In 2004, M.A. Clemens, S. Radelet and R. Bhavnani claimed to have identified a positive growth contribution from aid given as budget support or to finance infrastructure or production ("Counting Chickens when they Hatch: The Short-term Effect of Aid on Growth", *Centre for Global Development Working Paper No. 44*, Washington). An updated version of their paper is available online at www.imf.org/external/pubs/ft/fandd/2005/09/radelet.htm. The debate is likely to continue.
14. *Partners in Development*, op. cit., pp. 182-83.
15. See, for example, UNDP (1963), "Technical Co-operation's High Cost in Africa", *Human Development Report*, UNDP, New York, esp. Box 1.4, p. 20; *ibid.* (1994) "Why Failed Economists Visit", p. 80, esp. Box 4.9. Also G. Hancock (1989), *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business*, New York.
16. ActionAid (2005), *Real Aid: An Agenda for Making Aid Work*, ActionAid, UK, www.actionaid.org.uk/wps/content/documents/real_aid.pdf, esp. p. 22.
17. The conditions are detailed in reports of the Commission at <http://icsc.un.org>.
18. The case is forcefully made in various UNDP Human Development Report, e.g. *Human Development Reports* (1994), p. 80; also *Real Aid*, op. cit., pp. 22, 53.
19. See e.g. OECD (1992), "Principles for New Orientations in Technical Co-operation", Section III, in *DAC Principles for Effective Aid*, OECD, Paris, pp. 59-63.
20. Eastwood, J.B. et al. (2005), "Loss of Health Professionals from sub-Saharan Africa: The Pivotal Role of the UK", *The Lancet*, Vol. 365, pp. 1893-1900.
21. "Proscribed" countries are those on a list of developing countries short of doctors and nurses in which the UK National Health Service is barred from launching recruitment campaigns.
22. On the consequences of international health professional mobility, see UNCTAD (1997), *International Trade in Health Services: Difficulties and Opportunities for Developing Countries*, Ref: TD/B/COM.1/EM.1/2, UNCTAD, Geneva and World Bank (1993), "Investing in Health", *World Development Report*, World Bank, Washington, especially Box 6.1, p. 141. For more recent perspectives on the impact of remittances see OECD (2005), *Migration, Remittances and Development*, OECD, Paris.
23. Such integration is sought by Target 4 of the Paris Declaration on Aid Effectiveness.
24. See, for example, H. Baser and P. Morgan (2001), "The Pooling of Technical Assistance: An Overview Based on Field Experience in Six African Countries", *European Centre for Development Policy Management (ECDPM) Synthesis Paper*, ECDPM, Maastricht.
25. The Paris Declaration calls for a two-thirds reduction in parallel project implementation units by 2010.
26. UNDP (1994), *Human Development Report*, op. cit., pp. 79-80.
27. Juma C. and L. Yee-Cheong (2005), *Innovation: Applying Knowledge in Development*, UN Millennium Project, London and Stirling, Virginia, pp. 47-76.
28. *Ibid.*, page xiv.

The DAC at Work

Development Assistance Committee

The OECD's Development Assistance Committee (DAC) is the key forum in which the major bilateral donors work together to co-ordinate development co-operation and to increase the effectiveness of their efforts to support sustainable development.

Within the OECD, the DAC is one of the main committees. The DAC, however, has three distinctive features. First, it meets more frequently than other OECD committees (about 15 times a year) and the Chair is based at OECD headquarters. Second, the DAC has the power to make binding 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 holds an annual High Level Meeting in which participants are ministers or heads of aid agencies. Once a year, a Senior Level Meeting is also convened at the OECD to review the Committee's work on current policy issues. Ordinary DAC meetings are attended by Paris-based delegates of DAC members and by officials from member capitals.

The DAC's mission

The mandate of the DAC (which is shown on the next page) has been unchanged from its inception in 1961. The mission of the DAC can be described as follows:

- Be the leading source of good practice and review on priority development issues.
- Mobilise more ODA financing for development, especially for poverty reduction.
- Be the definitive source of statistics on the global development co-operation effort.
- Help change behaviour in the international aid system to increase the effectiveness of aid, including by making it more aligned, harmonised, results-focused and untied.
- Develop effective ways to assist poor-performing, conflict-prone countries.
- Support increased attention by OECD members, and within OECD, to policy coherence for development.

Mandate of the Development Assistance Committee

(Paragraph 14 of the Report by the Preparatory Committee)

As decided by the Ministerial Resolution of 23 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.

Key activities of the DAC

The DAC contributes to the efforts of its 23 members to co-ordinate and increase effectiveness of development co-operation through the following principal areas:

The DAC provides a **forum for dialogue**, exchange of experience and builds international consensus on policy and management issues of interest to members. Specific themes emerge from DAC meetings, the Senior and High Level Meetings, subsidiary body meetings, as well as from the bi-annual work programme.

- For example, the DAC works intensively to increase aid effectiveness by forming an international partnership around principles of country ownership, donor harmonisation and alignment, results orientation, and mutual accountability. In March 2005 a major goal was attained when 116 bilateral and multilateral donors, as well as partner countries, endorsed the **Paris Declaration on Aid Effectiveness**. The DAC has now established a group to co-ordinate the international monitoring of indicators and targets related to the Paris Declaration. Chapter 3 of this report provides further details. A specific area is the implementation of the DAC Recommendation on Untying Aid to Least Developed Countries, 2001.
- Another example is the DAC's work on facilitating co-ordination among bilateral and multilateral donors to improve aid effectiveness in **fragile states**. The aim is to help increase the focus of donor assistance on countries struggling with weak governance or violent conflict and thereby avoid the "cost of neglect". In 2005, DAC members agreed to pilot the draft Principles for Good International Engagement in Fragile States in nine countries. This is supported by work on "all of government approaches" and monitoring resource flows to fragile states. Improved understanding of successful service delivery in health, education, water, and security in fragile states is also being pursued.
- A third example is the DAC's work on **economic growth and poverty reduction**. The aim is to improve the basis for economic growth in developing countries and to integrate the poor into the growth process. In that way, the poor can both contribute to growth and benefit from it (pro-poor growth). Specific areas of attention are: agriculture, private sector development, and infrastructure. Linked to this is the DAC's work on aid for trade, to strengthen trade-led growth and poverty reduction, and on investment, to increase the effectiveness of ODA support.

The DAC collects **statistics on ODA and other resource flows** to developing countries, which are principally based on reporting by DAC members, but also include those by multilateral agencies. Every April, it releases preliminary ODA statistics and ODA/GNI ratios of members for the previous calendar year, which gives rise to major international press coverage. The DAC also oversees the collection, publication and maintenance of a free on-line database of ODA and other statistics, including activity-level data and project descriptions, complemented by policy markers on gender, environment, and other issues. ODA definitions are constantly reviewed by DAC members, and work is currently underway to reform reporting of humanitarian aid. In 2005, the DAC issued a revised List of ODA Recipients which improves transparency by focusing only on low- and middle-income countries outside the G8 and EU. The DAC has also been tracking its members' plans to scale up ODA to 2010, and has published the resulting projections on its website. A press release issued at the end of 2005 took stock of the fulfilment to date of members' pledges for the Asian tsunami disaster.

The DAC promotes the continuous improvement of donor behaviour through periodic **Peer Reviews**. The process facilitates common learning and enhances individual member accountability in key areas of development co-operation. The review, which usually occurs once every four years for each member, examines ODA volume and resource allocation trends, how the co-operation programme is managed, and how DAC policy guidance is applied. DAC Peer Reviews in 2005 covered Belgium, Germany, Switzerland, Sweden, and New Zealand. Plans for 2006 include reviews for Greece, Netherlands, Portugal, the United Kingdom and the United States. All Peer Reviews now systematically include a chapter on policy coherence for development and an annex on humanitarian assistance. Chapter 4 of this report provides further details on the reviews conducted in 2005.

The Development Assistance Committee Representatives in 2005 (as at 31 December 2005)

Chair and Vice-chairs of the DAC

Mr. Richard MANNING, Chair (United Kingdom)

Mr. Pierre GIROUX, Vice-chair (Canada)

Ms. Anne-Marie CALLAN, Vice-chair (Ireland)

Mr. Jeroen VERHEUL, Vice-chair (Netherlands)

Country	Name
Australia	Mr. Peter WADDELL-WOOD
Austria	Ms. Maria ROTHEISER-SCOTTI
Belgium	Mr. Guy BERINGHS
Canada	Mr. Pierre GIROUX
Denmark	Mr. Ole CHRISTOFFERSEN
European Commission	Mr. Franco CONZATO
Finland	Ms. Pirkko-Liisa KYÖSTILÄ
France	Mr. Dominique BOCQUET
Germany	Mr. Josef FUELLENBACH
Greece	Ms. Alexandra MAKRI
Ireland	Ms. Anne-Marie CALLAN
Italy	Mr. Fabio CASSESE
Japan	Mr. Hironori SHIBATA
Luxembourg	Mr. Christian BIEVER
Netherlands	Mr. Jeroen VERHEUL
New Zealand	Ms. Stephanie LEE
Norway	Ms. Kristin LANGSHOLT
Portugal	Mr. Paulo VIZEU PINHEIRO
Spain	Mr. José Manuel ALBARES
Sweden	Ms. Kristin PÅLSSON
Switzerland	Mr. Anton STADLER
United Kingdom	Mr. David BENDOR
United States	Mr. George CARNER

Observers to the DAC

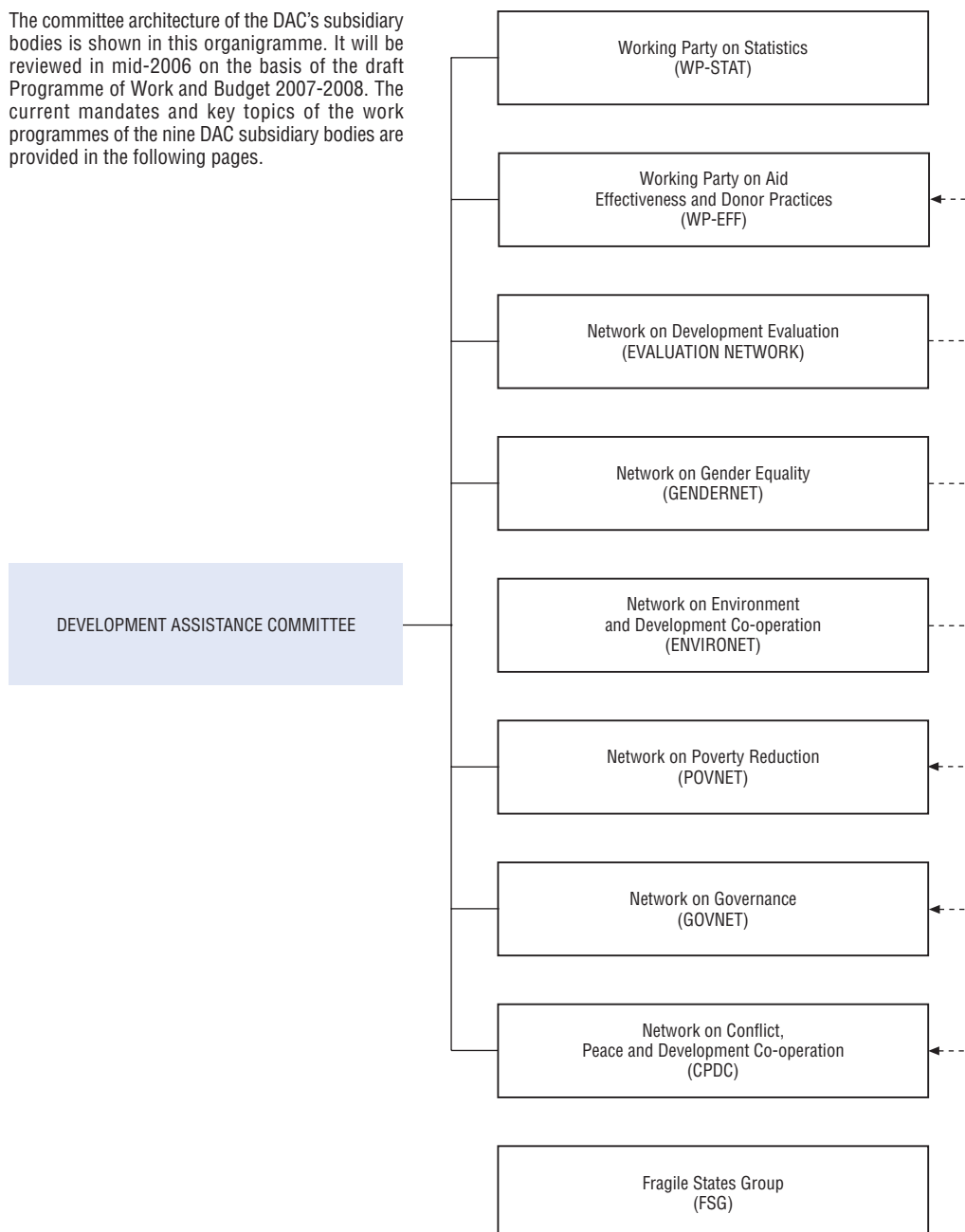
IMF	Ms. Sonia BRUNSCHWIG
UNDP	Mr. Luc FRANZONI
World Bank	Mr. Brian NGO

Other OECD Delegates

Czech Republic	Mr. Michal KAPLAN
Hungary	Mr. Sándor SIMON
Iceland	Mr. Jón JÓHANNESSEN
Korea	Mr. Jungsoo DOO
Mexico	Mr. Gerardo BRACHO Y CARPIZO
Poland	Mr. Michal RUSINSKI
Slovak Republic	Mr. Libor GULA
Turkey	Mr. Cengiz Kamil FIRAT

The DAC's Subsidiary Bodies

The committee architecture of the DAC's subsidiary bodies is shown in this organigramme. It will be reviewed in mid-2006 on the basis of the draft Programme of Work and Budget 2007-2008. The current mandates and key topics of the work programmes of the nine DAC subsidiary bodies are provided in the following pages.



A dotted line indicates ex-officio membership of the Chair of a subsidiary body in another subsidiary body (being indicated by an arrow).

DAC Subsidiary Bodies' Mandates and Work Programmes

DAC Working Party on Statistics (WP-STAT)

Date created	1968
Duration	Current mandate through 2006
Chair	Mr. Fritz Meijndert (Netherlands)
Vice-chairs	Mr. Geert Deserranno (Belgium); Ms. Hedwig Riegler (Austria)
Mandate	The mandate of the DAC Working Party on Statistics is to keep under review and propose improvements in the statistical reporting of resource flows to developing and transition countries and multilateral agencies. It makes recommendations to the DAC about: ODA eligibility; guidelines and definitions for reporting; data comparability; and the use of DAC statistics. It proposes, for decision by the DAC, amendments to the statistical reporting directives; deals with related subjects referred to it by the DAC; and reports to the DAC as appropriate.

Key Topics in the Work Programme for 2005-2006

Maintain and improve DAC's regular statistical products and better meet user requirements. Co-operate with members and UN on MDG reporting. Routine updates to Statistical Reporting Directives.

Statistical policy issues – update policy relevance and timeliness of data collections; DAC List; Clean Development Mechanism; innovative financing mechanisms.

Dialogue with non-DAC donors to improve access to and completeness of aid statistics.

Use of the Creditor Reporting System (CRS) for special reporting – e.g. targeting of MDGs, trade capacity building, gender, environment, health, HIV/AIDS.

Co-operate with WP-EFF on indicators for monitoring the Paris Declaration on Aid Effectiveness, using DAC statistical definitions as appropriate.

Provide data and analysis on trends and issues in the international aid system – monitoring donors' commitments to scale up aid; inform discussion of aid allocation and aid architecture.

Continue sharing development information with AiDA.

DAC Working Party on Aid Effectiveness and Donor Practices (WP-EFF)

Date created	April 2003
Duration	Current mandate through 2006
Chair	Mr. Michel Reveyrand (France)
Vice-chairs	Ms. Helen Allotey (Ghana); Mr. Christopher Hall (World Bank)
Mandate	The DAC Working Party on Aid Effectiveness and Donor Practices was set up in the context of the international consensus reached at Monterrey in March 2002 on the actions needed to promote a global partnership for development and accelerate progress towards the Millennium Development Goals. For DAC members, this entails improving the management, delivery and complementarity of development co-operation activities to ensure the highest development impact. As part of its mandate, the Working Party engages in: assessing and supporting the harmonisation of donor practices and alignment with country-owned poverty reduction strategies and other development frameworks, systems and processes, including implications for the appropriate use of instruments and for allocations; follow-up on the issues of untying and procurement; and results measurement, monitoring and management. The Working Party focuses on facilitating the implementation of agreed policies and good practices and assessing overall progress on the ground, on further exchange of good practice and on selective policy development. Country ownership and capacity development are fundamental considerations in its work. The Working Party involves an increasing number of partner countries and collaborates with a wide range of development organisations beyond the permanent DAC Observers (World Bank, IMF and UNDP) including the Regional Development Banks and the Strategic Partnership with Africa (SPA). There is broad interaction with other DAC bodies especially with the DAC Network on Development Evaluation whose Chair is an ex-officio member of the Working Party. The Working Party has set up four joint ventures for: Monitoring the Paris Declaration on Aid Effectiveness, Public Finance Management, Procurement, and Management for Development Results. Its main task is currently to support and monitor the Implementation of the Paris Declaration.

Key Topics in the Work Programme for 2005-2006

Increased focus on implementing the Paris Declaration at country level through active dissemination and systematic monitoring of indicators eventually resulting in more effective aid and stronger impact on development and poverty reduction.

Enhanced harmonisation and alignment of donor practices with country-owned poverty reduction strategies and other development frameworks, systems and processes.

Stronger public financial management and procurement capacities in developing countries allowing increased reliance on partner country systems.

Strengthened results-based management systems in development co-operation and enhanced mutual accountability.

DAC Network on Development Evaluation (EVALUATION NETWORK)

Date created	March 2003
Duration	Current mandate through 2006
Chair	Ms. Eva Lithman (Sweden)
Vice-chairs	Ms. Satoko Miwa (Japan); Mr. Finbar O'Brien (Ireland)
Mandate	The mandate of the DAC Network on Development Evaluation is to: Strengthen the exchange of information, experience and co-operation on evaluation among Network members and, as appropriate, with development evaluation partners, with a view to: a) improving the evaluation activities of individual members; b) encouraging harmonisation and standardisation of methodological and conceptual frameworks; c) facilitating co-ordination of major evaluation studies; d) encouraging development of new methods in evaluation and best practice. Contribute to improved development effectiveness by: a) synthesising and extracting policy, strategic and operational lessons from evaluations for consideration by the DAC and the wider development community; b) promoting joint or co-ordinated evaluations and studies undertaken by individual members. Provide advice and support to the DAC and its subsidiary bodies, notably on Peer Reviews, development results and aid effectiveness. Promote and support evaluation capacity development in partner countries.

Key Topics in the Work Programme for 2005-2006

Joint evaluation guidance.

Joint evaluation of general budget support.

Evaluation follow up to the Paris Declaration on Aid Effectiveness.

Evaluating total ODA at the country level.

DAC Evaluation Standards.

Evaluation systems and structures; with the development of a new working tool for peer reviews.

Evaluation knowledge management, including launch of the DAC Evaluation Resource Centre (DEReC).

Pilot assessment of the evaluation functions of multilateral organisations.

Enhancing evaluation capacity.

Evaluating conflict prevention and peace building activities (in partnership with CPDC).

DAC Network on Gender Equality (GENDERNET)

Date created	1984
Duration	Current mandate through 2006
Chair	Ms. To Tjoelker (Netherlands)
Vice-chairs	Ms. Kathy Blakeslee (USA); Ms. Fionnuala Gilsonan (Ireland); Ms. Patricia McCullagh (Canada)
Mandate	The DAC Network on Gender Equality: Contributes to improving the quality and effectiveness of development co-operation. The knowledge, insights and experience of both women and men are required if development is to be effective, sustainable and truly people-centred. Hence, progress towards gender equality and women's empowerment is vital for improving economic, social and political conditions in developing countries. Provides strategic support to the policies of the DAC: it acts as a catalyst and provides professional expertise to ensure that gender equality perspectives are mainstreamed in DAC work, reinforces this priority in members' programmes, and supports partner countries' development efforts. Meets the needs of members of the DAC and the Network by providing a unique opportunity to exchange innovative and catalytic thinking on strategies and practices for integrating gender perspectives and women's empowerment to support partners' own efforts in all spheres of development co-operation. Based on this mandate, the GENDERNET plays a catalytic role to ensure mainstreaming of a gender equality perspective into DAC work. In doing so, it will continue to collaborate closely with the other DAC subsidiary bodies.

Key Topics in the Work Programme for 2005-2006

Study of the institutional and structural arrangements in bilateral agencies to advise on and facilitate work on gender equality.

Refinement of the gender policy marker and preparation of guidance on its application and use, with the DAC Working Party on Statistics.

Think pieces and presentations on tackling gender equality work in the context of changing aid modalities and the *Paris Declaration* for the biennial meeting with the United Nations' Interagency Network on Women and Gender Equality.

Guidance papers on:

- Trafficking of women and children in conflict and post-conflict situations.
- Strengthening the gender equality and women's empowerment dimensions of Poverty Reduction strategies.
- Gender equality and infrastructure projects.
- Addressing gender inequalities and power relationships in the spread of HIV/AIDS.

Input to the work of the CPDC and the POVNET.

DAC Network on Environment and Development Co-operation (ENVIRONET)

Date created	March 2003
Duration	Current mandate through 2006
Chair	Mr. Pierre Giroux (Canada)
Vice-chair	Mr. Stephan Paulus (Germany)
Mandate	The DAC Network on Environment and Development Co-operation: Contributes to the formulation of coherent approaches to sustainable development in the context of the OECD cross-sectoral approach to sustainable development. Formulates specific guidance for development co-operation efforts in support of environment and sustainable development. Provides its members with a policy forum for sharing experience and disseminating good practice with regard to the integration of environmental concerns in development co-operation.

Key Topics in the Work Programme for 2005-2006

Development and climate change (joint activity with the Environment Policy Committee): formulation of Policy Guidance on Integrating Climate Change Adaptation into development co-operation strategies.

Harmonisation of donors' approaches to environmental assessment of projects, programmes and sectoral strategies (Strategic Environmental Assessment, SEA).

Natural Resource Management and Pro-poor growth: Integration of environment into poverty reduction and growth strategies in support of Millennium Development Goal No. 7 (contribution to the work of the POVNET).

Continued contributions to DAC peer reviews, from the perspective of environment and sustainable development.

Joint meeting of the Development Assistance Committee (DAC) and the Environment Policy Committee (EPOC) at Ministerial level on 4 April 2006, yielding a *Common Plan of Action Around Shared Goals*.

DAC Network on Poverty Reduction (POVNET)

Date created	June 1998
Duration	Current mandate through 2006
Chair	Mr. James Smith (USA)
Vice-chair	Mr. Hitoshi Shoji (Japan)
Mandate	The mandate of the DAC Network on Poverty Reduction focuses on the multidimensionality of poverty and on the relationship between inequality, economic growth and poverty reduction in developing countries. POVNET provides a forum for the exchange of experience and best practice on pro-poor growth, i.e. involving the poor in generating growth and benefiting from growth and globalisation. It addresses, from this perspective, strategies and policies in areas such as infrastructure, agriculture, trade and investment capacity building, information and communication technology, and the role of the private sector and public-private partnerships. It promotes the pursuit of the Millennium Development Goals and a central role for broad-based growth and its determinants within the strategic framework of national poverty reduction strategies.

Key Topics in the Work Programme for 2005-2006

A conceptual framework on the relationship between sustained economic growth and poverty reduction with a view to operationalising the 2001 *DAC Guidelines on Poverty Reduction*.

Strengthening the contributions of the private sector, agriculture and infrastructure to pro-poor growth and exploring synergies between these areas.

Managing and integrating the “broader” agenda, including aid for trade, ODA/investment synergies and ICT.

Policy guidance and compendiums of good practices for supporting pro-poor growth and for the stronger integration of growth and its determinants into the PRSP process.

DAC Network on Governance (GOVNET)

Date created	1st meeting April 2001
Duration	Current mandate through 2006
Chair	Mr. Eduard Westreicher (Germany)
Vice-chairs	Mr. John Lobsinger (Canada); Mr. Sanjay Pradhan (World Bank); Ms. Sheelagh Stewart (UK)
Mandate	The DAC Network on Governance aims at improving the effectiveness of donor assistance in governance and in support of capacity development. It provides members with a policy forum for exchanging experiences and lessons, as well as identifying and disseminating good practice, and developing pro-poor policy and analytical tools. The GOVNET work focuses on how to improve the effectiveness of support in a broad range of areas including: the fight against corruption, capacity development, human rights, and political economy analysis. This list is not intended to be exclusive. The work of the Network covers relationships between the state, citizens, civil society and the private sector.

Key Topics in the Work Programme for 2005-2006

Elaborate principles for Donor Action in Anti-Corruption, which will be complemented and serve as a framework for developing an action-oriented Policy Paper providing guidance on how to address corruption in “high risk” countries. This may be complemented by further guidance for coordinated action on political corruption.

Contribute to the development an Organisation-wide strategy for OECD anti-corruption work.

Develop overarching guidance in the form of a paper entitled “The Challenge of Capacity Development: Working Towards Good Practice”, followed by change-oriented processes, including more operational guidance and outreach (e.g. on operationalising some of the commitments of the Paris Declaration).

Human rights and development: elaborate guidance for donors based on the evidence of how human rights can improve development results.

Power and Drivers of Change Analysis: develop and test political economy analytic tools to inform country level planning and programming in selected partner countries.

DAC Network on Conflict, Peace and Development Co-operation (CPDC)

Date created	1995 (Task Force became a Network in 2001)
Duration	Current mandate through 2006
Chair	Mr. Tom Owen-Edmunds (United Kingdom)
Vice-chairs	Ms. Betsy Tunold (Norway); Mr. Björn Holmberg (Sweden); Ms. Inger Buxton (EU)
Mandate	The DAC, through its Network on Conflict, Peace and Development Co-operation, strives to improve the effectiveness of development co-operation and the coherence of members' policies by promoting the principles and agreements in the DAC guidelines <i>Helping Prevent Violent Conflict</i> and subsequent policy guidance on <i>Security System Reform and Governance</i> . The Network enhances donors' work with developing country actors – especially in conflict-prone and conflict affected countries – to promote structural stability and peace, prevent and manage violent conflict, and provide reconstruction assistance in crises.

Key Topics in the Work Programme for 2005-2006

Improve evaluation of conflict prevention and peacebuilding (CPPB) activities – with a focus on the impact, quality and effectiveness of CPPB activities at field level (undertaken in partnership with the DAC Network on Evaluation).

Develop operational guidance to help deliver, co-ordinate and harmonise SSR activities in the field. A new Implementation Framework on SSR will meet a significant gap between broad principles and demand at field level for practical action-oriented guidance.

Support the promotion of a culture of prevention – in particular in light of the scale-up of aid, as programmes and policies in this area are essential to improving the effectiveness and quality of aid. This is being done through: a) production and delivery of field level training based on DAC guidance; b) development of a user-friendly field manual of issues briefs on conflict prevention and peace building issues and entry points to enhance the effectiveness of development agency engagement in conflict situations.

Fragile States Group (FSG) of the GOVNET and CPDC

Date created	June 2003
Duration	Current mandate through 2006
Co-chairs	Ms. Sarah Cliffe (World Bank); Ms. Sheelagh Stewart (UK)
Mandate	The mandate and objective of the Fragile States Group (FSG, formerly the Learning and Advisory Process on Difficult Partnerships) is to facilitate co-ordination among bilateral and multilateral donors to improve aid effectiveness in fragile states. It is designed to help increase the focus and effectiveness of donor assistance to countries facing weak governance and violent conflict and to avoid the “cost of neglect”. The work of the Group is characterised by innovation with an emphasis on practical, field level implementation of global policy issues. The FSG forms a bridge between the <i>DAC Network on Governance</i> (GOVNET) and the Conflict, Peace and Development Co-operation Network (CPDC). The Group also benefits from links with the <i>DAC Working Party on Aid Effectiveness</i> (WP-EFF).

Key Topics in the Work Programme for 2005-2006

Improving international engagement in fragile states: piloting the “Principles for Good International Engagement in Fragile States” in nine countries.

Improving transparency and predictability of resource flows to the most marginalised fragile states.

Facilitating and disseminating whole-of-government approaches in fragile states through an analysis of approaches at headquarters and at field level.

Improving understanding of successful approaches to service delivery in fragile states (health, education, water and security).

OECD's Development Co-operation Directorate

The Development Co-operation Directorate (DCD) is one of a dozen directorates in the OECD Secretariat working on substantive themes. 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. So close is the relationship with the DAC that DCD is generally identified with the DAC itself.

DCD is part of the “**Development Cluster**”, under the authority of a Deputy Secretary-General. Within this framework, DCD works closely with other OECD directorates on issues of policy coherence for development. In addition to DCD, the cluster includes the following units:

- The **Development Centre**, a focal point in the OECD for research on development questions.
- The **Sahel and West Africa Club**, which is a facilitator and leader of informed action-oriented debates within West Africa and between that region and OECD member states.
- The **Centre for Co-operation with Non-Members** (CCNM), provides strategic co-ordination to the development of OECD's relations with non-members and with other international organisations.

The DCD organigramme is shown on the next page. The Office of the Director oversees the work of some 90 staff in the following areas:

The **Policy Co-ordination Division (DCD/POL)**. This division covers a wide range of policy issues, including policy coherence; governance, capacity building; conflict and security issues; fragile states; environment; and gender.

The **Poverty Reduction and Growth Division (DCD/PRG)**. The division concentrates on the relationship between economic growth and poverty reduction (treated in the POVNET) through work on agriculture, private sector development, and infrastructure. Aid for trade, private investment for development, and untying of aid are also important parts of its work programme.

The **Aid Effectiveness Division (DCD/EFF)** has been set up to support the implementation of the Paris Declaration on Aid Effectiveness of 2 March 2005. It services the Working Party on Aid Effectiveness, i.e. the international partnership, hosted by the DAC, of bilateral and multilateral donors and partner countries which will monitor the Paris commitments and report on the progress achieved against set targets. The division also supports specific work on public financial management, procurement, and management for development results. Closely linked to this is the “Mutual Review on Development Effectiveness” in the NEPAD context.

The **Review and Evaluation Division (DCD/PEER)**. The division monitors the aid programmes of individual DAC members through Peer Reviews and country-level assessments. It deals with evaluation through the Network on Development Evaluation, which supports work on effectiveness and results-based management. The division also covers DAC outreach and humanitarian aid issues.

The **Statistics and Monitoring Division (DCD/STAT)**. The division collects and compiles statistics on flows of aid and other resources, including their type, terms, sectoral breakdown, and geographical distribution among developing countries. It is instrumental in tracking ODA commitments and collecting information on future aid allocations.

Partnership in Statistics for Development in the 21st Century (PARIS21). PARIS21 was established in 1999 by the UN, OECD, World Bank, IMF and the EC and is hosted at the DCD. The Partnership's primary objective is to assist all low-income countries to design a National Strategy for the Development of Statistics by 2006 in order to have, *inter alia*, nationally owned and produced data for all MDG indicators by 2010. **Metagora** is a pilot project implemented under the auspices of PARIS21. It focuses on methods, tools and frameworks for measuring democracy, human rights and governance.

Development Co-operation Directorate

Office of the DAC Chair

Richard Manning
Josie d'Angelo

Director's Office (DCD/DO)

Michael Roeskau
Aline Renert
Richard Carey
Doris Cachin

DAC Meetings, Special Issues

Kaori Miyamoto

Communication and Management (DCD/CM)

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CPDC

Mark Downes
Lisa Williams

Fragile States

Karim Morcos

Environment, Sustainable Development

ENVIRONET

Rémi Paris
Georg Caspary

Gender

GENDERNET

Patti O'Neill

Poverty Reduction and Growth (DCD/PRG)

Bill Nicol
Françoise Zekri
Kate Biles

Economic Growth, Agriculture, Private Sector Development, Infrastructure

POVNET

Ebba Dohlman
Michael Laird
Mikael Söderbäck

Aid for Trade

Frans Lammersen
Caroline Lesser
Masato Hayashikawa

Investment for Development Middle Income Countries

Michael Laird
Laura Delponte

Untying Aid

Frans Lammersen
Ann Gordon

Aid Effectiveness (DCD/EFF)

Christian Lehembre
Kjerstin Andreasen
Kayla Keenan

Co-ordination

Stephanie Baile

Dissemination and Implementation

Kei Yoshizawa
Advisor

Monitoring

Simon Mizrahi

Public Financial Management

Simon Mizrahi
Advisor

Procurement

Micheal Lawrance

Management for Development Results

Herman Specker

NEPAD/Africa

Raundi Halvorson-Quevedo

Review and Evaluation (DCD/PEER)

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Madeleine Paris
Katie Taylor
Nathalie Bienvenu

Peer Reviews

James Hradsky
Chantal Verger
Marjolaine Nicod
Elisabeth Thioleron
Joana Rego

Humanitarian Action

Henrik Hammargren

Country-Level Assessments

Elisabeth Thioleron

Emerging Donors

DAC Outreach
Jens Sedemund

Evaluation

EVALUATION NETWORK

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Sebastian Ling

Statistics and Monitoring (DCD/STAT) WP-STAT

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Jeanette Dargaville
Ann Lucas-Zimmerman

DAC Statistics

Simon Scott Yasmin Ahmad
Aimée Nichols Elena Bernaldo
Mark Baldock Ann Lucas-Zimmerman

Non-DAC ODA

Advisor

Creditor Reporting System

Jean-Louis Grolleau Julia Benn
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Cecilia Piemonte

Analytical Studies

Advisor

IT Support, DAC Website

Marc Tocatian

MDGs, WTO-OECD Database, Aid Management Platform

Rudolphe Petras

DAC Subsidiary bodies

WP-STAT Working Party on Statistics

WP-EFF Working Party on Aid Effectiveness and Donor Practices

EVALUATION NETWORK

GENDERNET Network on Gender Equality

ENVIRONET Network on Environment and Development Co-operation

POVNET Network on Poverty Reduction

GOVNET Network on Governance

CPDC Network on Conflict, Peace and Development Co-operation

PARIS 21

Antoine Simonpietri

Eric Bensel Amanda Gautherin
Samuel Blazyk Frances Harper
Gérard Chenais Emer Heenan
Adriana de Leva Brigitte Julé-Demarne
Lamine Diop Jean-Paul Vasquez
Jenny Galleli Tony Williams

Metagora

Paul Clare Raul Suarez
Thomas Heimgartner Sylvie Walter

DAC Web Site Themes and Aliases

Themes and sub-themes	Direct URL to themes and sub-themes
DAC Home Page	www.oecd.org/dac
Aid Statistics	www.oecd.org/dac/stats
Aid Activities	● www.oecd.org/dac/stats/crs
Aid from DAC members	● www.oecd.org/dac/stats/dac
Aid Effectiveness and Donor Practices	www.oecd.org/dac/effectiveness
Monitoring the Paris Declaration	● www.oecd.org/dac/effectiveness/monitoring
Managing for Development Results	● www.oecd.org/dac/effectiveness/pfm
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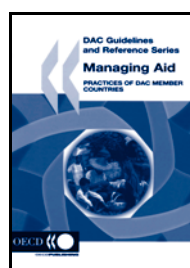
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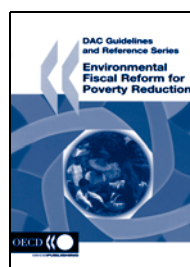
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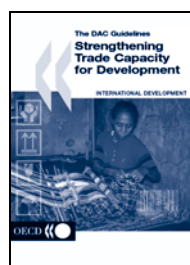
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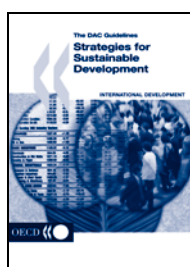
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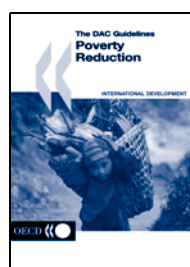
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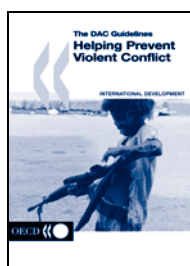
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**For more information on DAC statistics, please refer to our
WORLD WIDE WEB SITE
www.oecd.org/dac
See “Statistics”**

Notes: This report incorporates data submitted up to 17 November 2005. All data in this publication refer to calendar years, unless otherwise stated. The data presented in this report reflect the DAC List as it was in 2004 (for a complete list of countries, please refer to the end of this volume).

Finland was unable to meet its DAC statistical reporting obligations for flows in 2004, and therefore the data for total ODA are preliminary figures submitted in April 2005, whereas the geographical and sectoral data for 2004 are estimated by applying the 2003 distribution of Finland's ODA *pro rata*.

Signs used

()	Secretariat estimate in whole or in part
0 or 0.00	Nil or negligible
– or . .	Not available
n.a.	Not applicable
p	Provisional

Slight discrepancies in totals are due to rounding.

More detailed information on the source and destination of aid and resource flows is contained in the statistical report on the *Geographical Distribution of Financial Flows to Aid Recipients 2000-04* and the CD-ROM *International Development Statistics*.

Table 1Statlink: <http://dx.doi.org/10.1787/527100741086>**DAC Members' Net Official Development Assistance in 2004**

	2004		2003		Percent change 2003 to 2004 in real terms ^a
	ODA USD million current	ODA/GNI %	ODA USD million current	ODA/GNI %	
Australia	1 460	0.25	1 219	0.25	2.0
Austria	678	0.23	505	0.20	19.6
Belgium	1 463	0.41	1 853	0.60	-29.8
Canada	2 599	0.27	2 031	0.24	14.9
Denmark	2 037	0.85	1 748	0.84	4.1
Finland	655	0.35	558	0.35	5.9
France	8 473	0.41	7 253	0.40	4.3
Germany	7 534	0.28	6 784	0.28	0.1
Greece	465	0.23	362	0.21	13.3
Ireland	607	0.39	504	0.39	6.0
Italy	2 462	0.15	2 433	0.17	-10.5
Japan	8 906	0.19	8 880	0.20	-4.3
Luxembourg	236	0.83	194	0.81	8.2
Netherlands	4 204	0.73	3 972	0.80	-4.5
New Zealand	212	0.23	165	0.23	9.1
Norway	2 199	0.87	2 042	0.92	-3.0
Portugal	1 031	0.63	320	0.22	188.3
Spain	2 437	0.24	1 961	0.23	9.6
Sweden	2 722	0.78	2 400	0.79	2.1
Switzerland	1 545	0.41	1 299	0.39	8.7
United Kingdom	7 883	0.36	6 282	0.34	9.5
United States	19 705	0.17	16 320	0.15	18.3
TOTAL DAC	79 512	0.26	69 085	0.25	5.9
Average Country Effort		0.42		0.41	
<i>Memo Items:</i>					
EC	8 704		7 173		8.3
EU countries combined	42 886	0.35	37 130	0.35	2.9
G7 countries	57 561	0.22	49 982	0.21	7.1
Non-G7 countries	21 951	0.45	19 103	0.46	2.6

a) Taking account of both inflation and exchange rate movements.

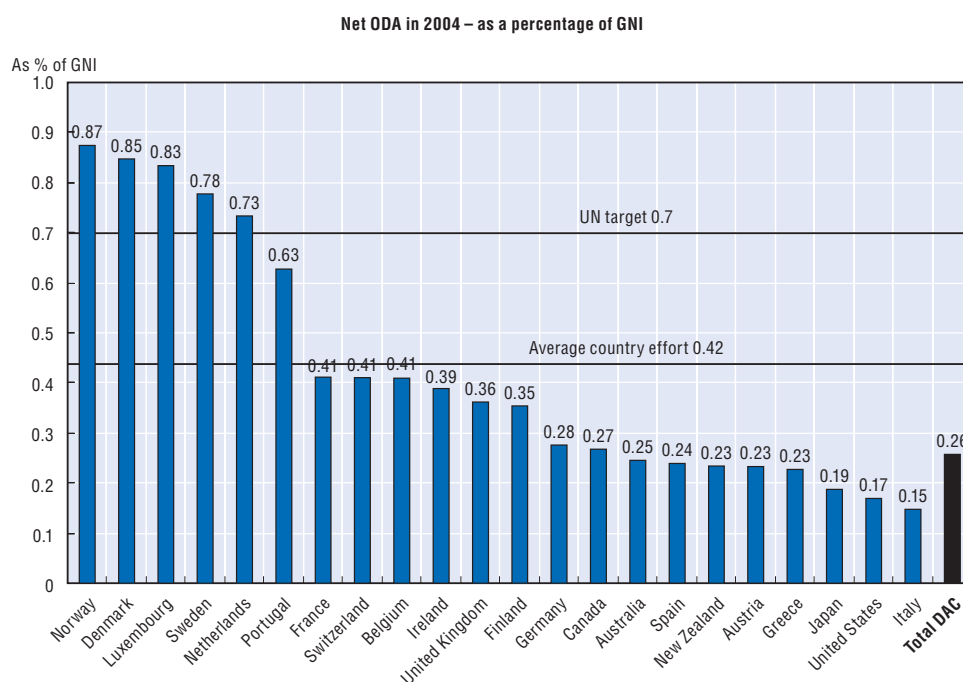
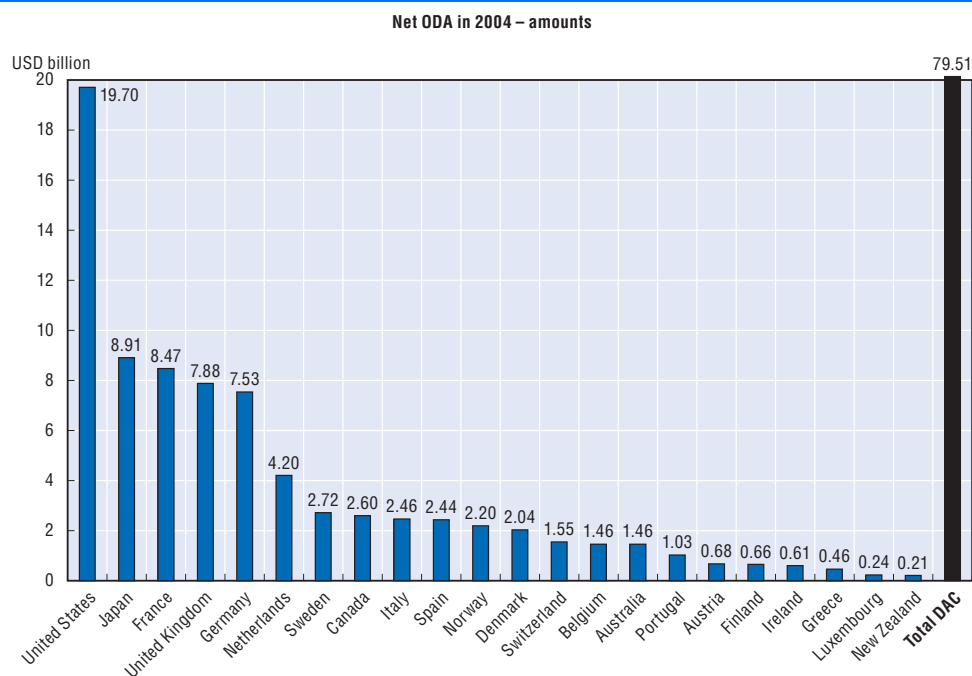
Statlink: <http://dx.doi.org/10.1787/512264113236>**Figure 1****DAC Members' Net Official Development Assistance in 2004**

Table 2Statlink: <http://dx.doi.org/10.1787/816133456225>**Total Net Flows from DAC Countries by Type of Flow**

Net disbursements at current prices and exchange rates

	USD million						
	1988-1989 average	1993-1994 average	2000	2001	2002	2003	2004
I. Official Development Assistance	46 399	57 484	53 749	52 435	58 292	69 085	79 512
1. Bilateral grants and grant-like flows	25 290	34 329	33 040	33 522	39 813	50 908	57 322
of which: Technical co-operation	9 560	12 911	12 767	13 602	15 452	18 352	18 764
Developmental food aid (a)	1 771	1 733	1 180	1 007	1 086	1 196	1 169
Emergency & distress relief (a)	766	3 359	3 574	3 276	3 869	6 221	7 332
Debt forgiveness	455	3 077	2 045	2 514	4 534	8 338	7 084
Administrative costs	1 734	2 571	3 083	2 964	3 027	3 520	3 999
2. Bilateral loans	7 173	5 665	3 024	1 602	939	-1 153	-2 937
3. Contributions to multilateral institutions	13 936	17 489	17 685	17 311	17 540	19 330	25 126
of which: UN (b)	3 457	4 205	5 185	5 233	4 634	4 694	4 925
EC (b)	2 711	4 399	4 950	4 946	5 695	6 946	8 910
IDA (b)	4 309	4 788	3 672	3 599	3 279	3 120	5 700
Regional development banks (b)	2 050	2 548	2 187	1 491	1 813	1 734	2 275
II. Other Official Flows	4 862	9 330	-4 326	-1 589	- 45	- 348	-5 599
1. Bilateral	4 472	8 087	-4 303	- 797	2 401	- 818	-5 347
2. Multilateral	390	1 243	- 23	- 792	-2 446	470	- 252
III. Private Flows at market terms	28 809	77 777	78 128	49 745	6 252	47 031	64 082
1. Direct investment	24 767	43 446	71 729	66 041	36 286	49 799	66 041
2. Bilateral portfolio investment	1 049	32 304	2 416	-14 946	-26 902	-6 164	-3 658
3. Multilateral portfolio investment	799	-2 172	-3 369	-4 086	-3 146	1 083	-4 766
4. Export credits	2 195	4 200	7 352	2 736	14	2 313	6 465
IV. Net grants by NGOs	4 138	5 869	6 934	7 289	8 768	10 240	11 307
TOTAL NET FLOWS	84 208	150 461	134 485	107 881	73 267	126 009	148 646
Total net flows at 2003 prices and exchange rates (c)	111 475	163 971	152 418	127 669	83 230	126 009	136 675

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.

Source of private flows: DAC members' reporting to the annual DAC Questionnaire on total official and private flows.

Statlink: <http://dx.doi.org/10.1787/816133456225>

Table 2

Total Net Flows from DAC Countries by Type of Flow
(continued)
Net disbursements at current prices and exchange rates

1988-1989 average	1993-1994 average	Per cent of total					
		2000	2001	2002	2003	2004	
55	38	40	49	80	55	53	I. Official Development Assistance
30	23	25	31	54	40	39	1. Bilateral grants and grant-like flows
11	9	9	13	21	15	13	of which: Technical co-operation
2	1	1	1	1	1	1	Developmental food aid (a)
1	2	3	3	5	5	5	Emergency & distress relief (a)
1	2	2	2	6	7	5	Debt forgiveness
2	2	2	3	4	3	3	Administrative costs
9	4	2	1	1	-1	-2	2. Bilateral loans
17	12	13	16	24	15	17	3. Contributions to multilateral institutions
4	3	4	5	6	4	3	of which: UN (b)
3	3	4	5	8	6	6	EC (b)
5	3	3	3	4	2	4	IDA (b)
2	2	2	1	2	1	2	Regional development banks (b)
6	6	-3	-1	0	0	-4	II. Other Official Flows
5	5	-3	-1	3	-1	-4	1. Bilateral
0	1	0	-1	-3	0	0	2. Multilateral
34	52	58	46	9	37	43	III. Private Flows at market terms
29	29	53	61	50	40	44	1. Direct investment
1	21	2	-14	-37	-5	-2	2. Bilateral portfolio investment
1	-1	-3	-4	-4	1	-3	3. Multilateral portfolio investment
3	3	5	3	0	2	4	4. Export credits
5	4	5	7	12	8	8	IV. Net grants by NGOs
100	100	100	100	100	100	100	TOTAL NET FLOWS

Table 3Statlink: <http://dx.doi.org/10.1787/808835681275>**Total Net Flows by DAC Country**

Net disbursements at current prices and exchange rates

	USD million						
	1988-1989 average	1993-1994 average	2000	2001	2002	2003	2004
Australia	2 565	2 109	1 961	1 290	834	3 010	2 466
Austria	227	680	1 135	836	1 910	1 445	1 352
Belgium	1 623	1 457	2 281	304	1 337	1 221	816
Canada	2 849	5 460	6 483	1 538	2 044	4 949	5 986
Denmark	816	1 358	2 176	2 645	1 577	1 896	2 634
Finland	848	444	1 087	1 334	- 180	- 44	..
France	5 337	11 810	5 557	16 327	4 729	6 936	12 599
Germany	11 979	19 657	12 331	6 345	7 207	5 224	11 830
Greece	..	..	229	202	322	403	472
Ireland	81	163	740	735	1 469	2 334	3 851
Italy	5 419	2 899	10 846	- 189	1 399	4 218	3 239
Japan	20 457	22 182	11 423	13 714	4 659	6 335	11 351
Luxembourg	20	59	129	144	148	201	242
Netherlands	2 567	5 108	6 947	-3 432	-1 487	15 196	14 106
New Zealand	121	119	142	139	164	208	271
Norway	904	1 350	1 437	1 485	2 279	3 306	2 785
Portugal	108	255	4 622	1 775	175	1 145	676
Spain	494	2 453	23 471	11 523	8 171	6 667	12 762
Sweden	2 341	2 427	3 952	3 077	2 232	1 255	2 954
Switzerland	1 629	1 833	2 054	- 158	2 234	3 684	- 949
United Kingdom	6 879	9 651	10 230	9 627	7 634	18 561	26 922
United States	16 944	58 987	25 252	38 618	24 410	37 860	32 283
TOTAL DAC	84 208	150 461	134 485	107 880	73 267	126 009	148 646
<i>of which:</i>							
EU Members	38 739	58 421	85 732	51 254	36 643	66 657	94 454

Statlink: <http://dx.doi.org/10.1787/808835681275>**Table 3****Total Net Flows by DAC Country***(continued)*

Net disbursements at current prices and exchange rates

		Per cent of GNI					
1988-1989 average	1993-1994 average	2000	2001	2002	2003	2004	
1.01	0.71	0.53	0.37	0.22	0.61	0.41	Australia
0.18	0.36	0.61	0.45	0.94	0.58	0.46	Austria
1.06	0.67	1.00	0.13	0.54	0.40	0.23	Belgium
0.57	1.03	0.95	0.22	0.28	0.58	0.62	Canada
0.80	1.00	1.39	1.67	0.93	0.91	1.10	Denmark
0.80	0.51	0.91	1.11	-0.14	-0.03	..	Finland
0.56	0.90	0.41	1.20	0.32	0.39	0.61	France
0.99	0.97	0.66	0.34	0.36	0.22	0.43	Germany
..	..	0.20	0.17	0.24	0.23	0.23	Greece
0.28	0.39	0.93	0.85	1.49	1.83	2.47	Ireland
0.64	0.29	1.01	-0.02	0.12	0.29	0.19	Italy
0.71	0.50	0.24	0.32	0.11	0.14	0.24	Japan
0.21	0.41	0.75	0.78	0.78	0.84	0.86	Luxembourg
1.14	1.60	1.85	-0.89	-0.36	3.04	2.46	Netherlands
0.31	0.28	0.32	0.32	0.30	0.28	0.30	New Zealand
1.03	1.30	0.87	0.88	1.19	1.49	1.11	Norway
0.25	0.30	4.45	1.66	0.15	0.79	0.41	Portugal
0.14	0.52	4.25	2.01	1.25	0.79	1.25	Spain
1.28	1.32	1.76	1.42	0.93	0.42	0.84	Sweden
0.86	0.72	0.80	-0.06	0.75	1.09	-0.25	Switzerland
0.83	0.98	0.72	0.67	0.48	1.01	1.24	United Kingdom
0.34	0.88	0.25	0.38	0.23	0.34	0.28	United States
0.60	0.77	0.56	0.45	0.29	0.45	0.48	TOTAL DAC
							<i>of which:</i>
0.75	0.83	1.09	0.65	0.42	0.63	0.77	EU Members

Table 4Statlink: <http://dx.doi.org/10.1787/685163071070>**Net Official Development Assistance by DAC Country**

Net disbursements at current prices and exchange rates

	USD million						
	1988-89 average	1993-94 average	2000	2001	2002	2003	2004
Australia	1 060	1 022	987	873	989	1 219	1 460
Austria	292	265	440	633	520	505	678
Belgium	652	769	820	867	1 072	1 853	1 463
Canada	2 334	2 325	1 744	1 533	2 004	2 031	2 599
Denmark	929	1 393	1 664	1 634	1 643	1 748	2 037
Finland	657	323	371	389	462	558	655
France	5 632	8 191	4 105	4 198	5 486	7 253	8 473
Germany	4 839	6 886	5 030	4 990	5 324	6 784	7 534
Greece	..	..	226	202	276	362	465
Ireland	53	95	234	287	398	504	607
Italy	3 403	2 874	1 376	1 627	2 332	2 433	2 462
Japan	9 049	12 249	13 508	9 847	9 283	8 880	8 906
Luxembourg	18	55	123	139	147	194	236
Netherlands	2 162	2 521	3 135	3 172	3 338	3 972	4 204
New Zealand	96	104	113	112	122	165	212
Norway	951	1 075	1 264	1 346	1 696	2 042	2 199
Portugal	97	269	271	268	323	320	1 031
Spain	395	1 304	1 195	1 737	1 712	1 961	2 437
Sweden	1 666	1 794	1 799	1 666	2 012	2 400	2 722
Switzerland	587	888	890	908	939	1 299	1 545
United Kingdom	2 616	3 059	4 501	4 579	4 924	6 282	7 883
United States	8 909	10 025	9 955	11 429	13 290	16 320	19 705
TOTAL DAC	46 399	57 484	53 749	52 435	58 292	69 085	79 512
<i>of which:</i>							
EU Members	23 413	29 796	25 289	26 388	29 969	37 130	42 886

Statlink: <http://dx.doi.org/10.1787/685163071070>**Table 4****Net Official Development Assistance by DAC Country***(continued)*

Net disbursements at current prices and exchange rates

1988-89 average	1993-94 average	Per cent of GNI					
		2000	2001	2002	2003	2004	
0.42	0.34	0.27	0.25	0.26	0.25	0.25	Australia
0.23	0.14	0.23	0.34	0.26	0.20	0.23	Austria
0.43	0.35	0.36	0.37	0.43	0.60	0.41	Belgium
0.47	0.44	0.25	0.22	0.28	0.24	0.27	Canada
0.91	1.03	1.06	1.03	0.96	0.84	0.85	Denmark
0.62	0.37	0.31	0.32	0.35	0.35	0.35	Finland
0.59	0.62	0.30	0.31	0.37	0.40	0.41	France
0.40	0.34	0.27	0.27	0.27	0.28	0.28	Germany
..	..	0.20	0.17	0.21	0.21	0.23	Greece
0.18	0.23	0.29	0.33	0.40	0.39	0.39	Ireland
0.40	0.29	0.13	0.15	0.20	0.17	0.15	Italy
0.31	0.28	0.28	0.23	0.23	0.20	0.19	Japan
0.20	0.38	0.71	0.76	0.77	0.81	0.83	Luxembourg
0.96	0.79	0.84	0.82	0.81	0.80	0.73	Netherlands
0.24	0.24	0.25	0.25	0.22	0.23	0.23	New Zealand
1.09	1.03	0.76	0.80	0.89	0.92	0.87	Norway
0.23	0.31	0.26	0.25	0.27	0.22	0.63	Portugal
0.11	0.28	0.22	0.30	0.26	0.23	0.24	Spain
0.91	0.97	0.80	0.77	0.84	0.79	0.78	Sweden
0.31	0.35	0.34	0.34	0.32	0.39	0.41	Switzerland
0.32	0.31	0.32	0.32	0.31	0.34	0.36	United Kingdom
0.18	0.15	0.10	0.11	0.13	0.15	0.17	United States
0.33	0.30	0.22	0.22	0.23	0.25	0.26	TOTAL DAC
							<i>of which:</i>
0.45	0.42	0.32	0.33	0.35	0.35	0.35	EU Members
							<i>Memo:</i>
0.45	0.44	0.39	0.40	0.41	0.41	0.42	Average country effort

Table 5Statlink: <http://dx.doi.org/10.1787/045153810407>**Total Net Private Flows^a by DAC Country**

Net disbursements at current prices and exchange rates

	USD million						
	1988-1989 average	1993-1994 average	2000	2001	2002	2003	2004
Australia	1 348	837	252	151	- 433	1 374	482
Austria	- 56	192	560	279	1 369	824	815
Belgium	560	189	1 394	- 712	86	-1 752	- 735
Canada	70	2 323	4 621	- 12	188	2 711	3 542
Denmark	- 12	- 34	482	998	- 63	106	518
Finland	167	83	709	932	- 656	- 622	..
France	-1 207	3 146	1 439	12 168	-1 392	-3 123	4 342
Germany	5 292	9 160	6 911	1 210	-2 650	995	4 199
Greece	..	..	..	..	40	33	- 14
Ireland	4	30	416	347	986	1 547	3 010
Italy	1 187	- 846	9 537	-1 903	- 563	2 044	221
Japan	10 840	6 212	2 725	5 380	- 573	- 731	4 392
Luxembourg	..	..	..	..	..	..	..
Netherlands	214	2 246	3 469	-6 886	-5 310	9 946	9 339
New Zealand	15	..	17	16	17	21	25
Norway	- 83	145	- 5	- 71	131	1 264	586
Portugal	- 7	- 240	4 273	1 503	- 150	823	335
Spain	84	1 157	22 272	9 640	6 404	4 633	10 300
Sweden	549	502	2 127	1 394	199	-1 153	266
Switzerland	959	790	997	-1 252	1 089	2 104	-2 810
United Kingdom	3 621	6 018	5 265	4 699	2 360	11 840	18 805
United States	5 264	45 868	10 666	21 864	5 173	14 147	6 465
TOTAL DAC	28 809	77 777	78 128	49 745	6 252	47 031	64 082
<i>of which:</i>							
EU Members	10 396	21 603	58 855	23 669	659	26 141	51 400

^a) Excluding grants by NGOs.

Statlink: <http://dx.doi.org/10.1787/045153810407>**Table 5****Total Net Private Flows^a by DAC Country***(continued)*

Net disbursements at current prices and exchange rates

1988-1989 average	1993-1994 average	Per cent of GNI					
		2000	2001	2002	2003	2004	
0.53	0.28	0.07	0.04	- 0.11	0.28	0.08	Australia
- 0.04	0.10	0.30	0.15	0.67	0.33	0.28	Austria
0.37	0.09	0.61	- 0.30	0.03	- 0.57	- 0.21	Belgium
0.01	0.44	0.68	- 0.00	0.03	0.32	0.36	Canada
- 0.01	- 0.03	0.31	0.63	- 0.04	0.05	0.22	Denmark
0.16	0.10	0.59	0.78	- 0.50	- 0.39	..	Finland
- 0.13	0.24	0.11	0.90	- 0.10	- 0.17	0.21	France
0.44	0.45	0.37	0.07	- 0.13	0.04	0.15	Germany
..	..	..	..	0.03	0.02	- 0.01	Greece
0.01	0.07	0.52	0.40	1.00	1.21	1.93	Ireland
0.14	- 0.09	0.89	- 0.18	- 0.05	0.14	0.01	Italy
0.38	0.14	0.06	0.13	- 0.01	- 0.02	0.09	Japan
..	..	..	..	..	..	..	Luxembourg
0.10	0.70	0.93	- 1.78	- 1.29	1.99	1.63	Netherlands
0.04	..	0.04	0.04	0.03	0.03	0.03	New Zealand
- 0.09	0.14	- 0.00	- 0.04	0.07	0.57	0.23	Norway
- 0.02	- 0.28	4.12	1.40	- 0.13	0.57	0.20	Portugal
0.02	0.24	4.03	1.68	0.98	0.55	1.01	Spain
0.30	0.27	0.95	0.64	0.08	- 0.38	0.08	Sweden
0.50	0.31	0.39	- 0.47	0.37	0.62	- 0.75	Switzerland
0.44	0.61	0.37	0.33	0.15	0.65	0.86	United Kingdom
0.11	0.68	0.11	0.22	0.05	0.13	0.06	United States
0.20	0.40	0.32	0.21	0.03	0.17	0.21	TOTAL DAC
							<i>of which:</i>
0.20	0.31	0.75	0.30	0.01	0.25	0.42	EU Members

Table 6Statlink: <http://dx.doi.org/10.1787/104612308177>**Total Net Resource Flows from DAC Countries and from Multilateral Agencies by Type of Flow**

	Current USD billion							
	1997	1998	1999	2000	2001	2002	2003	2004 (p)
I. OFFICIAL DEVELOPMENT FINANCE (ODF)	75.4	89.1	85.9	65.6	68.8	62.8	71.0	76.3
1. Official development assistance (ODA)	47.9	50.4	52.1	49.5	51.2	58.1	67.5	75.4
of which: Bilateral	32.4	35.2	37.8	36.1	35.1	40.8	49.8	54.4
Multilateral	15.5	15.2	14.3	13.5	16.1	17.4	17.7	21.0
2. Official Aid (OA)	5.6	7.0	7.8	7.8	6.4	6.4	7.2	8.8
of which: Bilateral	4.0	4.5	4.9	4.9	3.6	4.5	3.9	4.5
Multilateral	1.6	2.5	2.9	2.9	2.8	2.0	3.3	4.4
3. Other ODF	22.0	31.7	26.1	8.2	11.1	-1.7	-3.7	-8.0
of which: Bilateral	5.9	12.8	10.4	-1.4	1.5	1.9	-0.8	-4.5
Multilateral	16.0	18.9	15.6	9.6	9.7	-3.7	-2.9	-3.5
II. TOTAL EXPORT CREDITS	4.8	8.4	4.1	7.8	2.8	-1.5	4.9	6.8
III. PRIVATE FLOWS	241.4	130.7	222.7	143.0	148.7	79.2	215.1	223.4
1. Direct investment (DAC)	102.3	117.1	145.5	124.4	134.8	80.8	86.5	134.7
of which: to offshore centres	19.1	20.3	37.9	25.7	32.9	23.2	12.0	23.6
2. International bank lending (a)	12.0	-76.3	-21.2	-17.8	-11.4	-12.2	50.0	48.3
3. Total bond lending	83.7	34.2	30.0	19.7	19.6	18.9	38.7	44.0
4. Other (including equities) (b)	37.0	48.4	59.5	7.2	-4.8	-20.3	25.2	-18.5
5. Grants by non-governmental organisations	6.4	7.2	8.9	9.5	10.4	12.0	14.6	14.9
TOTAL NET RESOURCE FLOWS (I+II+III)	321.6	228.2	312.7	216.3	220.3	140.5	291.0	306.5
Memorandum items (not included):								
Net Use of IMF Credit (c)	14.4	18.2	-13.0	-10.8	8.0	12.6	1.4	-9.7
Non-DAC donors (ODA/OA)	1.0	0.9	0.8	1.0	1.0	2.8	3.3	3.1
For cross reference								
Total DAC net ODA (d)	48.5	52.1	53.2	53.7	52.4	58.3	69.1	79.5
of which: Bilateral grants	31.3	32.5	33.9	33.0	33.5	39.8	50.9	57.3

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.

Note: The data on private flows in this table differ from those shown in Table 2, and the other tables in the statistical annex of this report due to: 1) the coverage of the data which includes flows to all aid recipients including those on Part II of the DAC List of Aid Recipients; and 2) the data sources for bank lending (BIS) and bond lending (Joint BIS-IMF-OECD-WB Statistics on External Debt) which are more comprehensive than the DAC Questionnaire data shown on Table 2.

Statlink: <http://dx.doi.org/10.1787/104612308177>

Table 6

Total Net Resource Flows from DAC Countries and from Multilateral Agencies by Type of Flow
(continued)

1997	1998	1999	Per cent of total		2002	2003	2004 (p)	
			2000	2001				
23.5	39.0	27.5	30.3	31.2	44.7	24.4	24.9	I. OFFICIAL DEVELOPMENT FINANCE (ODF)
14.9	22.1	16.7	22.9	23.3	41.4	23.2	24.6	1. Official development assistance (ODA)
10.1	15.4	12.1	16.7	15.9	29.0	17.1	17.7	of which: Bilateral
4.8	6.7	4.6	6.2	7.3	12.4	6.1	6.9	Multilateral
1.7	3.1	2.5	3.6	2.9	4.6	2.5	2.9	2. Official Aid (OA)
1.3	2.0	1.6	2.3	1.6	3.2	1.3	1.5	of which: Bilateral
0.5	1.1	0.9	1.3	1.3	1.4	1.1	1.4	Multilateral
6.8	13.9	8.3	3.8	5.1	-1.2	-1.3	-2.6	3. Other ODF
1.8	5.6	3.3	-0.6	0.7	1.4	-0.3	-1.5	of which: Bilateral
5.0	8.3	5.0	4.5	4.4	-2.6	-1.0	-1.2	Multilateral
1.5	3.7	1.3	3.6	1.3	-1.1	1.7	2.2	II. TOTAL EXPORT CREDITS
75.0	57.3	71.2	66.1	67.5	56.4	73.9	72.9	III. PRIVATE FLOWS
31.8	51.3	46.5	57.5	61.2	57.5	29.7	43.9	1. Direct investment (DAC)
5.9	8.9	12.1	11.9	14.9	16.5	4.1	7.7	of which: to offshore centres
3.7	-33.4	-6.8	-8.2	-5.2	-8.7	17.2	15.8	2. International bank lending (a)
26.0	15.0	9.6	9.1	8.9	13.5	13.3	14.4	3. Total bond lending
11.5	21.2	19.0	3.3	-2.2	-14.5	8.7	-6.0	4. Other (including equities) (b)
2.0	3.1	2.9	4.4	4.7	8.6	5.0	4.9	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)

Statlink: <http://dx.doi.org/10.1787/674348731500>

Table 7

Burden Sharing Indicators
2003-2004 average
 Net disbursements

	Grant equivalent of total ODA ^a as % of GNI	Multilateral ODA as % of GNI ^b		of which: Aid to LICs ^c Aid to LDCs ^d		ODA per capita of donor country 2003 USD		Aid by NGOs as % of GNI	
				as % of GNI		Memo: 1993-1994 2003-2004		Memo: 1993-1994 2003-2004	
Australia	0.25	0.05	n.a.	0.13	0.06	65	62	0.03	0.08
Austria	0.23	0.04	(0.11)	0.10	0.06	35	68	0.03	0.03
Belgium	0.52	0.05	(0.14)	0.29	0.26	84	152	0.02	0.05
Canada	0.27	0.07	n.a.	0.09	0.07	90	68	0.05	0.07
Denmark	0.89	0.27	(0.35)	0.43	0.31	316	330	0.03	0.01
Finland	0.35	0.09	(0.16)	0.13	0.10	79	110	0.00	..
France	0.47	0.05	(0.13)	0.21	0.16	155	122	0.02	..
Germany	0.32	0.06	(0.13)	0.15	0.09	89	82	0.05	0.04
Greece	0.22	0.01	(0.08)	0.05	0.03	..	35	..	0.01
Ireland	0.39	0.06	(0.12)	0.24	0.21	37	130	0.09	0.18
Italy	0.17	0.03	(0.10)	0.07	0.06	63	40	0.01	0.00
Japan	0.29	0.06	n.a.	0.09	0.04	82	68	0.00	0.01
Luxembourg	0.82	0.13	(0.21)	0.42	0.29	160	448	0.03	0.02
Netherlands	0.85	0.18	(0.25)	0.29	0.23	198	239	0.08	0.07
New Zealand	0.23	0.05	n.a.	0.10	0.07	35	43	0.04	0.03
Norway	0.90	0.26	n.a.	0.44	0.35	341	438	0.12	..
Portugal	0.40	0.03	(0.10)	0.36	0.35	35	60	0.00	0.00
Spain	0.25	0.04	(0.10)	0.07	0.04	41	48	0.02	..
Sweden	0.78	0.14	(0.19)	0.32	0.24	230	270	0.07	0.01
Switzerland	0.40	0.10	n.a.	0.18	0.11	142	185	0.06	0.08
United Kingdom	0.37	0.06	(0.12)	0.20	0.13	72	110	0.05	0.02
United States	0.17	0.02	n.a.	0.06	0.04	46	61	0.04	0.06
TOTAL DAC	0.29	0.05	(0.08)	0.11	0.08	78	82	0.03	0.04

a) Equals grant disbursements plus grant equivalent of new loan commitments calculated against a 10% discount rate.

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 USD 745 or less in 2001. Includes imputed multilateral ODA.

d) Least developed countries (LDCs) are countries on the United Nations' list. Includes imputed multilateral ODA.

Table 8Statlink: <http://dx.doi.org/10.1787/607073835507>**ODA by Individual DAC Countries at 2003 Prices and Exchange Rates**

Net disbursements

USD million

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Australia	1 249	1 039	1 065	1 136	1 123	1 206	1 157	1 213	1 219	1 243
Austria	557	492	533	500	556	564	822	633	505	604
Belgium	967	886	844	973	862	1 062	1 136	1 310	1 853	1 301
Canada	2 316	1 968	2 248	2 019	1 987	1 949	1 766	2 318	2 031	2 334
Denmark	1 627	1 794	1 846	1 930	2 009	2 170	2 149	2 014	1 748	1 820
Finland	363	403	413	430	472	473	495	554	558	591
France	8 034	7 165	6 834	6 236	6 365	5 316	5 503	6 672	7 253	7 563
Germany	6 677	7 011	6 185	5 913	6 068	6 414	6 462	6 454	6 784	6 788
Greece	..	195	195	208	227	305	274	343	362	410
Ireland	190	217	230	244	306	322	384	485	504	534
Italy	1 930	2 585	1 460	2 609	2 131	1 838	2 178	2 878	2 433	2 177
Japan	10 721	8 137	8 946	11 014	11 120	11 922	9 947	9 775	8 880	8 498
Luxembourg	65	84	109	127	138	158	181	180	194	210
Netherlands	3 286	3 432	3 534	3 648	3 858	4 292	4 248	4 120	3 972	3 794
New Zealand	125	115	151	156	162	155	158	156	165	180
Norway	1 489	1 536	1 629	1 771	1 779	1 598	1 721	1 957	2 042	1 982
Portugal	287	243	306	313	338	370	362	396	320	921
Spain	1 490	1 357	1 512	1 679	1 693	1 659	2 382	2 135	1 961	2 149
Sweden	1 682	1 833	1 782	1 673	1 786	2 160	2 212	2 473	2 400	2 450
Switzerland	993	984	1 025	1 013	1 144	1 154	1 169	1 096	1 299	1 413
United Kingdom	4 075	3 987	3 963	4 290	3 809	5 278	5 519	5 522	6 282	6 879
United States	8 478	10 591	7 641	9 654	9 905	10 552	11 831	13 534	16 320	19 310
TOTAL DAC	56 599	56 055	52 451	57 537	57 837	60 917	62 053	66 219	69 085	73 152
<i>Memo:</i>										
Total DAC at current prices and exchange rates	58 780	55 591	48 465	52 087	53 233	53 749	52 435	58 292	69 085	79 512

Statlink: <http://dx.doi.org/10.1787/103126138481>

Table 9

Long-term Trends in DAC ODA

	Volume of net ODA (USD million at 2003 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		
	1983-1984	1993-1994	2003-2004	1983-1984	1993-1994	2003-2004	1983-1984	1993-1994	2003-2004
Australia	1 087	1 146	1 231	2.8	1.8	1.8	0.47	0.34	0.25
Austria	396	280	554	0.6	0.5	0.8	0.26	0.14	0.22
Belgium	1 126	849	1 577	1.7	1.3	2.2	0.58	0.35	0.50
Canada	2 196	2 590	2 182	5.6	4.0	3.1	0.48	0.44	0.25
Denmark	1 079	1 641	1 784	1.5	2.4	2.5	0.79	1.03	0.84
Finland	338	401	575	0.6	0.6	0.8	0.34	0.37	0.35
France	6 669	8 980	7 408	10.8	14.2	10.6	0.59	0.62	0.41
Germany	6 699	7 219	6 786	10.9	12.0	9.6	0.47	0.34	0.28
Greece	..	..	386	..	..	0.6	..	..	0.22
Ireland	85	132	519	0.1	0.2	0.7	0.21	0.23	0.39
Italy	2 422	3 571	2 305	3.6	5.0	3.3	0.24	0.29	0.16
Japan	8 832	10 194	8 689	14.7	21.3	12.0	0.33	0.28	0.19
Luxembourg	14	65	202	0.0	0.1	0.3	0.13	0.38	0.82
Netherlands	2 822	3 035	3 883	4.5	4.4	5.5	0.96	0.79	0.76
New Zealand	123	126	173	0.2	0.2	0.3	0.26	0.24	0.23
Norway	1 156	1 477	2 012	2.0	1.9	2.9	1.06	1.03	0.90
Portugal	35	350	621	0.0	0.5	0.9	0.05	0.31	0.44
Spain	292	1 614	2 055	0.4	2.3	3.0	0.06	0.28	0.24
Sweden	1 524	2 009	2 425	2.7	3.1	3.4	0.82	0.97	0.79
Switzerland	718	990	1 356	1.1	1.5	1.9	0.31	0.35	0.40
United Kingdom	3 676	4 188	6 580	5.5	5.3	9.5	0.34	0.31	0.35
United States	13 392	11 900	17 815	30.6	17.4	24.2	0.24	0.15	0.16
TOTAL DAC	54 683	62 756	71 119	100.0	100.0	100.0	0.34	0.30	0.25
<i>of which:</i>									
EU Members	27 179	34 333	37 661	43.0	51.8	53.8	0.44	0.42	0.35

Table 10Statlink: <http://dx.doi.org/10.1787/146370421682>**Technical Co-operation Expenditure**

Net disbursements

USD million at current prices and exchange rates

	1988-1989 average	1993-1994 average	2000	2001	2002	2003	2004
Australia	207	265	407	401	424	559	692
Austria	49	95	87	89	89	114	133
Belgium	160	122	221	214	291	324	414
Canada	261	460	352	346	328	345	414
Denmark	98	174	128	138	93	111	112
Finland	45	34	71	71	93	129	127
France	1 822	2 165	1 283	1 337	1 525	1 934	2 340
Germany	1 523	2 034	1 640	1 588	1 781	2 299	2 486
Greece	..	..	22	16	22	117	196
Ireland	12	28	..	11	13	11	12
Italy	319	129	27	92	102	148	140
Japan	1 115	2 032	2 430	1 942	1 812	1 880	1 914
Luxembourg	0	2	2	5	3	3	4
Netherlands	637	735	579	634	512	684	663
New Zealand	41	35	41	41	36	40	46
Norway	86	126	109	150	178	236	287
Portugal	22	67	90	117	127	142	114
Spain	51	81	107	185	239	313	340
Sweden	261	335	70	57	68	92	112
Switzerland	83	257	100	113	154	177	117
United Kingdom	625	684	685	773	874	993	751
United States	2 142	3 053	4 316	5 282	6 690	7 701	7 347
TOTAL DAC	9 560	12 911	12 767	13 602	15 452	18 352	18 764

Statlink: <http://dx.doi.org/10.1787/667688560084>**Table 11****Non-ODA Financial Flows to Developing Countries in 2004**

Per cent of reporting country's GNI

	<i>Memo:</i> Total net flows	<i>of which:</i>							
		Total non-ODA flows	Export credits	OOE excl. export credits	Direct investment	Bank lending	Non-bank portfolio	Multi-lateral private flows	NGOs net
Australia	0.41	0.17	-0.03	0.03	0.08	-0.00	0.00	-	0.08
Austria	0.46	0.23	-0.10	-0.02	0.32	-	-	-	0.03
Belgium	0.23	-0.18	-0.16	-0.03	-0.05	-	-	-	0.05
Canada	0.62	0.35	-0.07	-0.01	0.37	-0.01	-	-	0.07
Denmark	1.10	0.25	-	0.01	0.22	-	-	-	0.02
Finland	..	..	..	..	..	..	..	..	..
France	0.61	0.20	-0.00	-0.01	0.07	0.08	0.05	-	..
Germany	0.43	0.16	0.03	-0.03	0.13	-0.07	0.06	-0.00	0.04
Greece	0.23	0.00	-	0.00	-0.01	-	-	-	0.01
Ireland	2.47	2.08	-	-	-	1.93	-	-	0.15
Italy	0.19	0.05	0.10	0.03	0.05	0.00	-0.14	-	0.00
Japan	0.24	0.05	0.03	-0.05	0.19	-0.07	-	-0.06	0.01
Luxembourg	0.86	0.02	-	-	-	-	-	-	0.02
Netherlands	2.46	1.73	0.65	0.03	0.35	0.14	0.40	0.10	0.07
New Zealand	0.30	0.06	-	0.01	0.03	-	-	-	0.03
Norway	1.11	0.23	-0.02	0.00	0.25	-	-	-	..
Portugal	0.41	-0.22	0.09	-0.42	0.11	-	-	-	0.00
Spain	1.25	1.01	-0.02	0.00	1.03	-	-	-	..
Sweden	0.84	0.07	-0.09	-0.02	0.17	-	-0.00	-	0.01
Switzerland	-0.25	-0.66	0.06	-	-0.55	-	-	-0.26	0.08
United Kingdom	1.24	0.87	-0.02	-0.01	0.61	0.27	-	-	0.02
United States	0.28	0.11	-0.01	0.01	0.17	-0.03	-0.08	-0.01	0.06
TOTAL DAC	0.48	0.23	0.01	-0.01	0.21	0.01	-0.02	-0.02	0.04
<i>of which:</i>									
EU Members	0.77	0.43	0.04	-0.01	0.28	0.08	0.02	0.00	0.02

Table 12Statlink: <http://dx.doi.org/10.1787/758454671625>**Comparison of Flows by Type in 2003**

USD million

	Total DAC Countries	Australia	Austria	Belgium	Canada	Denmark	Finland	France	Germany
NET DISBURSEMENTS									
I. Official Development Assistance (ODA) (A + B)	69 085	1 219	505	1 853	2 031	1 748	558	7 253	6 784
ODA as % of GNI	0.25	0.25	0.20	0.60	0.24	0.84	0.35	0.40	0.28
A. Bilateral Official Development Assistance (1 + 2)	49 756	975	228	1 468	1 348	1 032	309	5 213	4 060
1. Grants and grant-like contributions	50 908	975	266	1 496	1 681	1 144	300	5 725	4 737
of which: Technical co-operation	18 352	559	114	324	345	111	129	1 934	2 299
Developmental food aid	1 196	19	2	11	116	1	0	40	26
Emergency and distress relief	6 221	139	37	111	246	117	45	476	182
Contributions to NGOs	1 418	1	0	7	1	12	6	28	-
Administrative costs	3 520	55	26	57	202	97	25	256	237
2. Development lending and capital	-1 153	-	- 37	- 27	- 333	- 113	8	- 511	- 678
of which: New development lending	- 461	-	- 35	- 23	- 333	- 103	2	- 798	- 585
B. Contributions to Multilateral Institutions	19 330	244	276	385	683	717	250	2 040	2 724
Grants and capital subscriptions, Total	19 393	244	276	385	683	717	250	2 048	2 734
of which: EC	6 946	-	169	282	-	146	108	1 311	1 604
IDA	3 120	90	42	-	164	61	35	291	491
Regional Development Banks	1 734	69	27	24	102	57	15	156	146
II. Other Official Flows (OOF) net (C + D)	- 348	80	44	955	- 358	41	7	2 806	-3 564
C. Bilateral Other Official Flows (1 + 2)	- 818	- 6	44	955	- 358	41	7	2 806	-3 564
1. Official export credits (a)	-1 285	- 118	48	0	- 277	-	-	-	- 444
2. Equities and other bilateral assets	468	112	- 4	955	- 81	41	7	2 806	-3 120
D. Multilateral Institutions	470	86	-	-	-	-	-	-	-
III. Grants by Private Voluntary Agencies	10 240	337	71	165	566	-	13	-	1 008
IV. Private Flows at Market Terms (long-term) (1 to 4)	47 031	1 374	824	-1 752	2 711	106	- 622	-3 123	995
1. Direct investment	49 799	239	765	-	2 626	106	78	681	1 908
2. Private export credits	2 313	-	59	-1 752	3	-	- 297	-2 345	249
3. Securities of multilateral agencies	1 083	-	-	-	-	-	-	-	- 25
4. Bilateral portfolio investment	-6 164	1 135	-	-	82	-	- 403	-1 460	-1 137
V. Total Resource Flows (long-term) (I to IV)	126 009	3 010	1 445	1 221	4 949	1 896	- 44	6 936	5 224
Total Resource Flows as a % of GNI	0.45	0.61	0.58	0.40	0.58	0.91	-0.03	0.39	0.22
For reference:									
GROSS DISBURSEMENTS									
Official Development Assistance (b)	79 782	1 219	545	1 887	2 368	1 890	560	9 156	8 029
New development lending	7 017	-	1	6	4	-	3	447	474
Food aid, Total bilateral	3 170	37	2	17	116	1	9	71	69
Other Official Flows	20 692	199	162	1 000	721	51	21	4 236	-1 092
of which: Official export credits	3 109	2	162	0	655	-	-	-	126
Private export credits	19 175	-	217	-	272	-	-	-	4 964
COMMITMENTS									
Official Development Assistance, Total (b)	89 243	1 242	570	1 761	2 558	1 558	659	10 151	8 567
Bilateral grants, Total	54 705	1 140	277	1 564	1 865	823	381	5 805	5 031
Debt forgiveness	6 515	3	8	753	96	-	-	569	1 337
Bilateral loans, Total	14 821	-	-	4	11	23	8	1 399	616
Memo items:									
Gross ODA debt reorganisation grants	8 554	7	41	757	96	-	-	2 432	1 337
of which: debt forgiveness	8 338	6	41	757	96	-	-	2 329	1 337
Net ODA debt reorganisation grants (c)	6 971	7	39	753	96	-	-	2 127	1 220
Refugees in donor countries	1 860	31	34	79	145	106	11	445	25

a) Including funds in support of private export credits.

b) Including debt reorganisation.

c) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved.

Statlink: <http://dx.doi.org/10.1787/758454671625>

Table 12

Comparison of Flows by Type in 2003

(continued)

USD million

Greece	Ireland	Italy	Japan	Luxembourg	Netherlands	New Zealand	Norway	Portugal	Spain	Sweden	Switzerland	United Kingdom	United States
362	504	2 433	8 880	194	3 972	165	2 042	320	1 961	2 400	1 299	6 282	16 320
0.21	0.39	0.17	0.20	0.81	0.80	0.23	0.92	0.22	0.23	0.79	0.39	0.34	0.15
228	352	1 061	6 334	150	2 829	129	1 462	182	1 151	1 779	945	3 861	14 659
228	352	1 126	4 443	150	2 963	129	1 455	183	938	1 753	929	3 576	16 359
117	11	148	1 880	3	684	40	236	142	313	92	177	993	7 701
-	1	51	65	2	18	0	4	-	6	-	-	-	834
11	26	89	30	14	307	17	350	1	89	387	158	565	2 822
-	74	34	188	26	602	11	-	1	7	105	47	268	-
16	25	48	679	3	226	10	99	10	77	100	28	464	779
-	-	- 65	1 891	-	- 133	-	7	- 1	213	26	16	285	-1 701
-	-	- 105	1 262	-	- 135	-	- 7	- 1	251	26	- 5	129	-
134	152	1 372	2 545	44	1 143	36	580	137	810	621	355	2 421	1 661
134	152	1 372	2 545	44	1 143	36	580	137	810	621	355	2 456	1 671
116	73	942	-	19	362	-	-	88	525	123	-	1 078	-
4	7	2	713	4	162	7	100	11	63	-	135	737	-
-	-	33	480	2	59	6	72	24	85	133	66	129	48
-	-	- 285	-2 149	-	899	3	0	- 2	73	- 15	0	50	1 068
-	-	- 285	-2 533	-	899	3	0	- 2	73	- 15	0	50	1 068
-	-	-	- 130	-	-	-	-	-	-	-	-	94	- 459
-	-	- 285	-2 404	-	899	3	0	- 2	73	- 15	0	- 44	1 527
-	-	-	384	-	-	-	-	-	-	-	-	-	-
8	283	27	335	7	379	18	-	4	-	23	280	389	6 326
33	1 547	2 044	- 731	-	9 946	21	1 264	823	4 633	-1 153	2 104	11 840	14 147
33	-	505	7 016	-	3 448	21	1 199	680	4 737	- 337	2 051	9 745	14 298
-	-	1 644	3 643	-	2 451	-	65	143	- 104	- 816	54	- 679	- 6
-	-	-	371	-	659	-	-	-	-	-	- 1	-	78
-	1 547	- 106	-11 760	-	3 388	-	0	-	-	0	-	2 774	- 224
403	2 334	4 218	6 335	201	15 196	208	3 306	1 145	6 667	1 255	3 684	18 561	37 860
0.23	1.83	0.29	0.14	0.84	3.04	0.28	1.49	0.79	0.79	0.42	1.09	1.01	0.34
362	504	2 670	12 971	194	4 223	165	2 049	321	2 217	2 400	1 305	6 491	18 257
-	-	132	5 304	-	-	-	-	1	454	26	-	167	-
0	4	56	65	2	51	2	19	-	13	20	24	94	2 498
-	-	411	10 152	-	1 368	3	0	-	80	68	0	243	3 068
-	-	-	1 266	-	-	-	-	-	-	-	-	94	805
-	-	1 951	7 688	-	2 549	-	156	165	-	758	455	-	-
362	504	3 614	17 568	194	2 401	185	2 018	321	2 217	2 388	1 393	6 491	22 521
228	352	1 140	4 085	150	2 088	144	1 398	183	938	1 953	869	3 576	20 715
-	-	558	158	-	237	-	-	5	116	165	30	81	2 400
-	-	375	11 120	-	20	-	39	1	469	28	33	454	221
-	-	558	162	-	255	-	22	6	144	165	37	130	2 406
-	-	558	162	-	255	-	-	5	116	165	30	81	2 400
-	-	558	162	-	249	-	22	6	91	165	37	126	1 314
3	1	44	-	-	174	8	176	-	21	191	22	-	344

Table 13Statlink: <http://dx.doi.org/10.1787/048102777020>**Comparison of Flows by Type in 2004**

USD million

	Total DAC Countries	Australia	Austria	Belgium	Canada	Denmark	Finland	France	Germany
NET DISBURSEMENTS									
I. Official Development Assistance (ODA) (A + B)	79 512	1 460	678	1 463	2 599	2 037	655	8 473	7 534
ODA as % of GNI	0.26	0.25	0.23	0.41	0.27	0.85	0.35	0.41	0.28
A. Bilateral Official Development Assistance (1 + 2)	54 385	1 191	353	902	1 991	1 202	362	5 567	3 823
1. Grants and grant-like contributions	57 322	1 191	380	953	2 022	1 192	353	6 067	4 513
of which: Technical co-operation	18 764	692	133	414	414	112	127	2 340	2 486
Developmental food aid	1 169	40	2	3	28	0	0	50	24
Emergency and distress relief	7 332	167	58	100	295	95	53	563	207
Contributions to NGOs	1 794	-	0	23	1	11	9	35	-
Administrative costs	3 999	65	30	41	209	102	28	366	247
2. Development lending and capital	-2 937	-	-28	-50	-31	11	9	-500	-690
of which: New development lending	-127	-	-4	-46	-31	-16	-	-293	-334
B. Contributions to Multilateral Institutions	25 126	270	325	561	608	835	293	2 906	3 712
Grants and capital subscriptions, Total	24 828	270	325	561	608	835	-	2 885	3 720
of which: EC	8 910	-	200	335	-	179	133	1 863	1 881
IDA	5 700	85	46	92	177	67	41	395	1 148
Regional Development Banks	2 275	74	30	26	102	50	17	164	170
II. Other Official Flows (OOF) net (C + D)	-5 599	35	-229	-93	-794	21	-	-216	-1 051
C. Bilateral Other Official Flows (1 + 2)	-5 347	-79	-229	-93	-794	21	-	-216	-1 051
1. Official export credits (a)	-2 668	-166	-175	0	-664	-	-	-	-236
2. Equities and other bilateral assets	-2 700	87	-55	-93	-130	21	-	-216	-815
D. Multilateral Institutions	-252	114	-	-	-	-	-	-	-
III. Grants by Private Voluntary Agencies	11 307	489	89	181	639	58	-	-	1 148
IV. Private Flows at Market Terms (long-term) (1 to 4)	64 082	482	815	-735	3 542	518	-	4 342	4 199
1. Direct investment	66 041	506	924	-169	3 613	518	-	1 534	3 613
2. Private export credits	6 465	-	-109	-566	0	-	-	-23	949
3. Securities of multilateral agencies	-4 766	-	-	-	-	-	-	-	-85
4. Bilateral portfolio investment	-3 658	-24	-	-	-71	-	-	2 831	-278
V. Total Resource Flows (long-term) (I to IV)	148 646	2 466	1 352	816	5 986	2 634	..	12 599	11 830
Total Resource Flows as a % of GNI	0.48	0.41	0.46	0.23	0.62	1.10	..	0.61	0.43
For reference:									
GROSS DISBURSEMENTS									
Official Development Assistance (b)	92 203	1 460	708	1 555	2 631	2 100	655	9 800	8 957
New development lending	7 784	-	-	28	1	-	-	508	674
Food aid, Total bilateral	2 734	52	2	19	89	0	0	50	79
Other Official Flows	12 974	210	138	24	653	47	-	410	922
of which: Official export credits	3 220	4	138	0	650	-	-	-	372
Private export credits	12 655	-	294	258	1 210	-	-	224	-
COMMITMENTS									
Official Development Assistance, Total (b)	97 978	1 327	727	2 199	3 013	2 497	-	9 864	9 335
Bilateral grants, Total	64 912	1 239	385	1 280	2 404	1 523	-	6 128	4 833
Debt forgiveness	6 879	7	83	211	74	-	-	1 960	814
Bilateral loans, Total	9 436	-	-	28	-	119	-	870	1 282
Memo items:									
Gross ODA debt reorganisation grants	7 215	12	117	211	74	-	-	1 961	814
of which: debt forgiveness	7 084	10	117	211	74	-	-	1 960	814
Net ODA debt reorganisation grants (c)	4 293	12	93	206	74	-	-	1 701	552
Refugees in donor countries	2 120	55	52	42	177	85	-	544	15

a) Including funds in support of private export credits.

b) Including debt reorganisation.

c) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved.

Statlink: <http://dx.doi.org/10.1787/048102777020>

Table 13

Comparison of Flows by Type in 2004

(continued)

USD million

Greece	Ireland	Italy	Japan	Luxembourg	Netherlands	New Zealand	Norway	Portugal	Spain	Sweden	Switzerland	United Kingdom	United States
465	607	2 462	8 906	236	4 204	212	2 199	1 031	2 437	2 722	1 545	7 883	19 705
0.23	0.39	0.15	0.19	0.83	0.73	0.23	0.87	0.63	0.24	0.78	0.41	0.36	0.17
304	410	704	5 917	171	2 670	159	1 536	873	1 400	2 076	1 187	5 339	16 250
304	410	855	7 131	171	3 217	159	1 496	179	1 227	2 066	1 173	5 239	17 027
196	12	140	1 914	4	663	46	287	114	340	112	117	751	7 347
0	1	33	48	4	2	1	-	-	12	-	-	-	921
13	38	75	657	22	339	27	261	18	97	384	345	523	2 995
0	95	45	248	28	658	12	-	4	7	137	50	429	-
17	28	63	671	4	247	13	118	10	83	117	29	508	1 004
-	-	- 151	- 1 213	-	- 547	-	41	694	173	10	14	100	- 777
-	-	- 153	990	-	- 532	-	- 6	- 4	233	10	- 6	64	-
161	198	1 757	2 988	64	1 534	53	662	158	1 037	646	359	2 544	3 455
161	198	1 757	2 988	64	1 534	53	662	158	1 037	646	359	2 540	3 466
144	93	1 186	-	20	383	-	-	112	628	225	-	1 529	-
4	20	-	764	8	358	8	119	12	180	25	146	250	1 752
-	-	169	450	11	73	7	74	17	131	48	42	130	490
4	-	507	- 2 372	-	151	5	0	- 692	25	- 64	-	- 155	- 679
4	-	507	- 2 006	-	151	5	0	- 692	25	- 64	-	- 155	- 679
-	-	- 33	- 130	-	-	-	-	-	-	-	-	21	- 1 287
4	-	540	- 1 876	-	129	5	0	- 692	25	- 64	-	- 176	607
-	-	-	- 366	-	-	-	-	-	-	-	-	-	-
17	234	49	425	6	412	29	-	3	-	31	316	390	6 792
- 14	3 010	221	4 392	-	9 339	25	586	335	10 300	266	- 2 810	18 805	6 465
- 14	-	808	9 171	-	1 986	25	635	187	10 503	594	- 2 082	13 335	20 355
-	-	1 682	1 667	-	3 708	-	- 49	148	- 203	- 328	238	- 356	- 293
-	-	-	- 3 020	-	559	-	-	-	-	-	- 966	-	- 1 255
-	3 010	- 2 269	- 3 426	-	3 086	-	-	-	-	-	-	5 826	- 12 343
472	3 851	3 239	11 351	242	14 106	271	2 785	676	12 762	2 954	- 949	26 922	32 283
0.23	2.47	0.19	0.24	0.86	2.46	0.30	1.11	0.41	1.25	0.84	- 0.25	1.24	0.28
465	607	2 749	16 159	236	4 898	212	2 204	1 036	2 684	2 722	1 556	8 206	20 604
-	-	135	5 931	-	-	-	-	0	413	10	4	80	-
4	5	35	48	6	42	2	14	-	19	14	25	64	2 164
4	-	2 055	7 303	-	151	5	0	-	25	32	-	68	927
-	-	-	1 840	-	-	-	-	-	-	-	-	21	194
-	-	2 029	6 717	-	-	-	3	160	-	1 037	723	-	-
465	607	3 040	15 514	236	3 427	241	2 104	1 036	2 684	2 723	1 744	8 206	26 991
304	410	817	7 651	171	2 805	184	1 415	179	1 227	2 072	1 252	5 239	23 394
-	-	115	2 448	-	29	-	-	5	198	26	8	759	141
-	-	125	5 340	-	0	-	26	698	420	6	14	381	127
-	0	115	2 413	-	231	-	12	6	277	26	8	794	143
-	-	115	2 413	-	231	-	-	5	198	26	8	759	141
-	0	115	158	-	216	-	12	6	210	26	8	788	114
3	2	-	-	-	118	11	111	1	20	178	194	-	512

Table 14Statlink: <http://dx.doi.org/10.1787/600074333405>**The Flow of Financial Resources to Developing Countries and Multilateral Organisations**

USD million

	1993-94	2001	Australia 2002	2003	2004
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 022	873	989	1 219	1 460
ODA as % of GNI	0.34	0.25	0.26	0.25	0.25
A. Bilateral Official Development Assistance (1 + 2)	769	660	774	975	1 191
1. Grants and grant-like contributions	769	660	774	975	1 191
of which: Technical co-operation	265	401	424	559	692
Developmental food aid (a)	35	17	32	19	40
Emergency and distress relief (a)	26	49	98	139	167
Contributions to NGOs	19	1	-	1	-
Administrative costs	29	47	45	55	65
2. Development lending and capital	-	-	-	-	-
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	253	212	215	244	270
Grants and capital subscriptions, Total	253	212	215	244	270
of which: EC	-	-	-	-	-
IDA	82	66	71	90	85
Regional Development Banks	62	62	53	69	74
II. Other Official Flows (OOF) net (C + D)	166	56	31	80	35
C. Bilateral Other Official Flows (1 + 2)	166	- 27	- 35	- 6	- 79
1. Official export credits (b)	166	- 70	- 83	- 118	- 166
2. Equities and other bilateral assets	-	44	48	112	87
D. Multilateral Institutions	-	83	66	86	114
III. Grants by Private Voluntary Agencies	83	211	248	337	489
IV. Private Flows at Market Terms (long-term) (1 to 4)	837	151	- 433	1 374	482
1. Direct investment	1 162	- 318	- 103	239	506
2. Private export credits	-	-	-	-	-
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	- 325	469	- 331	1 135	- 24
V. Total Resource Flows (long-term) (I to IV)	2 109	1 290	834	3 010	2 466
Total Resource Flows as a % of GNI	0.71	0.37	0.22	0.61	0.41
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	1 022	873	989	1 219	1 460
New development lending	-	-	-	-	-
Food aid, Total bilateral	35	25	47	37	52
Other Official Flows	189	141	119	199	210
of which: Official export credits	189	14	5	2	4
Private export credits	-	-	-	-	-
COMMITMENTS					
Official Development Assistance, Total (c)	1 091	966	926	1 242	1 327
Bilateral grants, Total	878	737	651	1 140	1 239
Debt forgiveness	6	7	7	3	7
Bilateral loans, Total	-	-	-	-	-
Memo items:					
Gross ODA debt reorganisation grants	4	9	5	7	12
of which: debt forgiveness	4	7	5	6	10
Net ODA debt reorganisation grants (d)	-	9	5	7	12
Refugees in donor countries	-	-	4	31	55

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.

Statlink: <http://dx.doi.org/10.1787/600074333405>

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations(continued)
USD million

Austria					Belgium				
1993-94	2001	2002	2003	2004	1993-94	2001	2002	2003	2004
265	633	520	505	678	769	867	1 072	1 853	1 463
0.14	0.34	0.26	0.20	0.23	0.35	0.37	0.43	0.60	0.41
138	442	364	228	353	452	502	712	1 468	902
373	446	367	266	380	442	507	736	1 496	953
95	89	89	114	133	122	214	291	324	414
4	3	1	2	2	12	8	10	11	3
125	26	30	37	58	17	27	29	111	100
3	2	1	0	0	2	5	3	7	23
8	16	22	26	30	33	23	40	57	41
- 235	- 4	- 2	- 37	- 28	10	- 4	- 25	- 27	- 50
- 235	- 4	- 2	- 35	- 4	31	- 1	- 23	- 23	- 46
126	191	156	276	325	317	365	360	385	561
126	191	156	276	325	318	365	360	385	561
-	94	98	169	200	171	191	208	282	335
55	25	26	42	46	44	49	52	-	92
24	14	8	27	30	37	41	24	24	26
171	- 133	- 36	44	- 229	458	7	106	955	- 93
171	- 133	- 36	44	- 229	427	7	106	955	- 93
171	25	61	48	- 175	21	5	1	0	0
-	- 157	- 98	- 4	- 55	406	2	104	955	- 93
-	-	-	-	-	30	-	-	-	-
52	57	57	71	89	41	141	74	165	181
192	279	1 369	824	815	189	- 712	86	- 1 752	- 735
67	277	1 073	765	924	- 201	530	555	-	- 169
124	2	296	59	- 109	- 101	142	- 469	- 1 752	- 566
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	491	- 1 383	-	-	-
680	836	1 910	1 445	1 352	1 457	304	1 337	1 221	816
0.36	0.45	0.94	0.58	0.46	0.67	0.13	0.54	0.40	0.23
569	642	525	545	708	795	886	1 112	1 887	1 555
69	2	1	1	-	31	13	12	6	28
4	3	1	2	2	12	9	14	17	19
220	109	156	162	138	489	40	137	1 000	24
220	109	156	162	138	21	5	1	0	0
214	125	572	217	294	949	410	343	-	258
792	618	628	570	727	795	925	681	1 761	2 199
494	411	458	277	385	442	543	515	1 564	1 280
139	196	-	8	83	41	54	115	753	211
171	1	-	-	-	33	17	13	4	28
22	244	167	41	117	41	54	167	757	211
22	244	167	41	117	41	54	167	757	211
-	244	166	39	93	-	50	163	753	206
118	21	28	34	52	-	-	-	79	42

d) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved. Available only from 1998.

Table 14Statlink: <http://dx.doi.org/10.1787/600074333405>**The Flow of Financial Resources to Developing Countries and Multilateral Organisations**

(continued)

USD million

	1993-94	2001	Canada 2002	2003	2004
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	2 325	1 533	2 004	2 031	2 599
ODA as % of GNI	0.44	0.22	0.28	0.24	0.27
A. Bilateral Official Development Assistance (1 + 2)	1 522	1 200	1 501	1 348	1 991
1. Grants and grant-like contributions	1 615	1 222	1 527	1 681	2 022
of which: Technical co-operation	460	346	328	345	414
Developmental food aid (a)	92	86	67	116	28
Emergency and distress relief (a)	251	210	191	246	295
Contributions to NGOs	125	168	165	1	1
Administrative costs	132	137	159	202	209
2. Development lending and capital	- 93	- 22	- 26	- 333	- 31
of which: New development lending	43	- 22	- 26	- 333	- 31
B. Contributions to Multilateral Institutions	802	333	503	683	608
Grants and capital subscriptions, Total	802	333	504	683	608
of which: EC	-	-	-	-	-
IDA	208	-	129	164	177
Regional Development Banks	179	79	97	102	102
II. Other Official Flows (OOF) net (C + D)	533	- 98	- 424	- 358	- 794
C. Bilateral Other Official Flows (1 + 2)	533	- 98	- 424	- 358	- 794
1. Official export credits (b)	533	- 91	- 192	- 277	- 664
2. Equities and other bilateral assets	-	- 7	- 233	- 81	- 130
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	279	116	276	566	639
IV. Private Flows at Market Terms (long-term) (1 to 4)	2 323	- 12	188	2 711	3 542
1. Direct investment	2 655	633	829	2 626	3 613
2. Private export credits	- 23	- 44	- 37	3	0
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	- 309	- 601	- 604	82	- 71
V. Total Resource Flows (long-term) (I to IV)	5 460	1 538	2 044	4 949	5 986
Total Resource Flows as a % of GNI	1.03	0.22	0.28	0.58	0.62
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	2 461	1 556	2 034	2 368	2 631
New development lending	43	-	3	4	1
Food aid, Total bilateral	92	86	67	116	89
Other Official Flows	1 416	1 256	1 004	721	653
of which: Official export credits	1 416	1 173	927	655	650
Private export credits	228	68	64	272	1 210
COMMITMENTS					
Official Development Assistance, Total (c)	2 286	1 569	2 237	2 558	3 013
Bilateral grants, Total	1 413	1 235	1 715	1 865	2 404
Debt forgiveness	94	11	264	96	74
Bilateral loans, Total	96	-	19	11	-
Memo items:					
Gross ODA debt reorganisation grants	94	11	264	96	74
of which: debt forgiveness	94	11	264	96	74
Net ODA debt reorganisation grants (d)	-	11	264	96	74
Refugees in donor countries	168	137	126	145	177

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.

Statlink: <http://dx.doi.org/10.1787/600074333405>

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations(continued)
USD million

Denmark					Finland				
1993-94	2001	2002	2003	2004	1993-94	2001	2002	2003	2004
1 393	1 634	1 643	1 748	2 037	323	389	462	558	655
1.03	1.03	0.96	0.84	0.85	0.37	0.32	0.35	0.35	0.35
779	1 035	1 038	1 032	1 202	228	224	251	309	362
825	1 048	1 019	1 144	1 192	220	229	248	300	353
174	138	93	111	112	34	71	93	129	127
-	-	-	1	0	3	-	-	0	0
78	114	110	117	95	25	40	40	45	53
7	9	6	12	11	4	4	5	6	9
61	82	87	97	102	21	16	20	25	28
- 46	- 14	19	- 113	11	8	- 4	4	8	9
4	- 19	-	- 103	- 16	21	- 5	- 3	2	-
614	600	605	717	835	95	165	211	250	293
614	600	605	717	835	95	165	211	250	-
94	88	109	146	179	-	55	63	108	133
82	50	51	61	67	20	31	31	35	41
42	36	64	57	50	18	9	41	15	17
- 43	- 4	- 3	41	21	35	5	3	7	-
- 27	- 4	- 3	41	21	35	5	3	7	-
- 27	-	-	-	-	90	- 3	-	-	-
-	- 4	- 3	41	21	- 55	8	3	7	-
- 16	-	-	-	-	-	-	-	-	-
42	17	-	-	58	4	9	10	13	-
- 34	998	- 63	106	518	83	932	- 656	- 622	-
49	998	- 63	106	518	52	641	16	78	-
- 83	-	-	-	-	90	361	48	- 297	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	- 60	- 70	- 720	- 403	-
1 358	2 645	1 577	1 896	2 634	444	1 334	- 180	- 44	..
1.00	1.67	0.93	0.91	1.10	0.51	1.11	-0.14	-0.03	..
1 444	1 683	1 701	1 890	2 100	336	397	468	560	655
4	-	-	-	-	21	-	-	3	-
-	-	-	1	-	3	5	10	9	0
22	7	9	51	47	126	8	5	21	-
18	-	-	-	-	121	-	-	-	-
75	-	-	-	-	144	-	61	-	-
1 513	1 516	1 434	1 558	2 497	306	451	533	659	-
871	880	799	823	1 523	202	280	300	381	-
-	11	-	-	-	9	5	-	-	-
7	43	46	23	119	5	1	11	8	-
31	11	17	-	-	9	5	-	-	-
31	11	17	-	-	9	5	-	-	-
-	-	-	-	-	-	1	-	-	-
78	114	110	106	85	9	15	8	11	-

d) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved. Available only from 1998.

Table 14Statlink: <http://dx.doi.org/10.1787/600074333405>**The Flow of Financial Resources to Developing Countries and Multilateral Organisations**

(continued)

USD million

	1993-94	2001	France 2002	2003	2004
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	8 191	4 198	5 486	7 253	8 473
ODA as % of GNI	0.62	0.31	0.37	0.40	0.41
A. Bilateral Official Development Assistance (1 + 2)	6 382	2 596	3 615	5 213	5 567
1. Grants and grant-like contributions	5 278	2 920	3 874	5 725	6 067
of which: Technical co-operation	2 165	1 337	1 525	1 934	2 340
Developmental food aid (a)	57	52	33	40	50
Emergency and distress relief (a)	124	211	257	476	563
Contributions to NGOs	20	27	29	28	35
Administrative costs	274	179	194	256	366
2. Development lending and capital	1 104	- 325	- 259	- 511	- 500
of which: New development lending	1 599	- 191	- 312	- 798	- 293
B. Contributions to Multilateral Institutions	1 808	1 602	1 871	2 040	2 906
Grants and capital subscriptions, Total	1 808	1 530	1 849	2 048	2 885
of which: EC	875	1 043	1 286	1 311	1 863
IDA	432	232	244	291	395
Regional Development Banks	226	109	130	156	164
II. Other Official Flows (OOF) net (C + D)	192	- 39	635	2 806	- 216
C. Bilateral Other Official Flows (1 + 2)	192	- 39	635	2 806	- 216
1. Official export credits (b)	173	-	-	-	-
2. Equities and other bilateral assets	19	- 39	635	2 806	- 216
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	281	-	-	-	-
IV. Private Flows at Market Terms (long-term) (1 to 4)	3 146	12 168	-1 392	-3 123	4 342
1. Direct investment	2 258	8 049	2 915	681	1 534
2. Private export credits	- 452	280	-1 448	-2 345	- 23
3. Securities of multilateral agencies	- 59	-	-	-	-
4. Bilateral portfolio investment	1 398	3 838	-2 859	-1 460	2 831
V. Total Resource Flows (long-term) (I to IV)	11 810	16 327	4 729	6 936	12 599
Total Resource Flows as a % of GNI	0.90	1.20	0.32	0.39	0.61
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	8 985	5 112	6 720	9 156	9 800
New development lending	1 783	352	554	447	508
Food aid, Total bilateral	57	60	44	71	50
Other Official Flows	1 061	368	883	4 236	410
of which: Official export credits	292	-	-	-	-
Private export credits	636	-	-	-	224
COMMITMENTS					
Official Development Assistance, Total (c)	8 375	4 832	6 751	10 151	9 864
Bilateral grants, Total	4 490	2 652	3 961	5 805	6 128
Debt forgiveness	666	589	507	569	1 960
Bilateral loans, Total	2 077	577	782	1 399	870
Memo items:					
Gross ODA debt reorganisation grants	1 456	596	1 302	2 432	1 961
of which: debt forgiveness	1 456	593	507	2 329	1 960
Net ODA debt reorganisation grants (d)	-	348	1 072	2 127	1 701
Refugees in donor countries	-	203	246	445	544

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.

Statlink: <http://dx.doi.org/10.1787/600074333405>

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations(continued)
USD million

Germany					Greece				
1993-94	2001	2002	2003	2004	1993-94	2001	2002	2003	2004
6 886	4 990	5 324	6 784	7 534	-	202	276	362	465
0.34	0.27	0.27	0.28	0.28	-	0.17	0.21	0.21	0.23
4 330	2 853	3 328	4 060	3 823	-	83	107	228	304
3 581	2 858	3 904	4 737	4 513	-	81	107	228	304
2 034	1 588	1 781	2 299	2 486	-	16	22	117	196
114	18	23	26	24	-	-	-	-	0
471	235	224	182	207	-	4	6	11	13
98	-	-	-	-	-	-	-	-	0
229	223	244	237	247	-	-	3	16	17
749	- 5	- 576	- 678	- 690	-	1	-	-	-
366	18	- 227	- 585	- 334	-	1	-	-	-
2 556	2 136	1 997	2 724	3 712	-	119	169	134	161
2 568	2 144	2 005	2 734	3 720	-	119	169	134	161
1 273	1 147	1 259	1 604	1 881	-	94	125	116	144
658	376	14	491	1 148	-	5	4	4	4
263	79	199	146	170	-	6	10	-	-
2 687	- 663	3 710	-3 564	-1 051	-	-	-	-	4
2 758	- 663	3 710	-3 564	-1 051	-	-	-	-	4
253	- 154	- 296	- 444	- 236	-	-	-	-	-
2 505	- 509	4 006	-3 120	- 815	-	-	-	-	4
- 71	-	-	-	-	-	-	-	-	-
924	808	823	1 008	1 148	-	-	6	8	17
9 160	1 210	-2 650	995	4 199	-	-	40	33	- 14
2 129	1 864	324	1 908	3 613	-	-	40	33	- 14
2 506	551	287	249	949	-	-	-	-	-
513	- 867	- 698	- 25	- 85	-	-	-	-	-
4 013	- 339	-2 562	-1 137	- 278	-	-	-	-	-
19 657	6 345	7 207	5 224	11 830	-	202	322	403	472
0.97	0.34	0.36	0.22	0.43	-	0.17	0.24	0.23	0.23
8 096	5 864	6 685	8 029	8 957	-	202	276	362	465
1 477	673	600	474	674	-	1	-	-	-
114	98	120	69	79	-	-	-	0	4
5 404	591	5 300	-1 092	922	-	-	-	-	4
906	302	225	126	372	-	-	-	-	-
5 629	3 344	2 922	4 964	-	-	-	-	-	-
8 887	6 178	7 135	8 567	9 335	-	202	276	362	465
3 949	2 646	3 999	5 031	4 833	-	81	107	228	304
136	74	1 037	1 337	814	-	-	-	-	-
2 171	847	598	616	1 282	-	1	-	-	-
136	174	1 037	1 337	814	-	-	-	-	-
136	174	1 037	1 337	814	-	-	-	-	-
-	24	560	1 220	552	-	-	-	-	-
425	80	36	25	15	-	-	3	3	3

d) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved. Available only from 1998.

Table 14Statlink: <http://dx.doi.org/10.1787/600074333405>**The Flow of Financial Resources to Developing Countries and Multilateral Organisations***(continued)*

USD million

	1993-94	2001	Ireland 2002	2003	2004
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	95	287	398	504	607
ODA as % of GNI	0.23	0.33	0.40	0.39	0.39
A. Bilateral Official Development Assistance (1 + 2)	48	184	267	352	410
1. Grants and grant-like contributions	48	184	267	352	410
of which: Technical co-operation	28	11	13	11	12
Developmental food aid (a)	1	-	2	1	1
Emergency and distress relief (a)	7	18	17	26	38
Contributions to NGOs	1	28	48	74	95
Administrative costs	4	14	21	25	28
2. Development lending and capital	-	-	-	-	-
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	47	102	131	152	198
Grants and capital subscriptions, Total	47	102	131	152	198
of which: EC	32	61	63	73	93
IDA	6	8	8	7	20
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	39	101	86	283	234
IV. Private Flows at Market Terms (long-term) (1 to 4)	30	347	986	1 547	3 010
1. Direct investment	-	-	-	-	-
2. Private export credits	30	-	-	-	-
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	-	347	986	1 547	3 010
V. Total Resource Flows (long-term) (I to IV)	163	735	1 469	2 334	3 851
Total Resource Flows as a % of GNI	0.39	0.85	1.49	1.83	2.47
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	95	287	398	504	607
New development lending	-	-	-	-	-
Food aid, Total bilateral	1	-	7	4	5
Other Official Flows	-	-	-	-	-
of which: Official export credits	-	-	-	-	-
Private export credits	30	-	-	-	-
COMMITMENTS					
Official Development Assistance, Total (c)	95	287	398	504	607
Bilateral grants, Total	48	184	267	352	410
Debt forgiveness	-	-	-	-	-
Bilateral loans, Total	-	-	-	-	-
Memo items:					
Gross ODA debt reorganisation grants	-	11	-	-	0
of which: debt forgiveness	-	-	-	-	-
Net ODA debt reorganisation grants (d)	-	11	-	-	0
Refugees in donor countries	-	-	1	1	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.

Statlink: <http://dx.doi.org/10.1787/600074333405>

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations(continued)
USD million

Italy					Japan				
1993-94	2001	2002	2003	2004	1993-94	2001	2002	2003	2004
2 874	1 627	2 332	2 433	2 462	12 249	9 847	9 283	8 880	8 906
0.29	0.15	0.20	0.17	0.15	0.28	0.23	0.23	0.20	0.19
1 882	442	1 007	1 061	704	8 801	7 458	6 692	6 334	5 917
1 017	546	1 083	1 126	855	4 899	4 742	4 373	4 443	7 131
129	92	102	148	140	2 032	1 942	1 812	1 880	1 914
82	76	42	51	33	49	54	41	65	48
224	65	82	89	75	36	30	36	30	657
13	84	43	34	45	142	179	143	188	248
82	32	37	48	63	600	715	700	679	671
866	- 104	- 77	- 65	- 151	3 902	2 716	2 320	1 891	- 1 213
650	- 108	- 109	- 105	- 153	7 097	2 716	2 084	1 262	990
992	1 185	1 326	1 372	1 757	3 448	2 389	2 591	2 545	2 988
992	1 185	1 326	1 372	1 757	3 448	2 389	2 591	2 545	2 988
589	619	762	942	1 186	-	-	-	-	-
118	240	126	2	-	1 476	869	786	713	764
4	76	46	33	169	1 004	428	393	480	450
817	55	- 370	- 285	507	3 535	- 1 748	- 4 208	- 2 149	- 2 372
868	55	- 370	- 285	507	2 185	- 873	- 1 696	- 2 533	- 2 006
387	31	-	-	- 33	342	- 427	- 524	- 130	- 130
481	23	- 370	- 285	540	1 842	- 447	- 1 173	- 2 404	- 1 876
- 51	-	-	-	-	1 351	- 875	- 2 512	384	- 366
54	32	-	27	49	186	235	157	335	425
- 846	- 1 903	- 563	2 044	221	6 212	5 380	- 573	- 731	4 392
125	1 221	639	505	808	4 857	6 473	6 362	7 016	9 171
- 1 314	494	2 048	1 644	1 682	1 807	- 384	- 1 054	3 643	1 667
-	-	-	-	-	- 3 339	- 355	- 2 804	371	- 3 020
343	- 3 617	- 3 250	- 106	- 2 269	2 888	- 354	- 3 077	- 11 760	- 3 426
2 899	- 189	1 399	4 218	3 239	22 182	13 714	4 659	6 335	11 351
0.29	- 0.02	0.12	0.29	0.19	0.50	0.32	0.11	0.14	0.24
3 174	1 814	2 532	2 670	2 749	15 498	12 625	12 230	12 971	16 159
650	79	91	132	135	7 097	5 494	5 031	5 304	5 931
82	76	42	56	35	49	54	41	65	48
2 059	89	252	411	2 055	9 991	7 563	7 360	10 152	7 303
1 206	59	-	-	-	2 165	1 237	760	1 266	1 840
1 346	118	2 163	1 951	2 029	11 718	3 255	2 793	7 688	6 717
3 269	2 144	2 671	3 614	3 040	17 971	14 186	10 711	17 568	15 514
940	576	1 166	1 140	817	5 275	5 002	4 335	4 085	7 651
192	10	620	558	115	301	480	232	158	2 448
705	66	93	375	125	9 435	6 601	5 014	11 120	5 340
192	10	620	558	115	338	446	261	162	2 413
192	10	620	558	115	338	446	261	162	2 413
-	10	620	558	115	-	446	261	162	158
26	16	-	44	-	-	-	-	-	-

d) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved. Available only from 1998.

Table 14Statlink: <http://dx.doi.org/10.1787/600074333405>**The Flow of Financial Resources to Developing Countries and Multilateral Organisations***(continued)*

USD million

	1993-94	2001	Luxembourg 2002	2003	2004
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	55	139	147	194	236
ODA as % of GNI	0.38	0.76	0.77	0.81	0.83
A. Bilateral Official Development Assistance (1 + 2)	36	107	116	150	171
1. Grants and grant-like contributions	36	107	116	150	171
of which: Technical co-operation	2	5	3	3	4
Developmental food aid (a)	1	1	2	2	4
Emergency and distress relief (a)	7	13	13	14	22
Contributions to NGOs	-	1	2	26	28
Administrative costs	-	1	2	3	4
2. Development lending and capital	-	-	-	-	-
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	19	32	31	44	64
Grants and capital subscriptions, Total	19	32	31	44	64
of which: EC	11	13	14	19	20
IDA	4	4	4	4	8
Regional Development Banks	-	-	-	2	11
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	5	5	2	7	6
IV. Private Flows at Market Terms (long-term) (1 to 4)	-	-	-	-	-
1. Direct investment	-	-	-	-	-
2. Private export credits	-	-	-	-	-
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	-	-	-	-	-
V. Total Resource Flows (long-term) (I to IV)	59	144	148	201	242
Total Resource Flows as a % of GNI	0.41	0.78	0.78	0.84	0.86
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	55	139	147	194	236
New development lending	-	-	-	-	-
Food aid, Total bilateral	1	2	2	2	6
Other Official Flows	-	-	-	-	-
of which: Official export credits	-	-	-	-	-
Private export credits	-	-	-	-	-
COMMITMENTS					
Official Development Assistance, Total (c)	55	139	141	194	236
Bilateral grants, Total	36	107	110	150	171
Debt forgiveness	-	-	-	-	-
Bilateral loans, Total	-	-	-	-	-
Memo items:					
Gross ODA debt reorganisation grants	-	-	-	-	-
of which: debt forgiveness	-	-	-	-	-
Net ODA debt reorganisation grants (d)	-	-	-	-	-
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.

Statlink: <http://dx.doi.org/10.1787/600074333405>

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations(continued)
USD million

Netherlands					New Zealand				
1993-94	2001	2002	2003	2004	1993-94	2001	2002	2003	2004
2 521	3 172	3 338	3 972	4 204	104	112	122	165	212
0.79	0.82	0.81	0.80	0.73	0.24	0.25	0.22	0.23	0.23
1 738	2 224	2 449	2 829	2 670	79	85	92	129	159
1 938	2 392	2 585	2 963	3 217	79	85	92	129	159
735	634	512	684	663	35	41	36	40	46
27	13	6	18	2	-	-	-	0	1
303	285	212	307	339	4	3	11	17	27
262	310	431	602	658	2	5	7	11	12
109	183	195	226	247	7	7	8	10	13
- 200	- 167	- 136	- 133	- 547	-	-	-	-	-
18	- 55	- 90	- 135	- 532	-	-	-	-	-
783	948	889	1 143	1 534	24	27	30	36	53
783	948	889	1 143	1 534	24	27	30	36	53
263	194	210	362	383	-	-	-	-	-
164	115	76	162	358	7	4	5	7	8
32	56	72	59	73	2	4	5	6	7
73	42	229	899	151	-	-	2	3	5
73	42	229	899	151	-	-	2	3	5
-	- 79	-	-	-	-	-	-	-	-
73	121	229	899	129	-	-	2	3	5
-	-	-	-	-	-	-	-	-	-
269	240	257	379	412	15	11	23	18	29
2 246	-6 886	-5 310	9 946	9 339	-	16	17	21	25
1 509	2 526	281	3 448	1 986	-	16	17	21	25
- 40	182	859	2 451	3 708	-	-	-	-	-
- 110	-1 133	946	659	559	-	-	-	-	-
886	-8 462	-7 395	3 388	3 086	-	-	-	-	-
5 108	-3 432	-1 487	15 196	14 106	119	139	164	208	271
1.60	-0.89	-0.36	3.04	2.46	0.28	0.32	0.30	0.28	0.30
2 739	3 340	3 525	4 223	4 898	104	112	122	165	212
18	-	-	-	-	-	-	-	-	-
27	45	37	51	42	-	-	1	2	2
111	304	229	1 368	151	-	-	2	3	5
-	184	-	-	-	-	-	-	-	-
670	339	2 003	2 549	-	-	-	-	-	-
3 228	3 701	4 815	2 401	3 427	101	110	129	185	241
2 257	2 390	4 436	2 088	2 805	77	83	97	144	184
111	134	141	237	29	-	-	-	-	-
3	1	20	20	0	-	-	-	-	-
111	167	344	255	231	-	-	-	-	-
111	163	341	255	231	-	-	-	-	-
-	54	291	249	216	-	-	-	-	-
122	155	83	174	118	-	-	6	8	11

d) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved. Available only from 1998.

Table 14Statlink: <http://dx.doi.org/10.1787/600074333405>**The Flow of Financial Resources to Developing Countries and Multilateral Organisations***(continued)*

USD million

	1993-94	2001	Norway 2002	2003	2004
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 075	1 346	1 696	2 042	2 199
ODA as % of GNI	1.03	0.80	0.89	0.92	0.87
A. Bilateral Official Development Assistance (1 + 2)	743	940	1 145	1 462	1 536
1. Grants and grant-like contributions	738	938	1 143	1 455	1 496
of which: Technical co-operation	126	150	178	236	287
Developmental food aid (a)	14	-	-	4	-
Emergency and distress relief (a)	147	180	252	350	261
Contributions to NGOs	-	-	-	-	-
Administrative costs	41	66	82	99	118
2. Development lending and capital	5	2	2	7	41
of which: New development lending	6	- 4	- 5	- 7	- 6
B. Contributions to Multilateral Institutions	332	406	551	580	662
Grants and capital subscriptions, Total	332	406	551	580	662
of which: EC	-	-	-	-	-
IDA	77	80	73	100	119
Regional Development Banks	25	47	62	72	74
II. Other Official Flows (OOF) net (C + D)	1	-	-	0	0
C. Bilateral Other Official Flows (1 + 2)	1	-	-	0	0
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	1	-	-	0	0
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	129	210	452	-	-
IV. Private Flows at Market Terms (long-term) (1 to 4)	145	- 71	131	1 264	586
1. Direct investment	63	- 131	23	1 199	635
2. Private export credits	82	60	109	65	- 49
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	-	-	-	-	-
V. Total Resource Flows (long-term) (I to IV)	1 350	1 485	2 279	3 306	2 785
Total Resource Flows as a % of GNI	1.30	0.88	1.19	1.49	1.11
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	1 077	1 350	1 701	2 049	2 204
New development lending	6	-	-	-	-
Food aid, Total bilateral	14	15	11	19	14
Other Official Flows	2	-	-	0	0
of which: Official export credits	-	-	-	-	-
Private export credits	130	124	198	156	3
COMMITMENTS					
Official Development Assistance, Total (c)	979	1 490	1 653	2 018	2 104
Bilateral grants, Total	640	1 080	1 088	1 398	1 415
Debt forgiveness	52	-	-	-	-
Bilateral loans, Total	6	5	14	39	26
Memo items:					
Gross ODA debt reorganisation grants	30	21	13	22	12
of which: debt forgiveness	30	-	-	-	-
Net ODA debt reorganisation grants (d)	-	21	13	22	12
Refugees in donor countries	34	68	124	176	111

a) Emergency food aid included with developmental food aid up to and including 1995.

b) Including funds in support of private export credits.

c) Including debt reorganisation.

Statlink: <http://dx.doi.org/10.1787/600074333405>**Table 14****The Flow of Financial Resources to Developing Countries and Multilateral Organisations***(continued)*
USD million

Portugal					Spain				
1993-94	2001	2002	2003	2004	1993-94	2001	2002	2003	2004
269	268	323	320	1 031	1 304	1 737	1 712	1 961	2 437
0.31	0.25	0.27	0.22	0.63	0.28	0.30	0.26	0.23	0.24
194	183	186	182	873	895	1 150	998	1 151	1 400
120	166	183	183	179	224	966	769	938	1 227
67	117	127	142	114	81	185	239	313	340
-	-	-	-	-	7	6	9	6	12
6	2	2	1	18	6	38	32	89	97
-	2	2	1	4	-	6	5	7	7
6	7	7	10	10	32	54	61	77	83
75	18	3	- 1	694	672	184	229	213	173
-	16	2	- 1	- 4	718	177	229	251	233
75	85	137	137	158	409	588	714	810	1 037
75	85	137	137	158	409	588	714	810	1 037
57	69	73	88	112	307	342	416	525	628
6	-	7	11	12	7	98	57	63	180
3	6	44	24	17	39	49	130	85	131
226	- 1	- 1	- 2	- 692	- 107	146	54	73	25
226	- 1	- 1	- 2	- 692	- 107	146	54	73	25
-	-	-	-	-	- 107	-	-	-	-
226	- 1	- 1	- 2	- 692	-	146	54	73	25
-	-	-	-	-	-	-	-	-	-
-	5	3	4	3	99	-	-	-	-
- 240	1 503	- 150	823	335	1 157	9 640	6 404	4 633	10 300
14	1 273	- 360	680	187	1 157	10 160	6 540	4 737	10 503
- 253	230	210	143	148	-	- 520	- 136	- 104	- 203
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
255	1 775	175	1 145	676	2 453	11 523	8 171	6 667	12 762
0.30	1.66	0.15	0.79	0.41	0.52	2.01	1.25	0.79	1.25
273	268	323	321	1 036	1 350	1 852	1 872	2 217	2 684
-	16	2	1	0	718	291	383	454	413
-	-	-	-	-	7	9	15	13	19
260	-	-	-	-	14	146	54	80	25
-	-	-	-	-	14	-	-	-	-
465	243	220	165	160	-	-	-	-	-
261	268	323	321	1 036	1 156	1 852	1 872	2 217	2 684
98	166	183	183	179	224	966	769	938	1 227
65	17	10	5	5	36	382	112	116	198
79	18	3	1	698	523	299	388	469	420
14	17	11	6	6	35	382	118	144	277
14	17	10	5	5	35	382	112	116	198
-	17	11	6	6	-	382	113	91	210
-	-	-	-	1	-	7	14	21	20

d) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved. Available only from 1998.

Table 14Statlink: <http://dx.doi.org/10.1787/600074333405>**The Flow of Financial Resources to Developing Countries and Multilateral Organisations***(continued)*

USD million

	1993-94	2001	Sweden 2002	2003	2004
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 794	1 666	2 012	2 400	2 722
ODA as % of GNI	0.97	0.77	0.84	0.79	0.78
A. Bilateral Official Development Assistance (1 + 2)	1 352	1 205	1 271	1 779	2 076
1. Grants and grant-like contributions	1 352	1 185	1 262	1 753	2 066
of which: Technical co-operation	335	57	68	92	112
Developmental food aid (a)	1	-	-	-	-
Emergency and distress relief (a)	306	242	302	387	384
Contributions to NGOs	59	85	90	105	137
Administrative costs	74	69	74	100	117
2. Development lending and capital	-	20	8	26	10
of which: New development lending	-	20	9	26	10
B. Contributions to Multilateral Institutions	442	461	741	621	646
Grants and capital subscriptions, Total	442	461	741	621	646
of which: EC	-	112	83	123	225
IDA	113	-	359	-	25
Regional Development Banks	31	59	70	133	48
II. Other Official Flows (OOF) net (C + D)	1	1	2	- 15	- 64
C. Bilateral Other Official Flows (1 + 2)	1	1	2	- 15	- 64
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	1	1	2	- 15	- 64
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	130	16	19	23	31
IV. Private Flows at Market Terms (long-term) (1 to 4)	502	1 394	199	-1 153	266
1. Direct investment	20	507	296	- 337	594
2. Private export credits	483	888	- 97	- 816	- 328
3. Securities of multilateral agencies	- 1	-	-	-	-
4. Bilateral portfolio investment	-	-	-	-	-
V. Total Resource Flows (long-term) (I to IV)	2 427	3 077	2 232	1 255	2 954
Total Resource Flows as a % of GNI	1.32	1.42	0.93	0.42	0.84
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	1 794	1 666	2 012	2 400	2 722
New development lending	-	20	9	26	10
Food aid, Total bilateral	1	8	12	20	14
Other Official Flows	2	2	4	68	32
of which: Official export credits	-	-	-	-	-
Private export credits	1 132	1 987	1 094	758	1 037
COMMITMENTS					
Official Development Assistance, Total (c)	1 700	1 365	1 675	2 388	2 723
Bilateral grants, Total	1 249	1 058	1 257	1 953	2 072
Debt forgiveness	10	-	-	165	26
Bilateral loans, Total	2	10	8	28	6
Memo items:					
Gross ODA debt reorganisation grants	21	44	-	165	26
of which: debt forgiveness	21	-	-	165	26
Net ODA debt reorganisation grants (d)	-	44	-	165	26
Refugees in donor countries	53	81	138	191	178

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.

Statlink: <http://dx.doi.org/10.1787/600074333405>

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations(continued)
USD million

Switzerland					United Kingdom				
1993-94	2001	2002	2003	2004	1993-94	2001	2002	2003	2004
888	908	939	1 299	1 545	3 059	4 579	4 924	6 282	7 883
0.35	0.34	0.32	0.39	0.41	0.31	0.32	0.31	0.34	0.36
680	644	765	945	1 187	1 643	2 622	3 506	3 861	5 339
684	643	750	929	1 173	1 692	2 643	3 384	3 576	5 239
257	113	154	177	117	684	773	874	993	751
29	-	-	-	-	64	-	-	-	-
74	135	146	158	345	224	257	400	565	523
111	32	39	47	50	55	189	226	268	429
20	18	19	28	29	107	288	279	464	508
- 4	1	15	16	14	- 49	- 21	121	285	100
-	- 6	9	- 5	- 6	- 93	- 7	- 25	129	64
208	263	174	355	359	1 416	1 957	1 419	2 421	2 544
208	263	174	355	359	1 417	1 985	1 455	2 456	2 540
-	-	-	-	-	727	824	925	1 078	1 529
52	83	5	135	146	306	491	-	737	250
29	38	41	66	42	91	81	103	129	130
-	6	3	0	-	82	23	- 4	50	- 155
-	6	3	0	-	82	23	- 4	50	- 155
-	-	-	-	-	- 16	125	97	94	21
-	6	3	0	-	98	- 102	- 101	- 44	- 176
-	-	-	-	-	-	-	-	-	-
156	180	202	280	316	493	327	353	389	390
790	- 1 252	1 089	2 104	- 2 810	6 018	4 699	2 360	11 840	18 805
1 413	- 1 107	1 222	2 051	- 2 082	5 132	8 194	2 753	9 745	13 335
- 321	- 144	- 133	54	238	- 264	- 493	- 1 233	- 679	- 356
- 303	- 1	-	- 1	- 966	-	-	-	-	-
-	-	-	-	-	1 150	- 3 001	840	2 774	5 826
1 833	- 158	2 234	3 684	- 949	9 651	9 627	7 634	18 561	26 922
0.72	- 0.06	0.75	1.09	- 0.25	0.98	0.67	0.48	1.01	1.24
892	913	943	1 305	1 556	3 170	4 727	5 073	6 491	8 206
-	-	13	-	4	7	10	6	167	80
29	18	19	24	25	64	23	78	94	64
-	6	3	0	-	288	248	179	243	68
-	-	-	-	-	-	125	97	94	21
880	191	287	455	723	1 641	-	-	-	-
986	875	875	1 393	1 744	3 235	4 727	5 073	6 491	8 206
715	740	774	869	1 252	1 757	2 643	3 384	3 576	5 239
203	-	-	30	8	64	374	607	81	759
-	19	10	33	14	60	99	229	454	381
32	-	-	37	8	64	374	607	130	794
32	-	-	30	8	64	374	607	81	759
-	-	-	37	8	-	374	598	126	788
-	20	20	22	194	-	-	-	-	-

d) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved. Available only from 1998.

Table 14Statlink: <http://dx.doi.org/10.1787/600074333405>**The Flow of Financial Resources to Developing Countries and Multilateral Organisations***(continued)*

USD million

	1993-94	2001	United States 2002	2003	2004
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	10 025	11 429	13 290	16 320	19 705
ODA as % of GNI	0.15	0.11	0.13	0.15	0.17
A. Bilateral Official Development Assistance (1 + 2)	7 301	8 284	10 570	14 659	16 250
1. Grants and grant-like contributions	8 399	8 954	11 251	16 359	17 027
of which: Technical co-operation	3 053	5 282	6 690	7 701	7 347
Developmental food aid (a)	1 141	673	817	834	921
Emergency and distress relief (a)	901	1 092	1 382	2 822	2 995
Contributions to NGOs	-	-	-	-	-
Administrative costs	703	788	727	779	1 004
2. Development lending and capital	-1 098	- 670	- 681	-1 701	- 777
of which: New development lending	25	-	-	-	-
B. Contributions to Multilateral Institutions	2 725	3 145	2 720	1 661	3 455
Grants and capital subscriptions, Total	2 737	3 160	2 731	1 671	3 466
of which: EC	-	-	-	-	-
IDA	871	773	1 153	-	1 752
Regional Development Banks	438	213	221	48	490
II. Other Official Flows (OOF) net (C + D)	504	755	227	1 068	- 679
C. Bilateral Other Official Flows (1 + 2)	504	755	227	1 068	- 679
1. Official export credits (b)	- 938	351	- 292	- 459	-1 287
2. Equities and other bilateral assets	1 442	404	518	1 527	607
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	2 591	4 569	5 720	6 326	6 792
IV. Private Flows at Market Terms (long-term) (1 to 4)	45 868	21 864	5 173	14 147	6 465
1. Direct investment	20 985	24 236	12 928	14 298	20 355
2. Private export credits	1 929	1 130	765	- 6	- 293
3. Securities of multilateral agencies	1 127	-1 729	- 590	78	-1 255
4. Bilateral portfolio investment	21 828	-1 773	-7 930	- 224	-12 343
V. Total Resource Flows (long-term) (I to IV)	58 987	38 618	24 410	37 860	32 283
Total Resource Flows as a % of GNI	0.88	0.38	0.23	0.34	0.28
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	11 806	12 309	14 170	18 257	20 604
New development lending	25	-	-	-	-
Food aid, Total bilateral	1 361	930	1 526	2 498	2 164
Other Official Flows	2 629	1 858	1 640	3 068	927
of which: Official export credits	583	1 397	868	805	194
Private export credits	6 191	6 329	-	-	-
COMMITMENTS					
Official Development Assistance, Total (c)	11 758	12 876	14 857	22 521	26 991
Bilateral grants, Total	8 450	9 406	11 871	20 715	23 394
Debt forgiveness	447	23	420	2 400	141
Bilateral loans, Total	569	194	254	221	127
Memo items:					
Gross ODA debt reorganisation grants	447	39	436	2 406	143
of which: debt forgiveness	447	23	420	2 400	141
Net ODA debt reorganisation grants (d)	-	28	423	1 314	114
Refugees in donor countries	-	416	144	344	512

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.

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Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations(continued)
USD million

Total DAC Countries					EC				
1993-94	2001	2002	2003	2004	1993-94	2001	2002	2003	2004
57 484	52 435	58 292	69 085	79 512	4 396	5 961	5 448	7 173	8 704
0.30	0.22	0.23	0.25	0.26	-	-	-	-	-
39 995	35 124	40 752	49 756	54 385	3 984	5 517	5 150	6 445	8 068
34 329	33 522	39 813	50 908	57 322	3 795	4 810	5 102	6 197	7 794
12 911	13 602	15 452	18 352	18 764	111	179	192	403	479
1 733	1 007	1 086	1 196	1 169	274	350	317	317	263
3 359	3 276	3 869	6 221	7 332	555	526	510	691	960
923	1 137	1 246	1 418	1 794	151	144	-	-	1
2 571	2 964	3 027	3 520	3 999	50	139	80	459	660
5 665	1 602	939	-1 153	-2 937	189	707	48	248	274
10 250	2 525	958	- 461	- 127	344	707	48	248	274
17 489	17 311	17 540	19 330	25 126	412	444	298	728	636
17 517	17 289	17 574	19 393	24 828	412	444	298	728	636
4 399	4 946	5 695	6 946	8 910	-	-	-	-	-
4 788	3 599	3 279	3 120	5 700	-	313	170	236	-
2 548	1 491	1 813	1 734	2 275	-	-	-	-	-
9 330	-1 589	- 45	- 348	-5 599	5	331	883	1 146	1 856
8 087	- 797	2 401	- 818	-5 347	5	331	883	1 146	1 856
1 048	- 288	-1 226	-1 285	-2 668	-	-	-	-	-
7 039	- 509	3 626	468	-2 700	5	331	883	1 146	1 856
1 243	- 792	-2 446	470	- 252	-	-	-	-	-
5 869	7 289	8 768	10 240	11 307	-	-	-	-	-
77 777	49 745	6 252	47 031	64 082	-	-	-	-	-
43 446	66 041	36 286	49 799	66 041	-	-	-	-	-
4 200	2 736	14	2 313	6 465	-	-	-	-	-
-2 172	-4 086	-3 146	1 083	-4 766	-	-	-	-	-
32 304	-14 946	-26 902	-6 164	-3 658	-	-	-	-	-
150 461	107 880	73 267	126 009	148 646	4 401	6 293	6 332	8 319	10 559
0.77	0.45	0.29	0.45	0.48	-	-	-	-	-
65 735	58 615	65 556	79 782	92 203	4 550	6 352	5 792	7 393	8 971
11 950	6 952	6 705	7 017	7 784	344	1 099	392	468	541
1 952	1 467	2 094	3 170	2 734	274	350	318	514	391
24 281	12 736	17 336	20 692	12 974	198	662	1 435	1 547	2 391
7 151	4 604	3 039	3 109	3 220	-	-	-	-	-
32 078	16 533	12 719	19 175	12 655	-	-	-	-	-
68 839	61 276	65 793	89 243	97 978	6 548	5 816	6 166	9 651	9 649
34 506	33 864	42 243	54 705	64 912	5 238	4 981	5 761	8 270	8 815
2 572	2 368	4 072	6 515	6 879	-	-	-	-	-
15 942	8 800	7 503	14 821	9 436	661	649	177	320	284
3 077	2 615	5 370	8 554	7 215	-	-	-	-	-
3 077	2 514	4 534	8 338	7 084	-	-	-	-	-
-	2 075	4 560	6 971	4 293	-	-	-	-	-
1 037	1 332	1 091	1 860	2 120	-	-	-	-	-

d) Comprises 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; net of offsetting entries for the cancellation of any ODA principal involved. Available only from 1998.

Table 15Statlink: <http://dx.doi.org/10.1787/155677378146>**ODA from DAC Countries to Multilateral Organisations in 2004**

Net disbursements

USD million

	Total	World Bank Group	<i>of which:</i> IDA	Regional Development Banks	<i>of which:</i> African Dev. Bank	Asian Dev. Bank	Inter-American Dev. Bank
Australia	270	87	85	74	-	74	-
Austria	325	46	46	30	14	15	1
Belgium	561	94	92	26	18	6	1
Canada	608	209	177	102	54	39	2
Denmark	835	100	67	50	25	10	1
Finland	293	41	41	17	-	-	-
France	2 906	397	395	164	107	49	7
Germany	3 712	1 148	1 148	170	106	63	1
Greece	161	4	4	-	-	-	-
Ireland	198	27	20	-	-	-	-
Italy	1 757	17	-	169	2	137	25
Japan	2 988	1 035	764	450	105	338	7
Luxembourg	64	11	8	11	-	11	-
Netherlands	1 534	545	358	73	42	30	0
New Zealand	53	8	8	7	-	7	-
Norway	662	120	119	74	52	8	0
Portugal	158	12	12	17	9	8	-
Spain	1 037	190	180	131	31	45	21
Sweden	646	25	25	48	1	23	0
Switzerland	359	146	146	42	30	11	1
United Kingdom	2 544	328	250	130	74	39	-
United States	3 455	1 753	1 752	480	225	241	-
TOTAL DAC	25 126	6 345	5 700	2 265	897	1 151	67
<i>of which:</i>							
EU Members	16 731	2 985	2 647	1 036	431	435	57

a) IMF PRGF and PRGF-HIPC Trust.

Statlink: <http://dx.doi.org/10.1787/155677378146>**Table 15****ODA from DAC Countries to Multilateral Organisations in 2004**(continued)
USD million

Net disbursements

United Nations Agencies	of which:				of which:		Other Multilateral	of which:		
	UNDP	WFP	UNICEF	UNHCR	EC	EDF		IFAD	IMF ^a	
44	5	-	4	5	-	-	64	2	2	Australia
26	8	1	1	0	200	77	22	10	1	Austria
52	17	-	4	1	335	108	55	4	6	Belgium
156	44	27	11	11	-	-	141	13	6	Canada
337	86	42	41	47	179	62	170	10	-	Denmark
88	-	-	-	-	133	-	14	-	-	Finland
180	28	6	17	13	1 863	818	302	10	21	France
289	33	29	8	6	1 877	679	228	39	-	Germany
8	-	-	1	1	144	36	5	1	-	Greece
61	16	4	11	9	93	18	17	0	-	Ireland
253	25	19	16	11	1 186	367	132	49	-	Italy
1 243	175	112	119	85	-	-	261	-	22	Japan
12	2	-	1	1	20	6	11	1	2	Luxembourg
446	107	34	62	51	383	152	87	9	14	Netherlands
15	4	1	2	1	-	-	23	0	-	New Zealand
429	114	30	132	26	-	-	39	10	3	Norway
10	2	0	0	0	112	32	6	0	-	Portugal
48	7	2	3	3	628	170	40	-	-	Spain
290	87	39	46	-	225	94	59	-	-	Sweden
117	42	1	14	11	-	-	53	6	11	Switzerland
381	85	- 7	36	37	1 533	603	171	7	1	United Kingdom
440	101	-	119	-	-	-	782	15	-	United States
4 925	988	340	648	320	8 910	3 222	2 682	186	91	TOTAL DAC
										<i>of which:</i>
2 481	503	169	247	180	8 910	3 222	1 319	140	46	EU Members

Statlink: <http://dx.doi.org/10.1787/871525663758>

Table 16

Capital Subscriptions to Multilateral Organisations^a on a Deposit and an Encashment Basis

Net disbursements

USD million

	Deposit basis					Encashment basis				
	1994	2001	2002	2003	2004	1994	2001	2002	2003	2004
Australia	149	-	133	-	-	111	128	133	161	161
Austria	82	41	34	80	91	-	63	55	67	78
Belgium	-	41	-	-	24	50	111	110	112	71
Canada	489	81	92	103	315	-	275	197	504	420
Denmark	142	86	112	107	107	115	109	100	304	198
Finland	22	35	64	47	-	-	24	28	20	-
France	686	347	382	495	813	-	455	486	857	469
Germany	956	516	304	792	1 446	865	567	542	634	739
Greece	-	16	19	9	7	-	-	-	-	157
Ireland	-	-	-	-	-	-	-	-	-	-
Italy	16	346	220	18	206	262	417	-	265	-
Japan	-	1 545	844	847	869	-	-	698	1 916	1 218
Luxembourg	-	-	-	-	2	-	-	-	-	-
Netherlands	236	171	148	329	631	25	53	-	-	-
New Zealand	11	8	10	14	16	-	8	11	16	19
Norway	95	127	174	195	195	-	-	-	-	-
Portugal	13	0	4	3	4	3	11	34	23	41
Spain	55	185	139	128	199	-	-	139	-	-
Sweden	135	38	406	219	23	-	150	145	188	272
Switzerland	124	133	41	197	190	102	125	135	154	181
United Kingdom	413	698	108	901	459	-	471	484	692	703
United States	1 311	1 321	1 477	177	2 365	1 402	1 643	1 614	1 435	2 034
TOTAL DAC	4 935	5 737	4 709	4 661	7 963	..	..	..	..	..
<i>of which:</i>										
EU Members	2 756	2 521	1 939	3 128	4 013	..	..	..	..	..

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.

Table 17Statlink: <http://dx.doi.org/10.1787/648088067526>**Concessional and Non-concessional Flows by Multilateral Organisations^a**

USD million, at current prices and exchange rates

	Gross disbursements						
	1988-1989 average	1993-1994 average	2000	2001	2002	2003	2004
CONCESSIONAL FLOWS							
International Financial Institutions							
AfDF	432	672	360	464	741	586	1 057
AsDF	847	1 161	1 135	1 031	1 168	1 138	1 084
Caribbean Dev. Bank	36	13	36	50	113	37	60
Council of Europe	10	1	-	-	-	-	-
EBRD	-	5	5	17	44	53	53
IDA	3 605	5 469	5 468	6 160	7 270	7 348	9 188
IDB	365	407	442	545	425	593	560
IFAD	142	162	250	254	250	264	281
IMF ^b	892	842	650	1 088	1 741	1 187	1 204
Nordic Dev. Fund	-	12	39	33	35	55	74
Total IFIs	6 329	8 744	8 384	9 641	11 786	11 261	13 561
United Nations ^c							
UNDP	945	620	390	282	275	296	374
UNFPA	143	168	133	311	310	271	312
UNHCR	483	1 152	493	545	633	534	347
UNICEF	450	798	576	600	567	629	650
UNRWA	248	314	301	359	392	430	449
UNTA	256	303	454	410	466	504	434
WFP	820	1 441	357	379	351	319	268
Other UN	614	664	568	574	614	484	265
Total UN	3 959	5 459	3 272	3 462	3 608	3 467	3 098
EC	2 504	4 383	4 763	5 908	5 494	6 665	8 335
Global Environment Facility	-	-	86	101	109	107	138
Montreal Protocol Fund	-	-	56	72	60	66	59
Arab Funds	320	536	215	381	298	202	633
Total concessional	13 111	19 122	16 776	19 565	21 355	21 769	25 823
NON-CONCESSIONAL FLOWS							
International Financial Institutions							
African Dev. Bank	890	1 452	506	614	679	969	979
Asian Dev. Bank	1 152	2 259	2 884	2 850	3 067	2 688	2 508
Caribbean Dev. Bank	25	11	65	50	108	37	60
Council of Europe	563	392	-	-	-	-	-
EBRD	-	67	439	548	627	854	1 698
IBRD	11 157	10 856	11 778	10 729	8 381	10 628	9 214
IFC	887	1 123	1 276	1 061	1 409	2 126	2 301
IDB	2 068	4 542	6 662	6 016	5 508	8 409	3 764
IFAD	-	-	33	33	20	23	31
Total IFIs	16 742	20 702	23 643	21 902	19 799	25 735	20 555
EC	325	411	608	662	1 435	1 547	2 391
Total non-concessional	17 066	21 113	24 251	22 564	21 234	27 283	22 946

^a) To countries and territories on Part I of the DAC List of Aid Recipients.^b) IMF Trust Fund and PRGF.

Statlink: <http://dx.doi.org/10.1787/648088067526>

Table 17

Concessional and Non-concessional Flows by Multilateral Organisations^a

(continued)

USD million, at current prices and exchange rates

	Net disbursements						
	1988-1989 average	1993-1994 average	2000	2001	2002	2003	2004
CONCESSIONAL FLOWS							
<i>International Financial Institutions</i>							
AfDF	422	636	300	419	616	483	919
AsDF	813	1 071	927	812	906	826	694
Caribbean Dev. Bank	36	3	20	32	63	19	40
Council of Europe	8	1	-	-	-	-	-
EBRD	-	5	5	17	44	53	53
IDA	3 417	5 039	4 179	4 965	5 753	5 701	7 283
IDB	139	91	153	276	166	292	261
IFAD	109	77	143	166	148	155	165
IMF ^b	297	587	- 148	105	567	9	- 179
Nordic Dev. Fund	-	12	38	32	33	52	70
Total IFIs	5 240	7 523	5 616	6 824	8 295	7 590	9 307
<i>United Nations ^c</i>							
UNDP	945	620	390	282	275	296	374
UNFPA	143	168	133	311	310	271	312
UNHCR	483	1 152	493	545	633	534	347
UNICEF	450	798	576	600	567	629	650
UNRWA	248	314	301	359	392	430	449
UNTA	256	303	454	410	466	504	434
WFP	820	1 441	357	379	351	319	268
Other UN	614	664	568	574	614	484	265
Total UN	3 959	5 459	3 272	3 462	3 608	3 467	3 098
EC	2 464	4 228	4 414	5 517	5 150	6 445	8 068
Global Environment Facility	-	-	86	101	109	107	138
Montreal Protocol Fund	-	-	56	72	60	66	59
Arab Funds	99	221	35	145	139	44	379
Total concessional	11 762	17 431	13 479	16 120	17 362	17 720	21 048
NON-CONCESSIONAL FLOWS							
<i>International Financial Institutions</i>							
African Dev. Bank	720	995	- 304	- 5	- 675	- 530	- 589
Asian Dev. Bank	633	1 260	1 049	1 654	- 267	-4 449	-1 445
Caribbean Dev. Bank	25	- 1	50	31	58	19	40
Council of Europe	407	- 90	-	-	-	-	-
EBRD	-	67	237	222	92	218	855
IBRD	3 360	- 282	2 762	1 759	-6 528	-5 000	-3 540
IFC	372	531	229	22	32	1 253	534
IDB	1 175	2 227	4 360	4 104	1 413	1 266	-1 431
IFAD	-	-	5	6	- 5	- 8	- 10
Total IFIs	6 692	4 706	8 388	7 792	-5 880	-7 230	-5 585
EC	89	218	427	331	883	1 146	1 856
Total non-concessional	6 780	4 924	8 814	8 123	-4 996	-6 084	-3 729

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. However, data shown for UNHCR in 2004 cover expenditures from unrestricted or broadly earmarked funds only.

Table 18Statlink: <http://dx.doi.org/10.1787/047550887533>**Major Aid Uses by Individual DAC Donors**

Per cent of total bilateral commitments

	Social and administrative infrastructure		Economic infrastructure		Agriculture		Industry and other production	
	1983-1984	2003-2004	1983-1984	2003-2004	1983-1984	2003-2004	1983-1984	2003-2004
Australia	25.8	46.4	6.2	5.3	6.1	6.4	2.4	0.7
Austria	29.7	47.7	47.8	2.3	1.6	1.8	7.9	2.6
Belgium	37.0	27.1	10.1	5.5	7.2	4.1	7.5	0.8
Canada	13.9	43.3	25.7	3.8	16.1	7.9	13.5	2.7
Denmark	17.6	42.5	26.2	17.6	12.5	6.0	26.9	4.6
Finland	16.5	46.3	15.5	7.0	17.0	2.2	28.3	1.8
France	50.6	31.3	16.2	5.6	8.5	2.2	5.3	1.0
Germany	28.4	39.3	38.1	16.1	9.1	2.9	7.2	1.3
Greece	..	81.9	..	1.9	..	0.6	..	0.4
Ireland	-	61.6	-	2.1	-	5.3	-	0.1
Italy	16.5	17.4	22.2	2.4	18.3	1.7	15.6	1.9
Japan	22.3	20.6	35.4	26.2	11.5	4.7	12.4	2.0
Luxembourg	..	46.4	..	2.4	..	7.8	..	0.7
Netherlands	28.5	32.8	14.3	10.5	16.6	3.3	6.4	0.9
New Zealand	21.7	45.9	31.3	3.3	12.0	2.6	3.7	1.9
Norway	27.2	42.2	25.6	8.1	20.3	4.6	9.8	1.0
Portugal	..	23.6	..	1.2	..	0.5	..	0.3
Spain	..	36.3	..	16.6	..	5.0	..	2.0
Sweden	19.3	33.6	10.0	7.9	12.4	2.1	9.3	0.7
Switzerland	19.0	20.3	9.9	8.3	22.2	5.9	18.2	4.9
United Kingdom	21.4	38.4	28.3	8.2	11.4	4.1	12.7	1.6
United States	19.3	39.5	4.7	11.6	11.4	1.5	7.2	4.7
TOTAL DAC	26.7	34.1	18.8	13.1	11.4	3.2	8.9	2.6

a) On a net disbursements basis.

Statlink: <http://dx.doi.org/10.1787/047550887533>**Table 18****Major Aid Uses by Individual DAC Donors***(continued)*

Per cent of total bilateral commitments

Commodity aid and programme assistance		Emergency aid		Other		Memo: Share of total ODA to / through NGOs ^a	
1983-1984	2003-2004	1983-1984	2003-2004	1983-1984	2003-2004		
51.6	4.3	1.8	14.1	6.1	22.8	4.5	Australia
1.8	0.5	2.2	14.4	9.0	30.7	7.9	Austria
1.4	2.6	0.3	8.4	36.5	51.4	8.5	Belgium
15.1	2.4	2.4	12.1	13.2	27.9	7.8	Canada
1.9	3.5	0.2	0.9	14.7	25.0	4.4	Denmark
0.6	3.1	2.2	11.5	19.9	28.2	4.3	Finland
6.5	2.0	0.1	7.3	12.7	50.6	0.4	France
2.9	1.0	0.7	3.2	13.6	36.2	6.9	Germany
..	0.8	..	4.8	..	9.5	4.6	Greece
-	6.9	-	8.4	100.0	15.6	15.2	Ireland
6.8	5.8	2.3	7.2	18.3	63.7	2.4	Italy
3.5	0.4	0.1	2.4	14.8	43.8	2.6	Japan
..	2.1	..	13.0	..	27.6	12.7	Luxembourg
6.6	4.1	2.3	9.3	25.2	39.1	15.4	Netherlands
25.2	7.7	1.5	15.4	4.6	23.2	11.4	New Zealand
2.2	4.6	4.9	20.3	9.9	19.3	10.1	Norway
..	0.7	..	1.8	..	71.8	0.4	Portugal
..	0.7	..	6.1	..	33.3	19.6	Spain
1.2	4.5	11.5	20.0	36.3	31.2	13.9	Sweden
9.9	3.4	11.2	23.4	9.6	33.7	9.6	Switzerland
3.7	1.4	0.8	11.3	21.7	35.1	9.7	United Kingdom
23.4	9.1	2.2	13.0	31.8	20.5	-	United States
12.1	4.1	1.6	9.1	20.5	33.7	5.3	TOTAL DAC

Table 19Statlink: <http://dx.doi.org/10.1787/325075238716>**Aid by Major Purposes in 2004****Commitments**

	Per cent of bilateral total											
	Australia	Austria	Belgium	Canada	Denmark	Finland	France	Germany	Greece	Ireland	Italy	Japan
Social and administrative infrastructure	47.0	41.7	36.6	41.9	42.9	46.3	34.8	40.3	80.5	60.2	21.6	23.2
Education ^a	7.2	21.4	14.0	9.4	7.1	10.6	21.8	18.0	27.4	12.7	8.4	9.8
of which: Basic education	3.1	0.8	2.1	5.1	3.1	0.8	3.8	1.7	11.9	7.5	2.0	0.3
Health	7.4	5.8	6.3	4.7	8.2	8.1	4.3	2.0	4.5	22.5	4.7	4.3
of which: Basic health	5.1	5.3	4.3	2.9	7.8	2.0	0.5	1.4	3.5	12.1	2.8	0.8
Population ^b	3.0	0.4	1.8	6.3	0.6	1.3	0.2	2.0	0.2	1.6	0.4	0.1
Water supply and sanitation	2.5	5.2	2.5	3.3	14.9	4.4	2.5	7.1	0.5	4.7	0.6	5.5
Government and civil society	22.0	7.5	6.9	14.5	11.1	16.9	1.8	6.7	15.4	16.1	3.9	2.1
Other social infrastructure/service	5.0	1.5	5.1	3.6	1.0	4.9	4.2	4.5	32.5	2.6	3.7	1.4
Economic infrastructure	5.1	1.6	7.7	3.2	14.6	7.0	6.1	20.0	2.8	2.4	3.3	31.3
Transport and communications	4.2	1.0	3.6	2.1	9.7	1.7	4.0	3.1	2.5	2.0	0.4	17.8
Energy	0.2	0.4	0.3	0.2	2.8	3.6	1.3	12.0	0.0	0.0	2.0	13.3
Other	0.7	0.2	3.8	1.0	2.1	1.6	0.9	4.9	0.2	0.5	0.9	0.3
Production	6.8	3.8	6.4	10.9	13.2	4.0	3.6	4.4	0.8	5.4	5.5	7.0
Agriculture	6.2	1.4	5.0	8.7	7.5	2.2	2.7	3.1	0.4	5.4	2.1	4.1
Industry, mining and construction	0.2	1.9	1.3	1.8	5.7	1.4	0.9	1.1	-	0.1	3.2	1.9
Trade and tourism	0.5	0.5	0.1	-	-	0.5	0.0	0.2	0.3	-	0.2	0.9
Multisector	14.7	5.3	3.8	3.5	6.0	15.5	8.0	11.8	3.8	4.3	24.2	3.0
Programme assistance	4.9	0.5	2.5	4.2	5.0	3.1	2.2	1.0	1.4	7.6	6.4	0.4
Action relating to debt ^c	1.0	21.6	21.3	3.6	4.2	-	29.5	13.4	-	0.1	11.9	19.4
Emergency aid	14.0	15.3	10.1	11.4	0.1	11.5	8.1	3.3	4.9	9.3	7.5	5.1
Administrative expenses	5.5	7.6	4.1	8.7	6.4	6.8	5.2	4.1	5.7	6.9	6.3	5.2
Unspecified	1.0	2.7	7.6	12.7	7.6	5.9	2.4	1.7	0.2	3.8	13.3	5.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Memo item:</i>												
Food aid, total	4.3	0.5	1.9	2.0	-	2.4	0.7	0.9	1.4	1.1	3.5	0.3

a) Including students and trainees.

b) Population and reproductive health.

c) Including forgiveness of non-ODA debt.

d) Including the African Development Bank, Asian Development Bank and Inter-American Development Bank.

Statlink: <http://dx.doi.org/10.1787/325075238716>

Table 19

Aid by Major Purposes in 2004

(continued)

Commitments

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	World Bank	Regional Dev. Banks ^d
46.4	42.2	44.7	43.2	13.0	33.6	36.0	19.6	37.3	44.5	37.3	32.8	44.3	33.4	25.4
14.4	13.8	23.4	9.9	6.2	7.5	5.5	3.5	8.0	2.5	9.1	6.1	4.6	8.8	3.0
2.6	8.9	7.3	4.9	0.3	1.8	1.7	1.3	5.7	2.1	2.7	3.1	1.1	5.3	1.0
17.6	5.5	4.8	5.1	1.1	6.2	4.8	3.1	4.3	4.4	4.5	3.0	3.2	3.5	2.1
5.6	0.9	2.4	2.4	0.2	4.6	1.8	2.6	1.7	4.0	2.6	0.6	2.7	0.2	0.0
2.7	3.7	1.6	2.4	0.0	0.8	3.3	0.1	3.5	6.6	3.2	1.4	2.6	1.6	0.3
8.4	5.2	1.1	2.1	0.2	4.8	2.1	2.6	0.5	4.1	4.2	6.3	4.5	7.5	5.4
0.3	11.5	12.2	17.5	3.0	6.6	14.6	9.6	19.3	21.3	12.3	9.7	22.2	5.8	8.5
2.9	2.4	1.5	6.3	2.4	7.8	5.7	0.7	1.6	5.7	4.1	6.3	7.2	6.2	6.1
2.4	14.6	3.0	8.5	0.9	16.2	7.1	8.0	8.1	19.9	16.7	24.7	11.6	25.4	30.9
0.9	0.5	1.0	0.7	0.6	9.6	3.0	1.2	2.3	4.2	6.0	17.9	8.7	18.4	22.2
-	3.7	0.7	4.3	0.1	2.3	2.4	1.8	3.4	11.8	7.9	3.3	1.7	4.1	2.8
1.5	10.4	1.3	3.6	0.2	4.3	1.7	5.0	2.4	3.8	2.8	3.5	1.2	2.9	5.8
8.4	5.7	4.7	6.6	0.5	7.4	2.8	10.4	4.9	6.8	6.2	8.4	8.2	9.6	6.8
7.8	4.2	2.5	5.2	0.3	5.3	2.2	5.4	3.3	2.1	3.4	4.9	3.1	6.0	4.2
0.4	1.1	0.4	0.7	0.2	1.7	0.3	2.5	1.2	4.1	2.3	2.5	3.3	2.2	2.5
0.2	-	-	0.7	-	0.4	0.4	-	0.4	0.6	0.4	0.7	-	1.4	0.1
10.2	10.6	5.0	9.0	1.1	8.6	5.5	16.6	1.6	6.0	6.5	14.9	7.8	4.0	34.8
2.1	4.8	6.9	5.4	0.5	0.8	5.2	3.0	2.1	4.9	3.1	14.3	11.3	24.4	1.1
-	1.0	-	0.8	80.2	17.3	1.3	0.7	14.1	0.9	10.8	1.0	-	1.6	-
13.0	16.1	17.2	16.9	2.1	5.9	18.5	28.8	9.3	12.9	9.9	2.7	10.2	-	0.4
2.1	0.5	8.4	7.6	1.2	5.0	5.6	2.5	9.0	4.2	5.0	1.1	6.3	-	-
15.3	4.6	10.0	1.9	0.5	5.2	18.0	10.5	13.6	0.0	4.3	0.1	0.4	-	-
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	100.0
3.8	1.4	1.1	0.9	-	1.2	0.7	2.1	1.1	8.9	3.5	0.9	4.9	-	-

Table 20Statlink: <http://dx.doi.org/10.1787/878455400225>**Financial Terms of ODA Commitments^a**
2003-2004 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
	1993-1994	2003-2004	Bilateral ODA	Total ODA			
Australia	100.0	100.0	100.0	100.0	-	100.0	100.0
Austria	92.6	100.0	100.0	100.0	-	100.0	100.0
Belgium	99.7	99.7	98.4	99.0	80.9	99.9	99.9
Canada	99.7	100.0	99.7	99.8	90.1	100.0	100.0
Denmark	100.0	100.0	97.0	98.2	-	100.0	100.0
Finland	99.3	99.9	97.8	98.7	48.6	100.0	100.0
France	93.7	95.5	84.6	88.1	51.1	99.5	99.5
Germany	96.5	96.8	80.6	88.2	65.4	100.0	100.0
Greece	..	100.0	100.0	100.0	-	100.0	100.0
Ireland	100.0	100.0	100.0	100.0	-	100.0	100.0
Italy	98.7	99.5	72.0	91.6	90.6	99.6	99.5
Japan	85.8	88.2	47.9	58.5	71.6	99.3	98.9
Luxembourg	100.0	100.0	100.0	100.0	-	100.0	100.0
Netherlands	100.0	100.0	100.0	100.0	-	100.0	100.0
New Zealand	100.0	100.0	100.0	100.0	-	100.0	100.0
Norway	99.8	100.0	97.7	98.4	-	100.0	100.0
Portugal	100.0	92.1	99.7	99.8	61.2	100.0	100.0
Spain	90.7	94.8	66.8	80.6	71.0	94.1	91.7
Sweden	100.0	100.0	99.1	99.3	51.8	99.9	99.8
Switzerland	100.0	100.0	97.8	98.5	-	100.0	100.0
United Kingdom	100.0	100.0	90.4	93.9	-	100.0	100.0
United States	99.5	99.9	99.7	99.7	68.3	100.0	100.0
TOTAL DAC	95.4	97.3	86.9	90.1	69.4	99.7	99.7

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 Italy and Portugal in 2004.

c) Including imputed multilateral grant element. See note a) to Table 31.

Statlink: <http://dx.doi.org/10.1787/225245623343>

Table 21

DAC Members' Compliance in 2003 and 2004 with the 1978 DAC Terms Recommendations

	ODA commitments ^a USD million		Grant element of ODA commitments ^a Norm: 86% ^b		Volume test: ODA commitments ^a as per cent of GNI		Grant element of bilateral ODA commitments ^a to LDCs (two alternative norms)		
					2003 Norm:	2004 Norm:	Annually for all LDCs Norm: 90%		3 years average for each LDC Norm: 86%
	2003	2004	2003	2004	2003	2004	2003	2004	2002-2004 ^d
Australia	1 238	1 319	100.0	100.0	0.25	0.22	100.0	100.0	c
Austria	562	644	100.0	100.0	0.22	0.22	100.0	100.0	c
Belgium	1 008	1 988	99.5	99.8	0.33	0.56	99.9	99.8	c
Canada	2 463	2 926	100.0	100.0	0.29	0.30	100.0	100.0	c
Denmark	1 558	2 427	100.0	100.0	0.75	1.01	100.0	100.0	c
Finland	659	655	100.0	99.8	0.41	0.35	100.0	100.0	c
France	6 931	7 796	95.7	95.4	0.39	0.38	99.3	99.7	c
Germany	7 195	8 516	97.5	96.3	0.30	0.31	100.0	100.0	c
Greece ^c	362	465	100.0	100.0	0.21	0.23	100.0	100.0	c
Ireland ^c	504	607	100.0	100.0	0.39	0.39	100.0	100.0	c
Italy	3 056	2 925	99.4	99.6	0.21	0.18	100.0	98.4	c
Japan	11 009	12 947	87.5	88.8	0.25	0.27	97.9	99.5	c
Luxembourg ^c	194	236	100.0	100.0	0.81	0.83	100.0	100.0	c
Netherlands ^c	2 144	3 398	100.0	100.0	0.43	0.59	100.0	100.0	c
New Zealand	185	241	100.0	100.0	0.25	0.27	100.0	100.0	c
Norway	1 995	2 091	100.0	100.0	0.90	0.83	100.0	100.0	c
Portugal ^c	315	332	100.0	87.1	0.22	0.20	100.0	100.0	c
Spain ^c	2 058	2 399	92.0	97.5	0.25	0.24	84.8	98.0	c
Sweden	2 223	2 697	99.9	100.0	0.74	0.77	99.7	100.0	c
Switzerland	1 358	1 735	100.0	100.0	0.40	0.46	100.0	100.0	c
United Kingdom ^c	6 361	7 412	100.0	100.0	0.35	0.34	100.0	100.0	c
United States	19 951	26 787	99.9	99.9	0.18	0.23	100.0	100.0	c
TOTAL DAC	73 329	90 542	97.1	97.5	0.26	0.29	99.6	99.8	c

a) Excluding debt reorganisation. Equities are treated as having 100% grant element, but are not treated as loans.

b) Countries whose ODA as a percentage of GNI is below the DAC average are not considered as having met the terms target. This provision disqualified Italy and Portugal in 2004.

c) Gross disbursements.

d) c = compliance, n = non-compliance.

Table 22Statlink: <http://dx.doi.org/10.1787/465274724830>**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)	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
Australia	100.0	100.0	-	-	-	-	-	-	-	-
Austria	100.0	100.0	-	-	-	-	-	-	-	-
Belgium	99.6	98.6	78.1	83.5	29.8	29.7	10.8	10.7	0.7	0.0
Canada	99.6	100.0	90.1	-	38.3	-	14.0	-	0.0	-
Denmark	98.5	98.0	-	-	-	-	-	-	-	-
Finland	98.8	98.7	-	48.6	-	7.9	-	7.9	-	0.0
France	89.0	87.2	45.3	50.9	18.0	19.2	6.0	6.4	3.0	2.3
Germany	91.9	85.0	68.0	62.7	35.4	32.4	7.1	6.6	1.4	1.7
Greece	100.0	100.0	-	-	-	-	-	-	-	-
Ireland	100.0	100.0	-	-	-	-	-	-	-	-
Italy	87.7	95.7	90.7	90.4	38.1	37.5	19.8	18.9	0.2	0.2
Japan	57.1	59.7	70.9	72.3	33.1	31.5	9.8	9.5	1.5	1.2
Luxembourg	100.0	100.0	-	-	-	-	-	-	-	-
Netherlands	100.0	100.0	-	-	-	-	-	-	-	-
New Zealand	100.0	100.0	-	-	-	-	-	-	-	-
Norway	98.0	98.7	-	-	-	-	-	-	-	-
Portugal	99.8	99.9	-	61.2	-	31.8	-	22.1	-	3.3
Spain	78.0	82.8	69.3	75.3	27.2	28.2	10.2	10.1	1.3	0.7
Sweden	98.7	99.8	51.8	-	13.0	-	3.0	-	0.0	-
Switzerland	97.6	99.2	-	-	-	-	-	-	-	-
United Kingdom	92.8	94.8	-	-	-	-	-	-	-	-
United States	99.7	99.8	68.3	68.3	30.0	30.0	5.0	5.0	1.0	1.0
TOTAL DAC	89.7	90.5	68.5	68.9	31.4	30.1	9.5	9.2	1.6	1.4

a) Excluding debt reorganisation. Equities are treated as having 100% grant element, but are not treated as loans.

Statlink: <http://dx.doi.org/10.1787/653414205100>**Table 23****Tying Status of ODA by Individual DAC Members, 2004**

Commitments (excluding technical co-operation and administrative costs)

Per cent

	Bilateral ODA				Memo: Reporting Rate ^b
	Untied	Partially Untied	Tied	Total	
Australia	77.1	-	22.9	100.0	100.0
Austria	52.2	-	47.8	100.0	100.0
Belgium	92.7	-	7.3	100.0	100.0
Canada	56.7	0.3	43.0	100.0	100.0
Denmark	88.8	-	11.2	100.0	100.0
Finland	..	..	..	..	Not reported
France	94.2	-	5.8	100.0	100.0
Germany	92.2	-	7.8	100.0	100.0
Greece (a)	23.0	6.5	70.5	100.0	100.0
Ireland (a)	100.0	-	-	100.0	100.0
Italy	..	..	..	..	Not reported
Japan	94.4	1.0	4.6	100.0	100.0
Luxembourg	..	..	..	..	Not reported
Netherlands	86.8	2.2	11.0	100.0	100.0
New Zealand	81.2	-	18.8	100.0	100.0
Norway	100.0	-	0.0	100.0	97.6
Portugal (a)	99.2	-	0.8	100.0	100.0
Spain (a)	67.7	-	32.3	100.0	100.0
Sweden	87.5	12.0	0.6	100.0	100.0
Switzerland	96.8	-	3.2	100.0	100.0
United Kingdom (a)	100.0	..	..	100.0	68.4
United States	..	..	..	..	Not reported
TOTAL DAC	(90.6)	(1.1)	(8.3)	100.0	(66.5)

a) Gross disbursements.

b) Reporting rate is the percentage of bilateral ODA covered by tying status reporting (excluding technical co-operation and administrative costs).

Statlink: <http://dx.doi.org/10.1787/060585513310>**Table 24****Tying Status of ODA by Individual DAC Members, 2004**Commitments (excluding technical co-operation
and administrative costs)

USD million

	Bilateral ODA				Memo: Technical Co-operation
	Untied	Partially Untied	Tied	Total	
Australia	447	-	133	580	639
Austria	115	-	105	220	136
Belgium	724	-	57	782	488
Canada	814	5	617	1 436	760
Denmark	1 251	-	158	1 409	127
Finland	..	..	..	..	127
France	4 041	-	250	4 291	2 342
Germany	2 993	-	252	3 246	2 619
Greece (a)	21	6	64	91	196
Ireland (a)	370	-	-	370	12
Italy	..	..	..	..	133
Japan	9 559	98	469	10 125	2 194
Luxembourg	..	..	..	..	4
Netherlands	1 728	43	219	1 990	803
New Zealand	92	-	21	113	58
Norway	1 062	-	0	1 062	235
Portugal (a)	747	-	6	753	114
Spain (a)	829	-	395	1 224	340
Sweden	1 632	223	11	1 865	96
Switzerland	1 121	-	37	1 158	94
United Kingdom (a)	2 983	-	-	2 983	751
United States	..	..	..	..	8 064
TOTAL DAC	(30 528)	(375)	(2 793)	(33 696)	20 334

a) Gross disbursements.

Table 25Statlink: <http://dx.doi.org/10.1787/184414368221>**ODA Receipts^a and Selected Indicators for Developing Countries and Territories**

	Net ODA Receipts (USD million)					GNI/CAP (c)	Population	Current GNI	ODA/GNI
	2000	2001	2002	2003	2004	2003 USD	2003 million	2003 USD million	2003 per cent
AFRICA									
NORTH OF SAHARA									
Algeria	201	224	329	235	313	1 930	31.83	65 319	0.36
Egypt	1 328	1 257	1 239	988	1 458	1 390	67.56	82 259	1.20
Morocco	419	519	487	538	706	1 310	30.11	42 937	1.25
Tunisia	223	378	265	298	328	2 240	9.90	23 942	1.24
North of Sahara Unall.	36	19	29	112	181				
North of Sahara, Total	2 207	2 395	2 349	2 171	2 985	6 870	139.40	214 458	1.01
SOUTH OF SAHARA									
Angola	307	289	421	497	1 144	760	13.52	11 919	4.17
Benin	239	274	216	293	378	440	6.72	3 531	8.29
Botswana	31	29	38	28	39	3 530	1.72	7 236	0.39
Burkina Faso	336	392	473	507	610	300	12.11	4 178	12.14
Burundi	93	137	172	225	351	90	7.21	575	39.10
Cameroon	380	487	657	900	762	640	16.09	11 961	7.52
Cape Verde	94	77	92	143	140	1 440	0.47	786	18.26
Central African Rep.	75	67	60	50	105	270	3.88	1 198	4.16
Chad	131	187	229	247	319	240	8.58	2 335	10.58
Comoros	19	27	32	24	25	440	0.60	318	7.71
Congo, Dem. Rep.	184	263	1 188	5 421	1 815	100	53.15	5 497	98.61
Congo, Rep.	33	75	57	70	116	650	3.76	2 681	2.60
Côte d'Ivoire	352	170	1 069	252	154	670	16.84	13 231	1.91
Djibouti	71	58	78	79	64	950	0.71	666	11.85
Equatorial Guinea	21	13	20	21	30	..	0.49	..	..
Eritrea	176	281	230	316	260	160	4.39	745	42.38
Ethiopia	693	1 116	1 307	1 553	1 823	90	68.61	6 597	23.54
Gabon	12	9	72	- 11	38	3 340	1.34	5 205	-0.21
Gambia	49	54	61	63	63	270	1.42	347	18.09
Ghana	600	644	650	954	1 358	320	20.67	7 459	12.79
Guinea	153	282	250	240	279	430	7.91	3 599	6.67
Guinea-Bissau	80	59	59	145	76	140	1.49	228	63.59
Kenya	512	463	394	514	635	400	31.92	14 210	3.62
Lesotho	37	56	76	78	102	590	1.79	1 324	5.89
Liberia	68	39	52	107	210	100	3.37	378	28.28
Madagascar	322	374	373	539	1 236	290	16.89	5 394	9.98
Malawi	446	404	377	518	476	160	10.96	1 661	31.20
Mali	360	354	467	543	567	300	11.65	4 187	12.96
Mauritania	212	268	345	239	180	390	2.85	1 159	20.62
Mauritius	20	22	24	- 15	38	4 100	1.22	5 239	-0.28
Mayotte	103	120	125	166	208	..	0.17	..	..
Mozambique	877	933	2 203	1 039	1 228	210	18.79	4 127	25.17
Namibia	153	110	135	147	179	1 930	2.01	4 599	3.20
Niger	211	257	298	457	536	200	11.76	2 718	16.83
Nigeria	185	185	314	318	573	350	136.46	49 533	0.64
Rwanda	322	299	355	333	468	210	8.40	1 653	20.16
Sao Tome & Principe	35	38	26	38	33	330	0.16	57	66.59
Senegal	423	413	445	446	1 052	540	10.24	6 392	6.97
Seychelles	18	14	8	9	10	7 360	0.08	661	1.39
Sierra Leone	182	345	353	303	360	190	5.34	963	31.51
Somalia	104	150	194	175	191	..	9.63	..	..
South Africa	488	428	505	625	617	2 850	45.83	160 838	0.39
St. Helena	19	15	14	18	26	..	0.01	..	..
Sudan	225	185	351	617	882	460	33.55	16 347	3.77
Swaziland	13	29	22	28	117	1 320	1.11	1 893	1.50
Tanzania	1 022	1 271	1 233	1 704	1 746	310	35.89	10 244	16.63
Togo	70	44	51	47	61	310	4.86	1 699	2.74
Uganda	819	793	712	977	1 159	250	25.28	6 166	15.84
Zambia	795	349	641	581	1 081	380	10.40	4 187	13.88
Zimbabwe	178	164	201	186	186	..	13.10	..	..
South of Sahara Unall.	345	703	969	1 362	1 424				
South of Sahara, Total	12 693	13 812	18 694	24 117	25 530	..	705.40	(395 924)	(6.09)
Africa Unspecified	817	474	498	493	565				
AFRICA, TOTAL	15 717	16 681	21 540	26 781	29 080	..	844.80	(610 382)	(4.39)

Statlink: <http://dx.doi.org/10.1787/184414368221>

Table 25

ODA Receipts^a and Selected Indicators for Developing Countries and Territories
(continued)

	Net ODA Receipts (USD million)					GNI/CAP (c)	Population	Current GNI	ODA/GNI
	2000	2001	2002	2003	2004	2003 USD	2003 million	2003 USD million	2003 per cent
AMERICA									
NORTH AND CENTRAL AMERICA									
Anguilla	4	4	1	4	3	..	0.01	..	..
Antigua and Barbuda	10	9	14	5	2	9 330	0.08	718	0.74
Barbados	0	- 1	3	20	29	9 270	0.27	2 517	0.79
Belize	15	22	22	12	7	3 740	0.27	999	1.19
Costa Rica	12	2	5	28	13	4 310	4.00	16 637	0.17
Cuba	44	54	61	70	90	..	11.33	..	..
Dominica	15	20	30	11	29	3 380	0.07	241	4.54
Dominican Republic	62	108	145	69	87	2 130	8.74	15 297	0.45
El Salvador	180	238	233	192	211	2 220	6.53	14 533	1.32
Grenada	17	12	10	10	15	3 690	0.10	389	2.67
Guatemala	264	227	249	247	218	1 910	12.31	24 401	1.01
Haiti	208	171	156	200	243	400	8.44	2 903	6.88
Honduras	450	679	472	392	642	960	6.97	6 602	5.94
Jamaica	10	54	24	5	75	2 780	2.64	6 971	0.07
Mexico	- 54	75	136	103	121	6 290	102.29	626 915	0.02
Montserrat	31	33	44	36	44	..	0.01	..	..
Nicaragua	562	931	517	833	1 232	750	5.48	4 027	20.69
Panama	17	28	22	30	38	4 040	2.98	12 042	0.25
St. Kitts-Nevis	4	11	28	- 0	- 0	6 860	0.05	325	-0.03
St. Lucia	11	16	34	15	- 22	4 040	0.16	645	2.31
St. Vincent and Grenadines	6	9	5	6	10	3 250	0.11	353	1.60
Trinidad & Tobago	- 2	- 2	- 7	- 2	- 1	7 790	1.31	10 149	-0.02
Turks & Caicos Islands	7	7	4	2	3	..	0.02	..	..
West Indies Unall.	119	121	43	47	44	..	..	..	..
N. & C. America Unall.	229	122	126	191	233	..	..	..	..
North & Central America, Total	2 219	2 945	2 377	2 528	3 371	..	174.17	(746 665)	(0.34)
SOUTH AMERICA									
Argentina	76	151	83	105	91	3 840	37.87	126 766	0.08
Bolivia	475	735	681	930	767	920	8.81	7 788	11.94
Brazil	322	349	330	296	285	2 760	176.60	487 940	0.06
Chile	49	58	- 8	76	49	4 360	15.77	69 132	0.11
Colombia	187	381	441	802	509	1 830	44.58	76 511	1.05
Ecuador	147	173	216	176	160	1 830	13.01	25 736	0.68
Guyana	107	97	65	87	145	890	0.77	691	12.54
Paraguay	82	61	57	51	0	1 110	5.64	6 038	0.84
Peru	401	453	496	500	487	2 140	27.15	58 496	0.86
Suriname	34	23	12	11	24	2 080	0.44	971	1.12
Uruguay	17	15	13	17	22	3 770	3.38	10 682	0.16
Venezuela	77	45	57	82	49	3 470	25.67	81 025	0.10
South America Unall.	379	87	44	85	460	..	..	..	..
South America, Total	2 354	2 629	2 487	3 217	3 048	..	359.69	951 776	0.34
America Unspecified	393	429	314	387	425	..	..	..	..
AMERICA, TOTAL	4 966	6 004	5 178	6 132	6 843	..	533.86	(1 698 441)	(0.36)

Table 25

Statlink: <http://dx.doi.org/10.1787/184414368221>

ODA Receipts^a and Selected Indicators for Developing Countries and Territories

(continued)

	Net ODA Receipts (USD million)					GNI/CAP (c)	Population	Current GNI	ODA/GNI
	2000	2001	2002	2003	2004	2003 USD	2003 million	2003 USD million	2003 per cent
ASIA									
<i>MIDDLE EAST</i>									
Bahrain	49	18	71	77	104	12 410	0.71	9 085	0.85
Iran	130	117	116	133	189	2 010	66.39	137 321	0.10
Iraq	101	122	116	2 265	4 658	..	24.70	..	..
Jordan	552	433	520	1 228	581	1 910	5.31	10 069	12.19
Lebanon	200	243	453	226	265	4 320	4.50	19 851	1.14
Oman	46	2	41	38	55	7 890	2.60	20 835	0.18
Palestinian Adm. Areas	637	870	1 616	972	1 136	1 120	3.37	3 840	25.30
Saudi Arabia	31	27	27	22	32	9 170	22.53	211 281	0.01
Syria	158	155	81	153	110	1 120	17.38	19 794	0.77
Yemen	265	461	584	234	252	510	19.17	10 189	2.30
Middle East Unall.	168	39	80	186	203				
Middle East, Total	2 337	2 486	3 704	5 533	7 586	..	166.66	(442 265)	(1.25)
<i>SOUTH AND CENTRAL ASIA</i>									
Afghanistan	141	408	1 305	1 595	2 190	..	29.93	4 593	34.74
Armenia	216	198	293	247	254	950	3.06	2 896	8.54
Azerbaijan	139	232	349	301	176	820	8.23	6 695	4.49
Bangladesh	1 171	1 030	913	1 396	1 404	400	138.07	54 778	2.55
Bhutan	53	61	73	77	78	720	0.87	601	12.75
Georgia	169	300	313	225	315	840	4.57	3 931	5.72
India	1 485	1 724	1 463	913	691	540	1 064.40	597 574	0.15
Kazakhstan	189	148	188	269	265	1 810	14.88	29 093	0.93
Kyrgyz Rep.	215	189	186	200	258	340	5.05	1 859	10.76
Maldives	19	25	27	21	28	2 300	0.29	652	3.15
Myanmar	107	127	121	126	121	..	49.36	..	..
Nepal	390	394	365	465	427	240	24.66	5 843	7.97
Pakistan	703	1 948	2 138	1 066	1 421	520	148.44	80 140	1.33
Sri Lanka	276	313	344	674	519	930	19.23	18 183	3.71
Tajikistan	125	170	168	147	241	210	6.36	1 463	10.07
Turkmenistan	32	72	41	27	37	1 090	4.86	5 760	0.47
Uzbekistan	186	153	189	195	246	420	25.59	10 012	1.94
South Asia Unall.	139	46	121	320	416				
South and Central Asia, Total	5 756	7 539	8 599	8 264	9 087	..	1 547.85	(824 072)	(1.00)
<i>FAR EAST ASIA</i>									
Cambodia	398	420	487	509	478	300	13.40	3 950	12.89
China	1 732	1 476	1 475	1 320	1 661	1 100	1 288.40	1408 754	0.09
Indonesia	1 658	1 471	1 308	1 741	84	940	214.67	229 241	0.76
Korea, Dem.Rep.	75	120	267	169	196	..	22.61	..	..
Laos	282	245	278	299	270	340	5.66	2 007	14.88
Malaysia	45	27	86	107	290	3 880	24.77	97 809	0.11
Mongolia	217	212	208	248	262	480	2.48	1 263	19.66
Philippines	578	574	552	737	463	1 060	81.50	85 203	0.86
Thailand	698	281	295	- 967	- 2	2 190	62.01	140 277	-0.69
Timor-Leste	233	195	220	155	153	420	0.88	371	41.75
Viet Nam	1 682	1 450	1 277	1 765	1 830	480	81.31	39 157	4.51
Far East Asia Unall.	104	29	48	104	177				
Far East Asia, Total	7 702	6 499	6 501	6 187	5 862	..	1 797.69	(2 008 033)	(0.31)
Asia Unspecified	249	327	328	261	270				
ASIA, TOTAL	16 043	16 851	19 132	20 246	22 805	..	3 512.20	(3 274 370)	(0.62)

Statlink: <http://dx.doi.org/10.1787/184414368221>

Table 25

ODA Receipts^a and Selected Indicators for Developing Countries and Territories

(continued)

	Net ODA Receipts (USD million)					GNI/CAP (c)	Population	Current GNI	ODA/GNI
	2000	2001	2002	2003	2004	2003 USD	2003 million	2003 USD million	2003 per cent
EUROPE									
Albania	319	270	309	349	362	1 640	3.17	5 872	5.95
Bosnia and Herzegovina	737	639	563	540	671	1 660	3.83	7 303	7.40
Croatia	66	113	131	121	121	5 370	4.44	27 597	0.44
Macedonia/FYROM	252	248	276	266	248	1 980	2.05	4 634	5.75
Malta (b)	21	2	11	-	-	..	..	..	-
Moldova	123	122	142	117	118	590	4.24	2 304	5.07
Serbia & Montenegro	1 135	1 308	1 931	1 317	1 170	1 900	8.14	20 416	6.45
Slovenia (b)	61	126	53	-	-	..	..	..	-
Turkey	327	169	411	165	257	2 800	70.71	238 317	0.07
States Ex-Yugoslavia Unsp.	306	139	837	117	98				
Europe Unallocated	390	220	379	504	573				
EUROPE, TOTAL	3 736	3 355	5 042	3 496	3 619	..	96.58	(306 444)	(1.14)
OCEANIA									
Cook Islands	4	5	4	6	9	..	0.02	..	..
Fiji	29	26	34	51	64	2 280	0.84	2 153	2.37
Kiribati	18	12	21	18	17	880	0.10	90	20.32
Marshall Islands	57	74	62	56	51	2 490	0.06	138	40.89
Micronesia, Fed. States	102	138	112	115	86	1 990	0.12	243	47.26
Nauru	4	7	12	16	14	..	0.01	..	..
Niue	3	3	4	9	14	..	..	..	..
Palau	39	34	31	26	20	6 580	0.02	128	19.96
Papua New Guinea	275	203	203	220	266	490	5.50	2 948	7.47
Samoa	27	43	37	33	31	1 540	0.18	317	10.41
Solomon Islands	68	59	26	60	122	560	0.46	231	26.08
Tokelau	4	4	5	6	8	..	..	..	..
Tonga	19	20	22	27	19	1 510	0.10	167	16.44
Tuvalu	4	10	12	6	8	..	0.01	..	..
Vanuatu	46	32	28	32	38	1 150	0.21	264	12.26
Wallis & Futuna	52	50	53	56	73	..	0.02	..	..
Oceania Unallocated	65	60	43	74	94				
OCEANIA, TOTAL	817	781	709	813	933	..	7.65	(6 680)	(12.16)
Developing countries unspecified	9 048	8 481	9 225	13 141	15 028				
Developing countries, TOTAL	50 327	52 153	60 825	70 608	78 308	..	4 995.09	(5 896 317)	(1.20)
By Income Group (d)									
LDCs	12 682	13 838	18 094	23 791	24 908	..	704.76	(197 967)	(12.02)
Other LICs	10 070	11 611	12 364	11 581	11 374	..	1 840.83	(1 082 585)	(1.07)
LMICs	13 714	13 905	16 124	16 296	19 893	..	2 014.72	(2 764 713)	(0.59)
UMICs	1 250	1 496	1 862	1 597	1 935	..	434.07	(1 841 967)	(0.09)
HICs	49	18	71	77	104	..	0.71	(9 085)	(0.85)
Part I unallocated	12 479	11 158	12 247	17 266	20 093				
MADCTs	82	127	64	-	-	..	0.08	..	-

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 2003; as of 2003 aid to these countries is counted as OA. See Table 41 for OA receipts and indicators.

c) World Bank Atlas basis.

Definition of country categories:

d) Least developed countries (LDCs) are the 50 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 2003, as per note b) above.

Source: World Bank, Secretariat estimates. Group totals and averages are calculated on available data only.

Statlink: <http://dx.doi.org/10.1787/125630747184>**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	
	1993-1994	2003-2004	1993-1994	2003-2004	1993-1994	2003-2004	1993-1994	2003-2004	1993-1994	2003-2004
Australia	23.9	31.7	49.2	44.7	23.3	20.1	3.6	3.6	0.0	0.0
Austria	57.5	34.9	22.8	21.9	15.8	39.1	3.9	4.0	0.0	-
Belgium	52.5	69.7	19.4	9.2	23.0	18.0	5.1	3.1	0.0	0.0
Canada	42.7	54.4	23.7	13.0	29.7	27.2	3.9	5.4	0.0	0.0
Denmark	55.5	54.8	25.0	20.1	17.6	20.4	1.8	4.7	0.0	0.0
Finland	43.0	43.1	20.4	15.7	28.9	31.5	7.7	9.7	-	0.0
France	34.8	51.1	32.8	15.4	24.9	26.4	7.5	7.0	0.0	0.0
Germany	34.6	42.0	23.9	24.2	37.2	28.6	4.3	5.2	0.0	0.0
Greece	..	19.5	..	9.3	..	67.9	..	3.4	..	-
Ireland	68.7	70.4	14.7	9.8	14.9	16.7	1.6	3.0	0.0	-
Italy	30.2	52.0	15.4	9.9	47.4	31.4	6.9	6.6	0.0	0.0
Japan	23.3	26.7	30.7	32.3	42.2	32.4	3.9	8.6	0.0	0.0
Luxembourg	48.0	45.9	15.0	20.0	29.9	29.8	7.1	4.3	0.0	-
Netherlands	42.9	53.6	18.1	14.0	34.1	29.5	4.8	2.9	0.0	0.0
New Zealand	31.9	42.5	18.9	19.9	36.7	31.3	12.6	6.3	-	-
Norway	55.0	54.6	16.1	14.5	25.8	26.0	3.1	4.9	0.0	0.0
Portugal	92.2	86.7	3.3	3.3	4.0	8.9	0.6	1.1	0.0	-
Spain	12.5	25.5	13.1	18.0	46.1	50.1	28.3	6.4	0.0	0.0
Sweden	43.5	52.8	22.7	16.3	28.6	27.7	5.2	3.1	0.0	0.0
Switzerland	46.0	44.1	24.5	25.3	27.2	27.9	2.4	2.7	0.0	0.0
United Kingdom	41.1	49.0	25.8	26.4	26.7	21.1	6.4	3.5	0.0	0.0
United States	41.2	35.9	15.1	14.1	40.2	48.1	3.4	1.9	0.0	0.0
TOTAL DAC	34.9	43.0	24.8	19.6	35.1	32.7	5.2	4.6	0.0	0.0
of which:										
EU Members	37.3	49.2	24.3	18.6	31.7	27.3	6.7	4.9	0.0	0.0

a) Including imputed multilateral ODA. Excluding amounts unspecified by region.

Table 27Statlink: <http://dx.doi.org/10.1787/432525214402>**Regional Distribution of ODA by Individual DAC Donors and Multilateral Agencies^a**

Per cent of total gross disbursements

	Sub-Saharan Africa			South and Central Asia			Other Asia and Oceania		
	1993-1994	1998-1999	2003-2004	1993-1994	1998-1999	2003-2004	1993-1994	1998-1999	2003-2004
Australia	8.2	5.2	4.8	6.7	5.9	8.4	83.7	83.3	79.4
Austria	16.6	28.9	39.9	2.9	6.0	9.7	11.2	6.5	4.1
Belgium	57.0	60.6	79.9	6.2	2.0	2.4	16.2	9.8	4.2
Canada	30.7	37.9	43.9	15.8	15.5	16.8	18.7	16.0	10.7
Denmark	58.3	56.0	51.9	17.2	16.1	16.2	12.0	11.3	15.5
Finland	43.7	40.6	47.4	11.2	10.6	12.1	20.1	18.2	11.5
France	55.6	45.4	58.3	3.1	1.8	6.9	19.1	23.4	8.7
Germany	26.9	26.8	35.4	12.1	13.0	11.7	20.5	23.6	17.2
Greece	..	3.1	2.3	..	8.8	9.5	..	0.4	0.6
Ireland	85.2	82.4	85.2	2.6	2.4	3.6	4.2	2.8	2.5
Italy	33.3	51.4	52.7	2.6	1.0	5.3	13.9	4.9	6.8
Japan	10.3	9.5	12.7	17.5	19.2	19.6	47.9	55.9	47.9
Luxembourg	51.1	42.9	48.5	8.4	5.9	4.6	4.1	10.4	16.0
Netherlands	36.6	36.8	49.1	16.0	13.3	14.7	4.9	8.3	9.6
New Zealand	4.1	4.9	9.8	1.6	3.2	8.6	93.1	89.3	74.1
Norway	56.3	46.3	47.8	15.6	12.1	17.0	6.4	6.9	5.1
Portugal	99.0	83.2	89.3	0.0	0.1	0.3	0.2	15.0	6.7
Spain	10.3	21.3	15.0	0.3	1.7	2.8	24.9	8.1	9.0
Sweden	47.1	47.9	50.9	13.9	10.2	11.6	11.4	11.5	9.8
Switzerland	37.5	34.8	35.4	19.5	19.2	21.5	13.6	6.5	8.1
United Kingdom	43.2	45.9	51.4	20.8	20.2	29.0	13.7	7.9	5.3
United States	19.8	17.5	30.2	9.8	12.9	16.0	8.5	11.6	5.2
TOTAL DAC	28.3	26.5	35.8	11.4	13.0	14.9	24.6	29.6	17.6
<i>of which:</i>									
EU Members	41.2	40.4	49.8	8.4	9.0	12.0	16.7	16.4	9.8
EC	48.6	38.6	44.3	9.2	7.6	9.2	4.1	5.8	4.7
IFIs ^b	42.4	37.8	43.1	32.5	29.7	31.5	15.1	13.6	11.7
UN Agencies ^c	43.0	36.8	37.7	13.5	15.6	15.0	9.4	10.6	7.3
OVERALL TOTAL	32.9	30.2	37.9	14.5	15.8	17.2	20.6	23.6	15.1

^a Excluding amounts unspecified by region.^b International financial institutions. Includes IDA, regional banks' soft windows, IFAD and IMF (PRGF).^c Includes UNDP, UNICEF, UNRWA, WFP, UNHCR, UNFPA and UNTA.

Statlink: <http://dx.doi.org/10.1787/432525214402>**Table 27****Regional Distribution of ODA by Individual DAC Donors and Multilateral Agencies^a***(continued)*

Per cent of total gross disbursements

Middle East and North Africa			Europe			Latin America and Caribbean			
1993-1994	1998-1999	2003-2004	1993-1994	1998-1999	2003-2004	1993-1994	1998-1999	2003-2004	
1.0	1.6	5.3	0.2	3.8	1.7	0.1	0.1	0.4	Australia
22.9	14.3	12.5	39.0	30.6	26.9	7.3	13.7	6.9	Austria
6.3	7.9	4.6	0.4	3.0	1.0	13.9	16.7	7.9	Belgium
8.6	5.3	9.8	2.2	4.8	2.4	24.0	20.5	16.4	Canada
5.3	6.1	4.8	0.1	0.7	2.8	7.2	9.7	8.8	Denmark
6.4	6.2	9.0	4.2	12.8	8.5	14.5	11.8	11.5	Finland
16.4	20.0	15.8	1.2	2.8	4.5	4.7	6.6	5.8	France
15.0	13.2	11.1	13.1	8.8	8.1	12.3	14.7	16.6	Germany
..	9.9	10.4	..	77.1	77.0	..	0.8	0.3	Greece
1.6	1.8	3.5	4.6	6.8	1.1	1.9	3.9	4.0	Ireland
26.9	10.1	17.8	7.8	15.1	7.4	15.5	17.3	10.1	Italy
14.7	5.6	7.8	0.6	1.4	2.0	9.0	8.5	10.0	Japan
6.7	7.7	7.8	5.0	10.1	7.0	24.7	23.1	16.0	Luxembourg
6.6	6.8	8.7	9.7	9.9	5.6	26.3	24.8	12.3	Netherlands
0.0	0.1	5.2	0.2	0.6	0.0	1.0	1.9	2.2	New Zealand
2.7	9.2	10.6	10.9	15.4	12.2	8.1	10.1	7.2	Norway
0.3	0.4	2.4	0.2	0.7	1.1	0.2	0.6	0.2	Portugal
12.1	15.1	17.4	0.2	6.6	8.3	52.2	47.2	47.5	Spain
4.0	5.3	5.6	11.2	8.6	9.7	12.5	16.4	12.4	Sweden
6.4	6.4	4.6	7.6	17.0	15.0	15.3	16.0	15.4	Switzerland
4.2	3.2	8.6	9.3	3.9	1.2	8.9	18.9	4.6	United Kingdom
35.8	26.1	29.8	2.1	13.9	4.5	24.0	18.0	14.3	United States
17.7	11.4	15.1	4.3	6.3	4.9	13.7	13.1	11.7	TOTAL DAC
14.1	12.1	11.2	7.2	7.0	6.0	12.5	15.2	11.2	<i>of which:</i>
16.2	20.4	18.9	12.2	14.6	14.1	9.6	13.0	8.8	EU Members
1.3	3.3	1.5	0.8	2.8	3.1	7.9	12.8	9.1	EC
13.2	20.8	24.9	14.2	2.4	3.9	6.8	13.8	11.2	IFIs ^b
									UN Agencies ^c
14.8	11.1	13.5	5.1	6.2	5.3	12.0	13.1	11.0	OVERALL TOTAL

Table 28Statlink: <http://dx.doi.org/10.1787/886033300230>**Regional Distribution of ODA by Individual DAC Donors^a**

Per cent of total net disbursements

	South of Sahara			South & Central Asia			Other Asia and Oceania		
	1993-1994	1998-1999	2003-2004	1993-1994	1998-1999	2003-2004	1993-1994	1998-1999	2003-2004
Australia	13.9	10.2	9.2	13.8	11.2	10.6	68.8	70.6	70.5
Austria	53.4	27.6	42.0	16.7	9.3	9.7	-13.6	8.6	5.9
Belgium	58.6	57.8	72.5	7.5	5.1	4.0	13.2	9.0	3.9
Canada	41.9	38.9	49.7	19.1	17.7	8.6	17.5	15.2	11.0
Denmark	57.5	51.5	52.5	17.7	17.5	13.4	8.5	10.5	11.2
Finland	46.5	40.9	42.4	14.3	14.3	12.4	18.9	16.3	9.2
France	53.8	42.0	57.0	5.6	3.3	5.9	19.2	24.4	7.5
Germany	37.8	34.3	45.9	13.5	13.3	13.3	18.2	20.3	8.9
Greece	..	8.1	17.4	..	8.8	9.8	..	1.6	2.2
Ireland	71.8	73.5	74.5	7.6	5.3	6.7	6.2	4.0	3.5
Italy	30.7	49.2	49.8	5.0	13.8	7.8	14.8	7.6	3.2
Japan	20.7	12.0	19.6	20.4	26.2	23.3	42.1	47.7	34.4
Luxembourg	50.2	41.4	45.4	9.4	7.5	7.8	5.1	10.2	14.9
Netherlands	41.9	39.4	54.8	14.9	14.0	8.2	4.7	8.0	8.2
New Zealand	9.7	8.6	13.9	6.2	7.2	10.3	80.9	78.8	65.5
Norway	52.8	45.8	47.4	17.4	14.2	18.0	8.7	7.9	6.1
Portugal	94.1	76.6	80.9	1.5	1.1	2.7	1.0	17.2	6.7
Spain	16.5	25.8	25.9	2.0	4.7	6.2	23.2	8.4	5.6
Sweden	46.6	45.6	49.9	15.6	14.0	12.2	11.9	11.4	9.3
Switzerland	40.2	38.0	39.5	20.2	20.2	22.1	13.4	7.9	8.2
United Kingdom	44.8	45.0	49.8	20.4	21.5	23.6	13.0	9.2	5.4
United States	29.1	25.6	33.9	12.5	14.7	13.9	9.6	11.6	5.6
TOTAL DAC	35.8	29.9	42.0	13.7	16.5	13.8	21.5	25.0	11.4
<i>of which:</i>									
EU Members	44.6	41.5	51.3	10.6	11.5	11.5	15.5	15.0	7.1

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.

Statlink: <http://dx.doi.org/10.1787/886033300230>**Table 28****Regional Distribution of ODA by Individual DAC Donors^a***(continued)*

Per cent of total net disbursements

Middle East and North Africa			Europe			Latin America and Caribbean			
1993-1994	1998-1999	2003-2004	1993-1994	1998-1999	2003-2004	1993-1994	1998-1999	2003-2004	
1.6	2.4	5.5	1.0	3.5	2.1	0.9	2.0	2.2	Australia
-40.3	15.7	13.5	67.8	27.0	20.4	16.0	11.8	8.4	Austria
7.1	8.8	7.4	1.5	3.3	3.6	12.1	16.0	8.8	Belgium
6.0	5.6	9.9	3.0	4.0	2.8	12.5	18.6	18.0	Canada
6.4	7.4	7.8	2.7	1.5	4.4	7.1	11.6	10.7	Denmark
6.8	8.3	11.2	4.6	9.8	8.7	9.1	10.4	16.2	Finland
14.8	20.7	15.7	1.9	3.8	7.0	4.6	5.8	6.9	France
9.0	11.3	10.9	10.5	5.9	7.6	10.9	14.9	13.4	Germany
..	11.4	13.3	..	60.4	53.3	..	9.7	4.0	Greece
4.7	3.9	5.8	5.9	6.7	2.9	3.8	6.6	6.5	Ireland
26.0	7.1	17.1	8.4	10.6	10.5	15.1	11.6	11.6	Italy
7.0	5.2	10.2	1.0	0.9	1.9	8.8	8.0	10.6	Japan
7.0	9.0	9.5	5.9	9.5	7.3	22.5	22.4	15.2	Luxembourg
7.1	7.6	9.9	9.7	9.1	6.7	21.7	21.9	12.2	Netherlands
0.9	0.8	5.8	0.7	0.9	0.5	1.7	3.6	4.1	New Zealand
4.5	9.6	10.2	9.0	11.8	9.5	7.6	10.6	8.7	Norway
1.4	1.6	4.8	1.0	1.5	3.0	1.0	2.0	1.9	Portugal
11.2	14.3	15.4	1.5	8.4	10.2	45.6	38.4	36.7	Spain
5.4	7.2	8.0	9.8	6.8	8.5	10.8	15.1	12.1	Sweden
6.9	6.5	5.3	6.3	12.8	11.6	13.0	14.6	13.3	Switzerland
5.7	4.7	11.0	8.1	4.4	4.2	8.0	15.2	6.0	United Kingdom
33.5	21.9	28.6	2.7	11.6	4.7	12.6	14.7	13.3	United States
13.7	10.7	15.4	4.6	5.8	6.0	10.8	12.1	11.4	TOTAL DAC
11.1	11.4	11.9	6.9	6.5	7.4	11.3	14.0	10.8	<i>of which:</i> EU Members

Table 29Statlink: <http://dx.doi.org/10.1787/763430426610>**Net Disbursements of ODA to Sub-Saharan Africa by Donor**

	USD million at 2003 prices and exchange rates						
	1988-1989 average	1993-1994 average	2000	2001	2002	2003	2004
DAC BILATERAL							
Australia	62	66	42	30	31	36	42
Austria	54	73	81	250	146	68	111
Belgium	363	233	252	304	435	1 025	460
Canada	471	311	201	210	412	463	509
Denmark	406	413	515	534	479	429	448
Finland	242	101	79	88	89	103	106
France	3 070	3 375	1 566	1 238	2 552	2 975	2 645
Germany	1 355	1 304	977	831	1 097	1 894	1 085
Greece	..	..	3	2	2	3	6
Ireland	22	45	142	168	232	247	254
Italy	1 658	585	349	255	992	693	274
Japan	1 150	891	854	859	613	529	617
Luxembourg	..	18	58	44	58	56	70
Netherlands	764	620	780	1 091	1 121	977	1 042
New Zealand	1	3	7	7	8	12	12
Norway	431	461	379	355	459	518	488
Portugal	70	250	151	152	118	113	718
Spain	60	112	127	119	203	158	159
Sweden	576	534	443	419	445	613	555
Switzerland	224	209	193	186	206	245	224
United Kingdom	995	758	1 318	1 386	1 082	1 446	1 976
United States	1 033	1 715	1 208	1 424	2 416	4 643	3 434
TOTAL DAC	13 006	12 077	9 724	9 952	13 197	17 243	15 235
MULTILATERAL ^a							
AfDF	550	664	324	455	667	470	825
EC	2 197	2 146	1 445	2 215	2 206	2 510	2 602
IDA	1 958	2 686	2 176	2 757	3 282	2 956	3 514
IFAD	63	42	74	84	73	78	99
Nordic Dev. Fund	-	5	21	17	21	31	37
UNTA	66	80	123	85	120	115	95
UNICEF	210	346	189	215	192	193	185
UNDP	427	234	165	151	151	155	172
UNHCR	305	460	216	270	319	245	157
WFP	414	894	217	255	246	204	143
Other UN	241	140	123	201	214	145	109
Arab Agencies	5	8	1	100	101	41	265
Other Multilateral	537	315	84	- 57	457	- 343	- 246
TOTAL MULTILATERAL	6 973	8 019	5 157	6 749	8 049	6 800	7 954
Other Countries ^b	557	73	199	151	395	74	86
OVERALL TOTAL	20 536	20 169	15 080	16 852	21 641	24 117	23 276

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. However, data shown for UNHCR in 2004 cover expenditures from unrestricted or broadly earmarked funds only.

b) See Table 33 for the list of non-DAC countries for which data are available.

Statlink: <http://dx.doi.org/10.1787/763430426610>**Table 29****Net Disbursements of ODA to Sub-Saharan Africa by Donor**
(continued)

	As percentage of donor's ODA						
	1988-1989 average	1993-1994 average	2000	2001	2002	2003	2004
DAC BILATERAL							
Australia	8.1	7.7	4.5	3.4	3.3	3.7	4.2
Austria	21.4	50.0	23.2	43.6	32.9	29.9	35.4
Belgium	64.8	46.7	40.7	46.2	50.0	69.8	57.3
Canada	26.1	18.3	15.5	15.2	23.8	34.4	28.5
Denmark	54.8	45.0	38.6	39.3	37.6	41.5	41.7
Finland	52.8	35.7	28.7	30.9	29.4	33.2	32.6
France	51.8	48.2	42.7	36.4	58.0	57.1	53.2
Germany	31.3	28.7	28.5	22.5	27.2	46.7	31.5
Greece	..	..	2.1	1.8	1.3	1.3	2.1
Ireland	67.1	66.5	67.2	68.2	71.3	70.1	70.7
Italy	52.1	25.0	69.3	43.1	79.8	65.3	44.0
Japan	15.3	12.2	9.9	11.4	8.7	8.4	10.9
Luxembourg	..	42.4	45.6	31.4	40.8	37.1	46.0
Netherlands	33.4	29.6	25.4	36.6	37.1	34.5	43.2
New Zealand	1.0	3.5	6.0	6.2	6.8	9.3	8.7
Norway	53.0	45.1	32.1	29.5	34.8	35.4	35.2
Portugal	48.4	98.9	61.9	61.4	51.8	61.9	92.1
Spain	19.1	10.1	12.7	7.6	16.3	13.7	12.9
Sweden	42.3	35.3	29.7	26.2	28.5	34.4	29.7
Switzerland	36.0	27.5	23.8	22.4	23.1	25.9	20.7
United Kingdom	44.2	33.7	41.5	43.9	27.5	37.4	42.4
United States	11.1	19.8	15.4	16.6	22.4	31.7	21.6
TOTAL DAC	30.4	27.8	24.1	24.2	28.7	34.7	30.3
MULTILATERAL ^a							
AfDF	98.5	95.4	95.2	91.8	95.4	97.3	97.6
EC	61.0	44.0	24.9	30.4	35.0	38.9	36.1
IDA	43.3	48.9	45.9	46.9	50.2	51.9	52.5
IFAD	43.7	50.5	45.6	42.7	43.4	50.4	65.4
Nordic Dev. Fund	-	17.5	49.1	44.0	55.5	59.4	57.2
UNTA	19.5	24.2	23.8	17.6	22.7	22.9	23.7
UNICEF	35.2	39.7	28.9	30.3	29.8	30.7	30.9
UNDP	34.2	34.5	37.3	45.1	48.4	52.3	50.0
UNHCR	47.6	36.4	38.6	41.9	44.3	45.9	49.2
WFP	38.2	56.8	53.7	56.9	61.7	63.9	57.9
Other UN	18.1	11.2	10.8	13.7	14.3	12.2	11.5
Arab Agencies	3.9	3.2	2.2	58.2	63.8	92.0	76.0
Other Multilateral	31.5	16.5	6.8	- 3.4	21.5	- 26.0	- 26.5
TOTAL MULTILATERAL	43.8	41.6	32.1	34.1	40.0	38.5	41.7
Other Countries ^b	7.4	6.0	22.7	14.1	12.9	2.4	3.3
OVERALL TOTAL	31.0	31.5	26.3	27.2	31.3	34.2	32.4

Table 30Statlink: <http://dx.doi.org/10.1787/656318037056>**Net Disbursements of ODA to Sub-Saharan Africa by Recipient**

USD million at 2003 prices and exchange rates

	1988-1989 average	1993-1994 average	2001	2002	2003	2004
Angola	237	426	357	480	497	1 036
Benin	302	297	338	254	293	343
Botswana	206	125	35	41	28	37
Burkina Faso	385	502	487	556	507	553
Burundi	283	290	176	201	225	320
Cameroon	506	700	609	773	900	688
Cape Verde	125	135	97	108	143	126
Central African Rep.	268	185	82	69	50	95
Chad	357	242	234	268	247	292
Comoros	66	48	34	38	24	22
Congo, Dem. Rep.	871	234	327	1 368	5 421	1 645
Congo, Rep.	127	263	90	68	70	105
Côte d'Ivoire	571	1 284	229	1 266	252	138
Djibouti	114	145	72	90	79	59
Equatorial Guinea	74	47	17	25	21	26
Eritrea	0	129	347	263	316	242
Ethiopia	1 289	1 211	1 335	1 490	1 553	1 682
Gabon	163	155	10	86	- 11	34
Gambia	130	85	64	69	63	58
Ghana	856	633	779	746	954	1 234
Guinea	412	419	334	284	240	256
Guinea-Bissau	152	157	77	71	145	69
Kenya	1 272	862	561	445	514	586
Lesotho	170	150	69	88	78	93
Liberia	88	106	46	59	107	197
Madagascar	458	353	450	427	539	1 119
Malawi	553	529	489	430	518	432
Mali	626	447	434	541	543	516
Mauritania	325	317	332	410	239	163
Mauritius	79	25	26	29	- 15	34
Mayotte	59	103	158	152	166	186
Mozambique	1 265	1 372	1 152	2 607	1 039	1 117
Namibia	55	165	138	159	147	164
Niger	467	393	317	345	457	485
Nigeria	306	274	220	351	318	525
Rwanda	326	604	365	408	333	426
Sao Tome & Principe	50	54	49	31	38	30
Senegal	883	620	505	516	446	953
Seychelles	32	18	16	9	9	9
Sierra Leone	142	270	422	402	303	326
Somalia	588	843	187	222	175	174
South Africa	0	336	528	591	625	560
St. Helena	58	20	18	16	18	23
Sudan	1 161	486	229	392	617	821
Swaziland	46	63	36	26	28	105
Tanzania	1 298	1 077	1 521	1 445	1 704	1 583
Togo	272	121	54	60	47	55
Uganda	580	766	966	818	977	1 062
Zambia	580	889	425	741	581	974
Zimbabwe	370	599	199	226	186	169
South of Sahara Unall.	933	592	806	1 082	1 362	1 327
OVERALL TOTAL	20 536	20 169	16 852	21 641	24 117	23 276

Statlink: <http://dx.doi.org/10.1787/317327061175>**Table 31****Aid from DAC Countries to Least Developed Countries^a****Net disbursements**

	1993-1994			2003			2004		
	USD million	Per cent of donor's total	Per cent of donor's GNI	USD million	Per cent of donor's total	Per cent of donor's GNI	USD million	Per cent of donor's total	Per cent of donor's GNI
Australia	211	21	0.07	259	21	0.05	350	24	0.06
Austria	114	43	0.06	169	33	0.07	168	25	0.06
Belgium	255	33	0.12	1 088	59	0.35	645	44	0.18
Canada	556	24	0.10	634	31	0.07	702	27	0.07
Denmark	485	35	0.36	673	38	0.32	735	36	0.31
Finland	100	31	0.12	183	33	0.11	153	23	0.08
France	1 938	24	0.15	2 965	41	0.16	3 169	37	0.15
Germany	1 789	26	0.09	2 508	37	0.10	2 312	31	0.08
Greece	..	..	..	55	15	0.03	65	14	0.03
Ireland	38	40	0.09	266	53	0.21	322	53	0.21
Italy	625	22	0.06	1 104	45	0.08	788	32	0.05
Japan	2 276	19	0.05	1 922	22	0.04	1 684	19	0.04
Luxembourg	16	30	0.11	65	34	0.27	87	37	0.31
Netherlands	699	28	0.22	981	25	0.20	1 453	35	0.25
New Zealand	21	20	0.05	45	27	0.06	65	31	0.07
Norway	465	43	0.45	801	39	0.36	837	38	0.33
Portugal	178	66	0.21	205	64	0.14	878	85	0.53
Spain	119	9	0.03	342	17	0.04	424	17	0.04
Sweden	566	32	0.31	822	34	0.27	762	28	0.22
Switzerland	297	33	0.12	405	31	0.12	399	26	0.11
United Kingdom	806	26	0.08	2 273	36	0.12	2 988	38	0.14
United States	2 581	26	0.04	4 474	27	0.04	4 504	23	0.04
TOTAL DAC	14 136	25	0.07	22 237	32	0.08	23 490	30	0.08
<i>of which:</i>									
EU Members	7 729	26	0.11	13 697	37	0.13	14 949	35	0.12

a) Including imputed multilateral flows, i.e. making allowance for contributions through multilateral organisations, calculated using the geographical distribution of multilateral disbursements for the year of reference.

Table 32Statlink: <http://dx.doi.org/10.1787/763030017826>**Major Recipients of Individual DAC Members' Aid****Gross disbursements****Per cent of total ODA**

			Australia						Austria	
1983-84			1993-94		2003-04	1983-84			1993-94	
Papua New Guinea	35.4	Papua New Guinea	22.3	Papua New Guinea	16.8	Algeria	22.7	Ex-Yugoslavia. Unsp.	11.9	
Indonesia	6.2	Indonesia	8.7	Indonesia	7.2	Egypt	10.7	Bosnia-Herzegovina	10.8	
Bangladesh	2.7	China	6.0	Solomon Islands	6.4	Malaysia	5.4	Algeria	9.5	
Thailand	2.5	Philippines	3.0	Viet Nam	3.3	Turkey	3.2	Indonesia	3.4	
Malaysia	2.4	Thailand	2.7	Iraq	2.7	Philippines	3.1	Egypt	3.1	
Philippines	2.0	Viet Nam	2.6	China	2.6	Iran	2.8	Turkey	2.7	
Fiji	1.3	Malaysia	2.2	Philippines	2.5	Tunisia	2.4	Uganda	2.5	
Egypt	1.2	Bangladesh	1.6	Timor-Leste	2.4	Nicaragua	2.3	China	2.4	
Tanzania	1.1	Fiji	1.5	Cambodia	1.7	Indonesia	2.1	Iran	2.2	
China	1.1	Cambodia	1.2	Bangladesh	1.4	India	2.0	Nicaragua	1.6	
Sri Lanka	1.1	India	1.1	Vanuatu	1.3	Ex-Yugoslavia. Unsp.	1.0	Tanzania	1.5	
Ethiopia	1.0	Mozambique	1.1	Afghanistan	1.1	Lebanon	0.9	Malawi	1.1	
Myanmar	1.0	Laos	1.0	Nauru	1.1	Mozambique	0.9	Guatemala	0.9	
Solomon Islands	0.8	Solomon Islands	1.0	Fiji	1.1	Cape Verde	0.8	Korea	0.9	
Samoa	0.7	Vanuatu	1.0	Sri Lanka	0.9	Cuba	0.8	Slovenia	0.8	
Total above	60.5	Total above	56.9	Total above	52.4	Total above	61.1	Total above	55.2	
Multilateral ODA	25.3	Multilateral ODA	24.7	Multilateral ODA	19.2	Multilateral ODA	23.2	Multilateral ODA	22.2	
Unallocated	5.6	Unallocated	8.4	Unallocated	18.7	Unallocated	6.2	Unallocated	4.9	
Total ODA USD mill.	767	Total ODA USD mill.	1 022	Total ODA USD mill.	1 339	Total ODA USD mill.	185	Total ODA USD mill.	569	
LDCs	16.3	LDCs	17.8	LDCs	30.1	LDCs	7.9	LDCs	16.4	
Other LICs	63.3	Other LICs	54.0	Other LICs	46.7	Other LICs	10.9	Other LICs	9.9	
LMICs	14.5	LMICs	23.4	LMICs	20.8	LMICs	69.3	LMICs	66.9	
UMICs	4.6	UMICs	4.3	UMICs	2.4	UMICs	9.9	UMICs	3.2	
HICs	-	HICs	-	HICs	-	HICs	-	HICs	-	
MADCT	1.3	MADCT	0.5	MADCT	-	MADCT	2.0	MADCT	3.6	
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	
Europe	0.0	Europe	0.2	Europe	1.7	Europe	8.0	Europe	39.0	
North of Sahara	1.8	North of Sahara	0.6	North of Sahara	0.6	North of Sahara	49.7	North of Sahara	17.7	
South of Sahara	8.5	South of Sahara	8.2	South of Sahara	4.8	South of Sahara	8.8	South of Sahara	16.6	
N. and C. America	0.2	N. and C. America	0.1	N. and C. America	0.2	N. and C. America	5.6	N. and C. America	4.7	
South America	0.1	South America	0.0	South America	0.2	South America	1.2	South America	2.5	
Middle East	0.6	Middle East	0.4	Middle East	4.7	Middle East	6.2	Middle East	5.2	
S. and C. Asia	8.3	S. and C. Asia	6.7	S. and C. Asia	8.4	S. and C. Asia	3.6	S. and C. Asia	2.9	
Far East Asia	22.9	Far East Asia	40.6	Far East Asia	33.3	Far East Asia	16.6	Far East Asia	11.2	
Oceania	57.7	Oceania	43.1	Oceania	46.0	Oceania	0.2	Oceania	0.0	
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	

Statlink: <http://dx.doi.org/10.1787/763030017826>**Table 32****Major Recipients of Individual DAC Members' Aid**
(continued)

Gross disbursements

Per cent of total ODA

2003-04		1983-84		Belgium 1993-94		2003-04	
Cameroon	5.5	Congo, Dem. Rep.	17.8	Rwanda	4.1	Congo, Dem. Rep.	30.7
Serbia & Montenegro	3.6	Rwanda	4.4	Congo, Dem. Rep.	3.8	Cameroon	1.4
Turkey	3.0	Burundi	3.3	Burundi	2.9	Burundi	1.2
Egypt	2.9	Cameroon	1.9	Viet Nam	2.6	Rwanda	1.2
Bosnia-Herzegovina	2.7	Indonesia	1.9	Tanzania	1.9	Burkina Faso	1.0
Ghana	2.1	Turkey	1.7	Indonesia	1.8	Ecuador	0.9
Nicaragua	1.3	India	1.5	Ecuador	1.3	Bolivia	0.9
Afghanistan	1.2	China	1.3	Morocco	1.0	Tanzania	0.9
Uganda	1.2	Morocco	1.3	Bolivia	1.0	South Africa	0.8
Nigeria	1.1	Tunisia	1.1	China	1.0	Senegal	0.8
Iran	1.0	Senegal	1.0	Côte d'Ivoire	1.0	Viet Nam	0.8
Ethiopia	1.0	Tanzania	1.0	Tunisia	1.0	Morocco	0.7
Guatemala	0.9	Ecuador	0.8	Zambia	0.9	Benin	0.7
China	0.8	Pakistan	0.8	India	0.9	India	0.6
Albania	0.7	Niger	0.7	Senegal	0.9	Philippines	0.6
Total above	29.1	Total above	40.4	Total above	26.1	Total above	43.3
Multilateral ODA	48.2	Multilateral ODA	38.9	Multilateral ODA	40.2	Multilateral ODA	27.5
Unallocated	7.6	Unallocated	10.1	Unallocated	15.0	Unallocated	17.6
Total ODA USD mill.	624	Total ODA USD mill.	467	Total ODA USD mill.	795	Total ODA USD mill.	1 721
LDCs	23.1	LDCs	61.8	LDCs	51.1	LDCs	76.0
Other LICs	31.3	Other LICs	15.2	Other LICs	20.9	Other LICs	8.3
LMICs	43.0	LMICs	19.8	LMICs	22.0	LMICs	14.0
UMICs	2.5	UMICs	3.0	UMICs	5.7	UMICs	1.8
HICs	-	HICs	-	HICs	-	HICs	0.0
MADCT	-	MADCT	0.2	MADCT	0.3	MADCT	-
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	26.9	Europe	3.3	Europe	0.4	Europe	1.0
North of Sahara	7.2	North of Sahara	6.2	North of Sahara	5.3	North of Sahara	2.5
South of Sahara	39.9	South of Sahara	68.7	South of Sahara	57.0	South of Sahara	79.9
N. and C. America	5.4	N. and C. America	1.6	N. and C. America	3.2	N. and C. America	2.0
South America	1.4	South America	5.6	South America	10.7	South America	5.9
Middle East	5.3	Middle East	0.6	Middle East	1.1	Middle East	2.1
S. and C. Asia	9.7	S. and C. Asia	4.8	S. and C. Asia	6.2	S. and C. Asia	2.4
Far East Asia	3.9	Far East Asia	9.2	Far East Asia	16.1	Far East Asia	4.2
Oceania	0.2	Oceania	0.1	Oceania	0.1	Oceania	0.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Table 32Statlink: <http://dx.doi.org/10.1787/763030017826>**Major Recipients of Individual DAC Members' Aid***(continued)***Gross disbursements**

Per cent of total ODA

Canada						Denmark			
1983-84		1993-94		2003-04		1983-84		1993-94	
Bangladesh	5.6	China	2.8	Afghanistan	2.6	India	9.0	Tanzania	5.4
India	3.8	India	2.1	Iraq	2.4	Tanzania	8.4	Uganda	3.4
Pakistan	3.7	Egypt	2.0	Ethiopia	2.0	Bangladesh	5.0	Viet Nam	2.7
Sri Lanka	2.2	Jamaica	2.0	Congo, Dem. Rep.	1.9	Kenya	4.3	India	2.5
Tanzania	1.9	Bangladesh	1.9	Bangladesh	1.7	Mozambique	2.0	Mozambique	2.4
Kenya	1.6	Indonesia	1.4	China	1.5	Sudan	2.0	Bangladesh	2.2
Senegal	1.5	Philippines	1.0	Mali	1.4	Zimbabwe	1.8	Zimbabwe	1.9
Ghana	1.4	Mozambique	0.9	Ghana	1.4	Cameroon	1.4	Egypt	1.8
Ethiopia	1.2	Ghana	0.9	Tanzania	1.3	Senegal	1.1	Nicaragua	1.7
Indonesia	1.2	Guyana	0.9	India	1.3	Zambia	1.0	Nepal	1.5
Cameroon	1.2	Pakistan	0.8	Cameroon	1.3	China	0.9	Kenya	1.5
Jamaica	1.1	Mali	0.8	Mozambique	1.1	Egypt	0.8	Burkina Faso	1.3
Zambia	1.0	Senegal	0.7	Haiti	1.1	Niger	0.6	Zambia	1.2
Congo, Dem. Rep.	0.9	Ex-Yugoslavia. Unsp.	0.7	Viet Nam	1.0	Uganda	0.6	Ghana	1.0
Thailand	0.9	Ethiopia	0.7	Zambia	0.9	Thailand	0.6	Thailand	0.8
Total above	29.1	Total above	19.6	Total above	22.7	Total above	39.5	Total above	31.1
Multilateral ODA	37.8	Multilateral ODA	32.6	Multilateral ODA	25.8	Multilateral ODA	45.0	Multilateral ODA	42.5
Unallocated	15.5	Unallocated	31.8	Unallocated	30.7	Unallocated	7.6	Unallocated	17.5
Total ODA USD mill.	1 545	Total ODA USD mill.	2 461	Total ODA USD mill.	2 499	Total ODA USD mill.	427	Total ODA USD mill.	1 445
LDCs	40.3	LDCs	30.5	LDCs	47.7	LDCs	54.4	LDCs	55.0
Other LICs	31.3	Other LICs	21.7	Other LICs	21.0	Other LICs	36.3	Other LICs	30.7
LMICs	22.1	LMICs	40.8	LMICs	27.8	LMICs	7.6	LMICs	13.4
UMICs	5.5	UMICs	6.7	UMICs	3.5	UMICs	1.7	UMICs	0.9
HICs	-	HICs	-	HICs	-	HICs	-	HICs	-
MADCT	0.8	MADCT	0.2	MADCT	-	MADCT	0.0	MADCT	0.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	0.1	Europe	2.2	Europe	2.4	Europe	0.0	Europe	0.1
North of Sahara	4.3	North of Sahara	7.3	North of Sahara	2.4	North of Sahara	1.8	North of Sahara	4.5
South of Sahara	39.1	South of Sahara	30.7	South of Sahara	43.9	South of Sahara	58.5	South of Sahara	58.3
N. and C. America	11.9	N. and C. America	15.6	N. and C. America	10.1	N. and C. America	0.7	N. and C. America	4.9
South America	5.5	South America	8.4	South America	6.2	South America	1.4	South America	2.4
Middle East	0.6	Middle East	1.3	Middle East	7.4	Middle East	1.6	Middle East	0.8
S. and C. Asia	32.1	S. and C. Asia	15.8	S. and C. Asia	16.8	S. and C. Asia	32.0	S. and C. Asia	17.2
Far East Asia	6.4	Far East Asia	18.3	Far East Asia	10.2	Far East Asia	4.0	Far East Asia	12.0
Oceania	0.2	Oceania	0.4	Oceania	0.5	Oceania	0.0	Oceania	0.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Statlink: <http://dx.doi.org/10.1787/763030017826>**Table 32****Major Recipients of Individual DAC Members' Aid**

(continued)

Gross disbursements

Per cent of total ODA

2003-04		Finland		2003-04	
		1983-84	1993-94		
Tanzania	4.7	Tanzania	12.0	Tanzania	5.7
Viet Nam	3.6	Kenya	6.0	Nicaragua	4.6
Mozambique	3.4	Zambia	5.9	Zambia	4.2
Uganda	2.9	Viet Nam	3.6	Malaysia	3.5
Ghana	2.9	Sri Lanka	3.0	Mozambique	3.3
Bangladesh	2.3	Egypt	2.9	China	3.1
Zambia	1.9	Mozambique	2.5	Namibia	2.6
Nepal	1.9	Sudan	2.1	Viet Nam	2.3
Nicaragua	1.7	Peru	1.6	Ex-Yugoslavia. Unsp.	2.1
Egypt	1.6	Ethiopia	1.6	Kenya	2.0
Burkina Faso	1.5	Nepal	1.5	Zimbabwe	2.0
Bolivia	1.4	Nicaragua	1.4	Nepal	1.8
Benin	1.3	Bangladesh	1.1	Egypt	1.8
Kenya	1.1	Myanmar	1.0	Sri Lanka	1.7
South Africa	1.1	Somalia	1.0	Thailand	1.6
Total above	33.3	Total above	47.3	Total above	42.3
				Total above	23.3
Multilateral ODA	38.9	Multilateral ODA	39.3	Multilateral ODA	44.7
Unallocated	16.4	Unallocated	7.3	Unallocated	19.5
Total ODA USD mill. 1 995		Total ODA USD mill. 166		Total ODA USD mill. 336	
				Total ODA USD mill. 608	
LDCs	53.5	LDCs	58.3	LDCs	37.9
Other LICs	25.2	Other LICs	24.1	Other LICs	23.5
LMICs	19.5	LMICs	16.2	LMICs	29.2
UMICs	1.8	UMICs	1.4	UMICs	9.4
HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	0.0	MADCT	0.1
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	2.8	Europe	-	Europe	4.2
North of Sahara	3.5	North of Sahara	5.3	North of Sahara	3.3
South of Sahara	51.9	South of Sahara	65.2	South of Sahara	43.7
N. and C. America	5.3	N. and C. America	3.6	N. and C. America	12.0
South America	3.5	South America	3.9	South America	2.5
Middle East	1.4	Middle East	0.7	Middle East	3.1
S. and C. Asia	16.2	S. and C. Asia	12.9	S. and C. Asia	11.2
Far East Asia	15.5	Far East Asia	8.3	Far East Asia	20.1
Oceania	0.0	Oceania	0.2	Oceania	0.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Table 32Statlink: <http://dx.doi.org/10.1787/763030017826>**Major Recipients of Individual DAC Members' Aid***(continued)***Gross disbursements****Per cent of total ODA**

		France					Germany		
1983-84		1993-94	2003-04		1983-84		1993-94		
French Polynesia	5.9	Côte d'Ivoire	7.8	Congo, Dem. Rep.	8.2	India	4.9	Indonesia	5.1
New Caledonia	5.4	Cameroon	4.7	Senegal	3.7	Egypt	3.7	Ex-Yugoslavia. Unsp.	5.1
Morocco	3.7	New Caledonia	4.5	Cameroon	3.6	Indonesia	3.4	China	3.9
Côte d'Ivoire	3.2	Egypt	4.5	Madagascar	3.4	China	2.7	Egypt	3.8
Senegal	3.0	French Polynesia	4.1	Morocco	3.2	Israel	2.6	India	3.5
Mali	2.6	Senegal	3.2	Pakistan	2.7	Turkey	2.1	Turkey	2.4
Cameroon	2.2	Morocco	2.5	Mayotte	2.0	Sudan	1.8	Pakistan	1.5
Gabon	1.9	Algeria	2.3	Niger	2.0	Myanmar	1.7	Zambia	1.5
Central African Rep.	1.8	Congo, Rep.	2.2	Tunisia	1.8	Tunisia	1.4	Israel	1.5
Madagascar	1.8	Gabon	1.8	Algeria	1.7	Tanzania	1.3	Mozambique	1.5
Indonesia	1.7	Madagascar	1.6	Côte d'Ivoire	1.6	Kenya	1.3	Ethiopia	1.4
Tunisia	1.6	Indonesia	1.5	Egypt	1.6	Sri Lanka	1.3	Peru	1.3
Algeria	1.6	Niger	1.4	China	1.4	Bangladesh	1.2	Bangladesh	1.1
Congo, Rep.	1.5	Burkina Faso	1.4	Viet Nam	1.2	Brazil	1.2	Bolivia	1.0
Burkina Faso	1.3	Viet Nam	1.2	Serbia & Montenegro	1.1	Pakistan	1.2	Brazil	1.0
Total above	39.3	Total above	44.7	Total above	39.0	Total above	31.7	Total above	35.6
Multilateral ODA	21.0	Multilateral ODA	20.1	Multilateral ODA	28.0	Multilateral ODA	30.4	Multilateral ODA	31.7
Unallocated	17.3	Unallocated	11.9	Unallocated	12.8	Unallocated	9.9	Unallocated	8.3
Total ODA USD mill.	3 069	Total ODA USD mill.	8 985	Total ODA USD mill.	9 478	Total ODA USD mill.	3 295	Total ODA USD mill.	8 096
LDCs	35.3	LDCs	28.4	LDCs	45.3	LDCs	31.3	LDCs	24.0
Other LICs	18.3	Other LICs	29.3	Other LICs	20.9	Other LICs	23.7	Other LICs	24.9
LMICs	17.4	LMICs	21.1	LMICs	24.6	LMICs	31.5	LMICs	42.3
UMICs	9.8	UMICs	8.0	UMICs	9.2	UMICs	6.9	UMICs	5.3
HICs	0.0	HICs	0.0	HICs	0.0	HICs	-	HICs	0.0
MADCT	19.2	MADCT	13.2	MADCT	-	MADCT	6.5	MADCT	3.5
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	1.5	Europe	1.2	Europe	4.5	Europe	5.6	Europe	13.1
North of Sahara	13.0	North of Sahara	14.5	North of Sahara	13.3	North of Sahara	9.9	North of Sahara	8.9
South of Sahara	52.1	South of Sahara	55.6	South of Sahara	58.3	South of Sahara	32.5	South of Sahara	26.9
N. and C. America	1.9	N. and C. America	1.9	N. and C. America	2.9	N. and C. America	3.4	N. and C. America	3.4
South America	3.1	South America	2.8	South America	2.9	South America	8.0	South America	9.0
Middle East	2.5	Middle East	1.9	Middle East	2.5	Middle East	7.7	Middle East	6.2
S. and C. Asia	3.4	S. and C. Asia	3.1	S. and C. Asia	6.9	S. and C. Asia	17.6	S. and C. Asia	12.1
Far East Asia	5.1	Far East Asia	6.8	Far East Asia	7.3	Far East Asia	14.9	Far East Asia	20.1
Oceania	17.4	Oceania	12.3	Oceania	1.4	Oceania	0.4	Oceania	0.3
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Statlink: <http://dx.doi.org/10.1787/763030017826>

Table 32

Major Recipients of Individual DAC Members' Aid

(continued)

Gross disbursements

Per cent of total ODA

2003-04		Greece		2003-04	
		1983-84	1993-94		
China	4.7			Albania	20.1
Congo, Dem. Rep.	3.7			Serbia & Montenegro	8.6
Nicaragua	3.6			Ex-Yugoslavia. Unsp.	3.5
Cameroon	3.3			Afghanistan	2.2
Indonesia	1.9			Bosnia-Herzegovina	1.5
India	1.8			Iraq	1.4
Zambia	1.6			Georgia	1.4
Egypt	1.6			Turkey	1.2
Serbia & Montenegro	1.4			Palestinian Adm. Areas	0.8
Turkey	1.2			Syria	0.8
Ethiopia	1.0			Lebanon	0.8
Tanzania	0.9			Armenia	0.7
Afghanistan	0.9			Egypt	0.6
Brazil	0.9			Moldova	0.5
Morocco	0.9			Jordan	0.4
Total above	29.5			Total above	44.4
Multilateral ODA	38.0	Multilateral ODA	- Multilateral ODA	Multilateral ODA	35.6
Unallocated	9.2	Unallocated	- Unallocated	Unallocated	17.0
Total ODA USD mill.	8 493	Total ODA USD mill.	- Total ODA USD mill.	Total ODA \$ million	413
LDCs	29.2	LDCs	- LDCs	LDCs	6.4
Other LICs	29.8	Other LICs	- Other LICs	Other LICs	6.7
LMICs	36.4	LMICs	- LMICs	LMICs	85.0
UMICs	4.6	UMICs	- UMICs	UMICs	1.9
HICs	0.0	HICs	- HICs	HICs	-
MADCT	-	MADCT	- MADCT	MADCT	-
Total Bilateral	100.0	Total Bilateral	- Total Bilateral	Total Bilateral	100.0
Europe	8.1	Europe	- Europe	Europe	77.0
North of Sahara	5.8	North of Sahara	- North of Sahara	North of Sahara	1.6
South of Sahara	35.4	South of Sahara	- South of Sahara	South of Sahara	2.3
N. and C. America	9.3	N. and C. America	- N. and C. America	N. and C. America	0.2
South America	7.3	South America	- South America	South America	0.1
Middle East	5.2	Middle East	- Middle East	Middle East	8.8
S. and C. Asia	11.7	S. and C. Asia	- S. and C. Asia	S. and C. Asia	9.5
Far East Asia	17.1	Far East Asia	- Far East Asia	Far East Asia	0.4
Oceania	0.1	Oceania	- Oceania	Oceania	0.2
Total Bilateral	100.0	Total Bilateral	- Total Bilateral	Total Bilateral	100.0

Table 32Statlink: <http://dx.doi.org/10.1787/763030017826>**Major Recipients of Individual DAC Members' Aid***(continued)***Gross disbursements****Per cent of total ODA**

Ireland					Italy				
1983-84		1993-94		2003-04		1983-84		1993-94	
Lesotho	10.0	Tanzania	6.0	Uganda	8.3	Somalia	8.0	Egypt	12.5
Tanzania	6.4	Zambia	5.6	Mozambique	8.0	Mozambique	3.4	Tanzania	4.5
Zambia	3.9	Lesotho	5.4	Ethiopia	6.8	Ethiopia	3.1	China	3.4
Sudan	1.5	Sudan	2.6	Tanzania	5.3	Tanzania	2.8	Mozambique	3.2
Zimbabwe	0.7	Rwanda	2.1	Zambia	4.1	Egypt	2.6	Argentina	3.0
Kenya	0.6	Somalia	2.1	South Africa	3.2	Sudan	1.9	Sierra Leone	2.5
Burundi	0.5	Ethiopia	1.9	Lesotho	2.4	Malta	1.8	Ex-Yugoslavia. Unsp.	2.2
Djibouti	0.4	Ex-Yugoslavia. Unsp.	1.7	Sudan	1.5	Congo, Dem. Rep.	1.6	Somalia	2.0
Rwanda	0.4	Uganda	1.4	Kenya	1.4	Angola	1.4	Viet Nam	2.0
Thailand	0.2	Kenya	1.3	Palestinian Adm. Areas	1.1	Tunisia	1.2	Indonesia	1.8
Bangladesh	0.2	Angola	1.2	Angola	1.0	Turkey	1.2	Nicaragua	1.8
Nigeria	0.2	Cambodia	1.1	Afghanistan	0.9	China	1.1	Zambia	1.2
Ethiopia	0.2	Zimbabwe	0.8	Zimbabwe	0.9	Zimbabwe	1.0	Philippines	1.2
Swaziland	0.2	Mozambique	0.7	Timor-Leste	0.8	Yemen	0.9	Malta	1.2
Sierra Leone	0.1	Nigeria	0.6	Sierra Leone	0.8	Ecuador	0.8	Morocco	1.2
Total above	25.5	Total above	34.2	Total above	46.4	Total above	32.8	Total above	43.6
Multilateral ODA	57.6	Multilateral ODA	48.9	Multilateral ODA	31.5	Multilateral ODA	44.8	Multilateral ODA	31.2
Unallocated	15.7	Unallocated	12.7	Unallocated	12.0	Unallocated	8.6	Unallocated	5.6
Total ODA USD mill.	34	Total ODA USD mill.	96	Total ODA USD mill.	556	Total ODA USD mill.	998	Total ODA USD mill.	3 174
LDCs	90.3	LDCs	82.8	LDCs	79.1	LDCs	62.3	LDCs	33.0
Other LICs	6.5	Other LICs	9.4	Other LICs	6.7	Other LICs	7.8	Other LICs	12.6
LMICs	2.9	LMICs	6.8	LMICs	13.6	LMICs	22.1	LMICs	45.3
UMICs	0.2	UMICs	0.9	UMICs	0.6	UMICs	3.8	UMICs	7.2
HICs	-	HICs	-	HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	0.0	MADCT	-	MADCT	4.1	MADCT	1.9
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	-	Europe	4.6	Europe	1.1	Europe	6.9	Europe	7.8
North of Sahara	0.4	North of Sahara	0.1	North of Sahara	0.2	North of Sahara	9.8	North of Sahara	24.4
South of Sahara	95.3	South of Sahara	85.2	South of Sahara	85.2	South of Sahara	64.6	South of Sahara	33.3
N. and C. America	0.3	N. and C. America	1.3	N. and C. America	2.7	N. and C. America	3.5	N. and C. America	6.0
South America	0.7	South America	0.5	South America	1.4	South America	5.6	South America	9.5
Middle East	0.1	Middle East	1.4	Middle East	3.4	Middle East	3.8	Middle East	2.4
S. and C. Asia	1.4	S. and C. Asia	2.6	S. and C. Asia	3.6	S. and C. Asia	2.4	S. and C. Asia	2.6
Far East Asia	1.9	Far East Asia	4.2	Far East Asia	2.5	Far East Asia	3.4	Far East Asia	13.9
Oceania	0.1	Oceania	0.1	Oceania	0.0	Oceania	-	Oceania	0.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Statlink: <http://dx.doi.org/10.1787/763030017826>**Table 32****Major Recipients of Individual DAC Members' Aid**
(continued)**Gross disbursements**

Per cent of total ODA

2003-04		1983-84		Japan 1993-94		2003-04	
Congo, Dem. Rep.	8.7	China	8.2	China	10.1	China	9.9
China	1.9	Indonesia	7.1	Indonesia	9.2	Indonesia	6.0
Tunisia	1.5	Thailand	5.9	Egypt	7.6	Philippines	5.5
Afghanistan	1.4	Malaysia	4.2	Philippines	6.1	Thailand	5.0
Guinea-Bissau	1.3	Philippines	4.0	India	4.8	India	4.8
Ethiopia	1.1	India	2.8	Thailand	3.6	Viet Nam	4.0
Palestinian Adm. Areas	1.0	Bangladesh	2.6	Pakistan	2.2	Ghana	3.6
Côte d'Ivoire	0.9	Myanmar	2.5	Bangladesh	2.1	Iraq	2.3
Algeria	0.9	Pakistan	2.0	Sri Lanka	1.5	Malaysia	2.1
Nicaragua	0.9	Egypt	1.8	Syria	1.4	Sri Lanka	2.0
Albania	0.9	Korea	1.7	Korea	1.3	Bolivia	2.0
Morocco	0.8	Sri Lanka	1.6	Mexico	1.1	Bangladesh	2.0
Madagascar	0.8	Kenya	1.0	Malaysia	1.0	Pakistan	1.4
Mozambique	0.8	Mexico	0.9	Kenya	1.0	Peru	1.2
Iraq	0.7	Peru	0.8	Peru	0.9	Afghanistan	1.1
Total above	23.6	Total above	47.0	Total above	53.8	Total above	52.8
Multilateral ODA	57.7	Multilateral ODA	35.7	Multilateral ODA	22.2	Multilateral ODA	19.0
Unallocated	6.9	Unallocated	2.8	Unallocated	6.8	Unallocated	8.4
Total ODA USD mill.	2 709	Total ODA USD mill.	4 526	Total ODA USD mill.	15 498	Total ODA USD mill.	14 565
LDCs	53.6	LDCs	17.2	LDCs	14.1	LDCs	14.1
Other LICs	8.5	Other LICs	22.6	Other LICs	28.1	Other LICs	31.6
LMICs	34.8	LMICs	45.0	LMICs	50.1	LMICs	48.3
UMICs	3.1	UMICs	11.4	UMICs	5.6	UMICs	6.0
HICs	-	HICs	0.0	HICs	0.0	HICs	0.0
MADCT	-	MADCT	3.7	MADCT	2.1	MADCT	-
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	7.4	Europe	1.4	Europe	0.6	Europe	2.0
North of Sahara	10.8	North of Sahara	4.5	North of Sahara	11.4	North of Sahara	2.8
South of Sahara	52.7	South of Sahara	10.1	South of Sahara	10.3	South of Sahara	12.7
N. and C. America	5.2	N. and C. America	2.9	N. and C. America	3.6	N. and C. America	3.1
South America	4.9	South America	6.0	South America	5.4	South America	7.0
Middle East	7.1	Middle East	2.8	Middle East	3.3	Middle East	5.0
S. and C. Asia	5.3	S. and C. Asia	19.8	S. and C. Asia	17.5	S. and C. Asia	19.6
Far East Asia	6.8	Far East Asia	51.7	Far East Asia	46.7	Far East Asia	47.2
Oceania	-	Oceania	0.9	Oceania	1.3	Oceania	0.7
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Table 32Statlink: <http://dx.doi.org/10.1787/763030017826>**Major Recipients of Individual DAC Members' Aid***(continued)***Gross disbursements**

Per cent of total ODA

		Luxembourg				Netherlands	
1983-84		1993-94	2003-04	1983-84		1993-94	
		Cape Verde	6.4	Cape Verde	5.3	Indonesia	6.3
		Burundi	5.5	Viet Nam	4.9	India	6.0
		Tunisia	3.7	Laos	3.5	Netherlands Antilles	5.0
		Nicaragua	3.7	Burkina Faso	3.5	Bangladesh	3.6
		Niger	3.6	Senegal	3.3	Tanzania	3.0
		Djibouti	3.6	Nicaragua	3.3	Sudan	2.4
		El Salvador	3.6	Mali	3.3	Kenya	2.3
		Rwanda	3.2	Namibia	3.1	Peru	2.1
		Ex-Yugoslavia. Unsp.	3.0	El Salvador	2.8	Sri Lanka	1.8
		India	2.6	Niger	2.8	Mozambique	1.8
		Gambia	2.6	Serbia & Montenegro	1.8	Yemen	1.7
		Colombia	2.0	Rwanda	1.7	Burkina Faso	1.7
		Peru	1.8	Ex-Yugoslavia. Unsp.	1.7	Nicaragua	1.5
		Chile	1.6	Palestinian Adm. Areas	1.2	Zimbabwe	1.3
		Brazil	1.4	Iraq	1.2	Zambia	1.2
		Total above	48.1	Total above	43.3	Total above	41.7
		Total above	48.1	Total above	43.3	Total above	28.8
Multilateral ODA	-	Multilateral ODA	20.2	Multilateral ODA	25.3	Multilateral ODA	30.1
Unallocated	-	Unallocated	13.6	Unallocated	13.4	Unallocated	10.9
Total ODA USD mill.	-	Total ODA USD mill.	45	Total ODA USD mill.	215	Total ODA USD mill.	1 281
		Total ODA USD mill.	45	Total ODA USD mill.	215	Total ODA USD mill.	2 741
LDCs	-	LDCs	49.1	LDCs	48.1	LDCs	38.6
Other LICs	-	Other LICs	14.1	Other LICs	19.1	Other LICs	33.3
LMICs	-	LMICs	29.1	LMICs	29.9	LMICs	16.4
UMICs	-	UMICs	7.7	UMICs	2.9	UMICs	2.8
HICs	-	HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	-	MADCT	-	MADCT	8.8
Total Bilateral	-	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
		Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	-	Europe	5.0	Europe	7.0	Europe	0.8
North of Sahara	-	North of Sahara	5.9	North of Sahara	3.1	North of Sahara	3.0
South of Sahara	-	South of Sahara	51.1	South of Sahara	48.5	South of Sahara	36.0
N. and C. America	-	N. and C. America	12.5	N. and C. America	10.4	N. and C. America	14.1
South America	-	South America	12.2	South America	5.6	South America	8.1
Middle East	-	Middle East	0.7	Middle East	4.7	Middle East	3.3
S. and C. Asia	-	S. and C. Asia	8.4	S. and C. Asia	4.6	S. and C. Asia	21.6
Far East Asia	-	Far East Asia	4.1	Far East Asia	16.0	Far East Asia	12.8
Oceania	-	Oceania	-	Oceania	-	Oceania	0.3
Total Bilateral	-	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
		Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Statlink: <http://dx.doi.org/10.1787/763030017826>**Table 32****Major Recipients of Individual DAC Members' Aid**
(continued)

Gross disbursements

Per cent of total ODA

		New Zealand					
2003-04		1983-84		1993-94		2003-04	
Congo, Dem. Rep.	3.1	Cook Islands	12.2	Cook Islands	7.3	Solomon Islands	4.7
Ghana	2.4	Niue	7.1	Samoa	5.2	Niue	4.5
Iraq	2.4	Samoa	6.6	Fiji	5.1	Papua New Guinea	4.3
Tanzania	2.4	Indonesia	6.0	Niue	4.9	Tokelau	3.7
India	2.0	Fiji	6.0	Tonga	3.9	Iraq	3.2
Afghanistan	1.9	Tonga	5.2	Papua New Guinea	3.6	Afghanistan	3.0
Indonesia	1.8	Papua New Guinea	3.1	Indonesia	2.9	Indonesia	3.0
Uganda	1.4	Tokelau	2.9	Solomon Islands	2.7	Samoa	2.8
Bangladesh	1.4	Philippines	1.9	Tokelau	2.5	Vanuatu	2.5
Ethiopia	1.3	Solomon Islands	1.6	Vanuatu	2.3	Tonga	2.0
Mali	1.2	Thailand	1.4	Kiribati	1.5	Cook Islands	1.9
Mozambique	1.1	Vanuatu	1.4	Philippines	1.4	Timor-Leste	1.7
Bolivia	1.1	Tuvalu	0.8	Tuvalu	1.1	Viet Nam	1.6
Swaziland	1.1	Kiribati	0.7	Thailand	1.1	Sudan	1.5
Burkina Faso	1.1	Malaysia	0.3	China	0.8	Philippines	1.5
Total above	25.7	Total above	57.1	Total above	46.3	Total above	41.9
Multilateral ODA	29.8	Multilateral ODA	21.2	Multilateral ODA	23.6	Multilateral ODA	23.7
Unallocated	23.7	Unallocated	20.7	Unallocated	24.8	Unallocated	17.9
Total ODA USD mill.	4 487	Total ODA USD mill.	58	Total ODA USD mill.	104	Total ODA USD mill.	189
LDCs	46.4	LDCs	19.6	LDCs	29.2	LDCs	42.3
Other LICs	22.6	Other LICs	16.0	Other LICs	15.6	Other LICs	18.8
LMICs	29.4	LMICs	42.4	LMICs	39.8	LMICs	33.8
UMICs	1.5	UMICs	21.5	UMICs	15.1	UMICs	5.1
HICs	0.0	HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	0.4	MADCT	0.4	MADCT	-
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	5.6	Europe	-	Europe	0.2	Europe	0.0
North of Sahara	0.9	North of Sahara	-	North of Sahara	-	North of Sahara	0.0
South of Sahara	49.1	South of Sahara	0.4	South of Sahara	4.1	South of Sahara	9.8
N. and C. America	4.9	N. and C. America	0.1	N. and C. America	0.4	N. and C. America	0.7
South America	7.4	South America	0.1	South America	0.6	South America	1.5
Middle East	7.8	Middle East	0.1	Middle East	0.0	Middle East	5.2
S. and C. Asia	14.7	S. and C. Asia	0.4	S. and C. Asia	1.6	S. and C. Asia	8.6
Far East Asia	9.5	Far East Asia	13.2	Far East Asia	13.3	Far East Asia	18.7
Oceania	0.1	Oceania	85.8	Oceania	79.8	Oceania	55.4
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Table 32Statlink: <http://dx.doi.org/10.1787/763030017826>**Major Recipients of Individual DAC Members' Aid***(continued)***Gross disbursements****Per cent of total ODA**

Norway					Portugal				
1983-84		1993-94		2003-04		1983-84		1993-94	
Tanzania	9.0	Mozambique	6.1	Afghanistan	3.2		Mozambique	27.9	
Bangladesh	4.2	Tanzania	5.5	Tanzania	3.0		Guinea-Bissau	17.8	
Kenya	3.8	Zambia	3.9	Mozambique	2.7		Angola	6.9	
India	3.5	Bangladesh	3.3	Palestinian Adm. Areas	2.5		Cape Verde	5.9	
Mozambique	2.9	Ex-Yugoslavia. Unsp.	3.1	Sudan	2.1		Sao Tome & Principe	3.3	
Zambia	2.9	Bosnia-Herzegovina	2.7	Serbia & Montenegro	1.9		Ex-Yugoslavia. Unsp.	0.2	
Sri Lanka	2.1	Ethiopia	1.8	Uganda	1.9		Brazil	0.1	
Pakistan	2.1	Nicaragua	1.8	Iraq	1.8		Morocco	0.1	
Zimbabwe	2.0	China	1.6	Somalia	1.7		China	0.1	
China	1.6	Uganda	1.5	Zambia	1.7		Somalia	0.1	
Botswana	1.4	Zimbabwe	1.5	Ethiopia	1.7		Timor-Leste	0.0	
Sudan	1.2	South Africa	1.5	Sri Lanka	1.4		Tunisia	0.0	
Ethiopia	1.0	Sri Lanka	1.3	Malawi	1.3		South Africa	0.0	
Philippines	0.8	India	1.2	Angola	1.2		Cambodia	0.0	
Nicaragua	0.7	Angola	1.1	Nepal	1.0		Iraq	0.0	
Total above	39.1	Total above	37.8	Total above	29.1		Total above	62.6	
Multilateral ODA	43.4	Multilateral ODA	30.9	Multilateral ODA	29.2	Multilateral ODA	-	Multilateral ODA	27.4
Unallocated	9.9	Unallocated	14.8	Unallocated	21.4	Unallocated	-	Unallocated	9.8
Total ODA USD mill.	562	Total ODA USD mill.	1 077	Total ODA USD mill.	2 127	Total ODA USD mill.	-	Total ODA USD mill.	274
LDCs	53.6	LDCs	58.3	LDCs	56.8	LDCs	-	LDCs	98.9
Other LICs	27.5	Other LICs	12.1	Other LICs	10.2	Other LICs	-	Other LICs	0.1
LMICs	14.9	LMICs	26.5	LMICs	29.9	LMICs	-	LMICs	0.7
UMICs	4.0	UMICs	3.1	UMICs	3.1	UMICs	-	UMICs	0.3
HICs	-	HICs	-	HICs	-	HICs	-	HICs	-
MADCT	0.0	MADCT	0.0	MADCT	-	MADCT	-	MADCT	0.0
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	-	Total Bilateral	100.0
Europe	2.4	Europe	10.9	Europe	12.2	Europe	-	Europe	0.2
North of Sahara	0.3	North of Sahara	0.4	North of Sahara	0.4	North of Sahara	-	North of Sahara	0.2
South of Sahara	58.9	South of Sahara	56.3	South of Sahara	47.8	South of Sahara	-	South of Sahara	99.0
N. and C. America	3.1	N. and C. America	6.4	N. and C. America	4.5	N. and C. America	-	N. and C. America	0.0
South America	1.0	South America	1.7	South America	2.7	South America	-	South America	0.2
Middle East	1.0	Middle East	2.3	Middle East	10.3	Middle East	-	Middle East	0.1
S. and C. Asia	26.5	S. and C. Asia	15.6	S. and C. Asia	17.0	S. and C. Asia	-	S. and C. Asia	0.0
Far East Asia	6.7	Far East Asia	6.4	Far East Asia	5.1	Far East Asia	-	Far East Asia	0.2
Oceania	0.2	Oceania	0.0	Oceania	0.0	Oceania	-	Oceania	-
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	-	Total Bilateral	100.0

Statlink: <http://dx.doi.org/10.1787/763030017826>**Table 32****Major Recipients of Individual DAC Members' Aid**
(continued)

Gross disbursements

Per cent of total ODA

		Spain					
2003-04		1983-84	1993-94	2003-04			
Angola	54.2		Mexico	13.6	Nicaragua	5.8	
Cape Verde	5.7		China	10.9	Bolivia	3.2	
Timor-Leste	5.0		Indonesia	3.7	Morocco	3.0	
Mozambique	3.2		Morocco	3.6	China	2.4	
Sao Tome & Principe	1.8		Ecuador	3.5	Honduras	2.3	
Iraq	1.7		Algeria	3.4	Peru	2.1	
Guinea-Bissau	1.5		Argentina	3.2	Turkey	1.9	
Bosnia-Herzegovina	0.6		Bolivia	2.6	Iraq	1.7	
Sierra Leone	0.4		Uruguay	2.4	Argentina	1.6	
Congo, Dem. Rep.	0.2		Côte d'Ivoire	2.1	Ecuador	1.6	
Afghanistan	0.2		Honduras	2.1	Dominican Republic	1.5	
Ex-Yugoslavia. Unsp.	0.1		Philippines	1.8	Bosnia-Herzegovina	1.1	
Rwanda	0.1		Angola	0.9	Mozambique	1.1	
Macedonia,FYROM	0.1		Equatorial Guinea	0.9	El Salvador	1.1	
Brazil	0.1		Nicaragua	0.9	Senegal	1.1	
Total above	74.9		Total above	55.7	Total above	31.4	
Multilateral ODA	21.8	Multilateral ODA	0.0	Multilateral ODA	30.3	Multilateral ODA	37.7
Unallocated	2.9	Unallocated	100.0	Unallocated	6.0	Unallocated	10.6
Total ODA USD mill.	679	Total ODA USD mill.	84	Total ODA USD mill.	1 350	Total ODA USD mill.	2 450
LDCs	96.1	LDCs	-	LDCs	6.8	LDCs	14.5
Other LICs	0.1	Other LICs	-	Other LICs	11.3	Other LICs	16.1
LMICs	3.7	LMICs	-	LMICs	49.4	LMICs	60.6
UMICs	0.2	UMICs	-	UMICs	32.5	UMICs	8.8
HICs	-	HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	-	MADCT	0.0	MADCT	-
Total Bilateral	100.0	Total Bilateral	-	Total Bilateral	100.0	Total Bilateral	100.0
Europe	1.1	Europe	-	Europe	0.2	Europe	8.3
North of Sahara	0.1	North of Sahara	-	North of Sahara	11.1	North of Sahara	10.9
South of Sahara	89.3	South of Sahara	-	South of Sahara	10.3	South of Sahara	15.0
N. and C. America	0.0	N. and C. America	-	N. and C. America	27.8	N. and C. America	26.0
South America	0.2	South America	-	South America	24.4	South America	21.4
Middle East	2.3	Middle East	-	Middle East	1.0	Middle East	6.6
S. and C. Asia	0.3	S. and C. Asia	-	S. and C. Asia	0.3	S. and C. Asia	2.8
Far East Asia	6.7	Far East Asia	-	Far East Asia	24.9	Far East Asia	9.0
Oceania	-	Oceania	-	Oceania	-	Oceania	0.0
Total Bilateral	100.0	Total Bilateral	-	Total Bilateral	100.0	Total Bilateral	100.0

Table 32Statlink: <http://dx.doi.org/10.1787/763030017826>**Major Recipients of Individual DAC Members' Aid***(continued)***Gross disbursements****Per cent of total ODA**

		Sweden					Switzerland		
1983-84		1993-94		2003-04		1983-84		1993-94	
Tanzania	8.3	India	4.4	Congo, Dem. Rep.	3.8	India	7.0	India	3.1
Viet Nam	7.5	Mozambique	4.1	Tanzania	2.9	Nepal	3.1	Ex-Yugoslavia. Unsp.	2.8
India	6.5	Tanzania	4.0	Mozambique	2.4	Madagascar	2.5	Mozambique	2.8
Mozambique	4.5	Ex-Yugoslavia. Unsp.	3.3	Afghanistan	1.9	Rwanda	2.4	Indonesia	2.7
Sri Lanka	4.0	Ethiopia	2.2	Ethiopia	1.5	Mali	2.2	Rwanda	2.4
Zambia	3.3	Zambia	1.9	Nicaragua	1.5	Honduras	2.0	Bolivia	2.1
Zimbabwe	2.3	Zimbabwe	1.9	Uganda	1.5	Sudan	2.0	Bangladesh	2.0
Ethiopia	2.2	South Africa	1.9	Palestinian Adm. Areas	1.5	Tanzania	2.0	Tanzania	1.8
Kenya	2.0	Nicaragua	1.9	Serbia & Montenegro	1.5	Kenya	1.5	Madagascar	1.8
Bangladesh	1.9	Viet Nam	1.8	Bosnia-Herzegovina	1.4	Peru	1.4	Nepal	1.7
Angola	1.8	China	1.5	Bangladesh	1.2	Indonesia	1.4	Pakistan	1.5
Nicaragua	1.6	Bangladesh	1.5	Kenya	1.1	Ethiopia	1.3	Philippines	1.4
Botswana	1.5	Angola	1.4	Bolivia	1.0	Bangladesh	1.2	Viet Nam	1.3
Guinea-Bissau	1.1	Bosnia-Herzegovina	1.4	South Africa	1.0	Senegal	1.2	Burkina Faso	1.1
Laos	0.9	Uganda	1.2	Viet Nam	0.9	Pakistan	1.2	Niger	1.0
Total above	49.5	Total above	34.2	Total above	25.1	Total above	32.3	Total above	29.4
Multilateral ODA	29.6	Multilateral ODA	24.6	Multilateral ODA	24.7	Multilateral ODA	27.7	Multilateral ODA	23.3
Unallocated	15.8	Unallocated	21.6	Unallocated	32.5	Unallocated	18.0	Unallocated	21.8
Total ODA USD mill.	749	Total ODA USD mill.	1 794	Total ODA USD mill.	2 561	Total ODA USD mill.	305	Total ODA USD mill.	892
LDCs	48.8	LDCs	42.3	LDCs	54.6	LDCs	51.9	LDCs	44.5
Other LICs	36.8	Other LICs	22.0	Other LICs	15.6	Other LICs	27.5	Other LICs	23.6
LMICs	10.9	LMICs	29.7	LMICs	28.5	LMICs	17.9	LMICs	29.4
UMICs	3.5	UMICs	5.9	UMICs	1.2	UMICs	2.4	UMICs	2.2
HICs	-	HICs	-	HICs	-	HICs	-	HICs	-
MADCT	0.0	MADCT	0.0	MADCT	-	MADCT	0.3	MADCT	0.4
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	0.1	Europe	11.2	Europe	9.7	Europe	2.0	Europe	7.6
North of Sahara	1.1	North of Sahara	1.1	North of Sahara	0.4	North of Sahara	1.9	North of Sahara	2.2
South of Sahara	54.9	South of Sahara	47.1	South of Sahara	50.9	South of Sahara	49.0	South of Sahara	37.5
N. and C. America	3.8	N. and C. America	7.6	N. and C. America	8.2	N. and C. America	8.0	N. and C. America	7.1
South America	0.7	South America	4.8	South America	4.2	South America	6.7	South America	8.3
Middle East	0.8	Middle East	2.9	Middle East	5.2	Middle East	2.8	Middle East	4.2
S. and C. Asia	22.8	S. and C. Asia	13.9	S. and C. Asia	11.6	S. and C. Asia	24.9	S. and C. Asia	19.5
Far East Asia	15.8	Far East Asia	11.4	Far East Asia	9.8	Far East Asia	4.5	Far East Asia	13.5
Oceania	-	Oceania	0.0	Oceania	0.0	Oceania	0.1	Oceania	0.1
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Statlink: <http://dx.doi.org/10.1787/763030017826>**Table 32****Major Recipients of Individual DAC Members' Aid**
(continued)

Gross disbursements

Per cent of total ODA

		United Kingdom					
2003-04		1983-84		1993-94		2003-04	
Serbia & Montenegro	4.0	India	11.8	India	3.9	India	5.7
India	1.9	Kenya	2.8	Ex-Yugoslavia. Unsp.	3.1	Bangladesh	3.6
Tanzania	1.8	Sudan	2.6	Bangladesh	2.2	Tanzania	3.6
Mozambique	1.7	Bangladesh	2.6	Zambia	1.9	Iraq	3.1
Burkina Faso	1.4	Sri Lanka	2.3	Uganda	1.7	Ghana	2.7
Congo, Dem. Rep.	1.4	Tanzania	2.2	Kenya	1.5	Zambia	2.4
Peru	1.2	Pakistan	1.5	Mozambique	1.4	Congo, Dem. Rep.	2.2
Bolivia	1.2	Zambia	1.3	China	1.4	Afghanistan	2.2
Afghanistan	1.2	Zimbabwe	1.2	Tanzania	1.3	Malawi	1.6
Nicaragua	1.1	Egypt	1.1	Malawi	1.3	South Africa	1.5
Viet Nam	1.1	Malawi	1.1	Pakistan	1.2	Pakistan	1.5
Tajikistan	1.1	Indonesia	1.0	Indonesia	1.2	Uganda	1.4
Nepal	1.0	Botswana	0.8	Ghana	1.2	Ethiopia	1.4
Bosnia-Herzegovina	0.9	Nepal	0.7	Malaysia	1.0	Nigeria	1.1
Palestinian Adm. Areas	0.9	Falkland Islands	0.7	Zimbabwe	1.0	Sudan	1.0
Total above	22.0	Total above	33.6	Total above	25.3	Total above	35.2
Multilateral ODA	24.9	Multilateral ODA	42.5	Multilateral ODA	44.8	Multilateral ODA	34.3
Unallocated	31.1	Unallocated	10.6	Unallocated	13.0	Unallocated	16.4
Total ODA USD mill.	1 430	Total ODA USD mill.	1 644	Total ODA USD mill.	3 170	Total ODA USD mill.	7 348
LDCs	40.8	LDCs	33.3	LDCs	38.1	LDCs	49.8
Other LICs	23.3	Other LICs	42.1	Other LICs	26.6	Other LICs	30.5
LMICs	34.4	LMICs	13.8	LMICs	26.0	LMICs	17.1
UMICs	1.4	UMICs	8.1	UMICs	8.8	UMICs	2.6
HICs	-	HICs	-	HICs	-	HICs	-
MADCT	-	MADCT	2.7	MADCT	0.5	MADCT	-
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	15.0	Europe	1.7	Europe	9.3	Europe	1.2
North of Sahara	1.1	North of Sahara	2.6	North of Sahara	1.4	North of Sahara	1.1
South of Sahara	35.4	South of Sahara	37.7	South of Sahara	43.2	South of Sahara	51.4
N. and C. America	6.2	N. and C. America	4.9	N. and C. America	5.7	N. and C. America	2.6
South America	9.2	South America	3.8	South America	3.3	South America	2.0
Middle East	3.5	Middle East	1.9	Middle East	2.7	Middle East	7.5
S. and C. Asia	21.5	S. and C. Asia	40.4	S. and C. Asia	20.8	S. and C. Asia	29.0
Far East Asia	8.0	Far East Asia	3.3	Far East Asia	12.0	Far East Asia	5.1
Oceania	0.0	Oceania	3.9	Oceania	1.7	Oceania	0.2
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Table 32Statlink: <http://dx.doi.org/10.1787/763030017826>**Major Recipients of Individual DAC Members' Aid***(continued)***Gross disbursements**

Per cent of total ODA

			United States			TOTAL DAC COUNTRIES		
1983-84			1993-94		2003-04	1983-84		1993-94
Israel	14.1		Israel	10.9	Iraq	5.2	Egypt	5.0
Egypt	13.0		Egypt	7.1	Congo, Dem. Rep.	4.7	China	3.8
El Salvador	2.5		El Salvador	4.1	Egypt	3.3	Indonesia	3.6
Bangladesh	2.3		Somalia	3.6	Jordan	2.7	India	2.5
Turkey	2.2		Haiti	2.7	Afghanistan	2.2	Philippines	2.2
Costa Rica	2.1		Philippines	1.8	Pakistan	1.7	Israel	2.2
India	1.9		Colombia	1.4	Colombia	1.4	Ex-Yugoslavia. Unsp.	1.4
Northern Marianas	1.7		Jordan	1.3	Ethiopia	1.4	Bangladesh	1.4
Philippines	1.6		Jamaica	1.3	Sudan	1.3	Côte d'Ivoire	1.3
Sudan	1.6		Bolivia	1.2	Palestinian Adm. Areas	1.2	Pakistan	1.2
Indonesia	1.3		India	1.2	Peru	1.3	Mozambique	1.2
Pakistan	1.3		Ethiopia	1.1	Bolivia	1.2	Thailand	1.2
Jamaica	1.2		Bangladesh	1.0	Serbia & Montenegro	1.2	Tanzania	1.1
Peru	1.2		Peru	0.9	Uganda	1.1	El Salvador	0.9
Honduras	1.1		Rwanda	0.9	Indonesia	1.0	Zambia	0.9
Total above	49.1		Total above	40.5	Total above	42.7	Total above	31.0
Multilateral ODA	26.6		Multilateral ODA	23.3	Multilateral ODA	13.2	Multilateral ODA	26.7
Unallocated	8.7		Unallocated	14.7	Unallocated	23.2	Unallocated	11.9
Total ODA USD mill.	8 971		Total ODA USD mill.	11 754	Total ODA USD mill.	19 431	Total ODA USD mill.	29 132
LDCs	16.8		LDCs	24.7	LDCs	31.5	LDCs	27.4
Other LICs	9.7		Other LICs	10.1	Other LICs	15.7	Other LICs	20.9
LMICs	43.2		LMICs	41.6	LMICs	50.9	LMICs	32.3
UMICs	5.7		UMICs	5.3	UMICs	1.9	UMICs	6.9
HICs	-		HICs	-	HICs	0.0	HICs	0.0
MADCT	24.6		MADCT	18.4	MADCT	-	MADCT	12.1
Total Bilateral	100.0		Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	4.1		Europe	2.1	Europe	4.5	Europe	2.9
North of Sahara	21.3		North of Sahara	11.5	North of Sahara	5.8	North of Sahara	11.8
South of Sahara	14.4		South of Sahara	19.8	South of Sahara	30.2	South of Sahara	27.9
N. and C. America	15.4		N. and C. America	16.3	N. and C. America	4.8	N. and C. America	8.0
South America	3.5		South America	7.6	South America	9.5	South America	4.5
Middle East	23.3		Middle East	24.3	Middle East	24.0	Middle East	9.9
S. and C. Asia	10.1		S. and C. Asia	9.8	S. and C. Asia	16.0	S. and C. Asia	15.0
Far East Asia	5.0		Far East Asia	5.2	Far East Asia	4.0	Far East Asia	14.8
Oceania	2.8		Oceania	3.4	Oceania	1.2	Oceania	5.3
Total Bilateral	100.0		Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Statlink: <http://dx.doi.org/10.1787/763030017826>

Table 32

Major Recipients of Individual DAC Members' Aid

(continued)

Gross disbursements

Per cent of total ODA

2003-04		1983-84		EC 1993-94		2003-04	
Iraq	3.8	India	7.2	Ex-Yugoslavia. Unsp.	7.2	Serbia & Montenegro	4.3
Congo, Dem. Rep.	3.7	Ethiopia	4.4	Morocco	4.2	Turkey	2.8
China	2.7	Bangladesh	3.8	Ethiopia	3.2	Afghanistan	2.6
India	2.0	Congo, Dem. Rep.	3.6	Egypt	2.2	Palestinian Adm. Areas	2.2
Indonesia	1.8	Egypt	3.1	Zambia	2.0	Morocco	2.2
Afghanistan	1.7	Turkey	2.8	Mozambique	1.9	Tanzania	2.1
Egypt	1.5	Sudan	2.8	Côte d'Ivoire	1.8	Congo, Dem. Rep.	2.0
Pakistan	1.5	Ghana	2.5	Tanzania	1.7	Egypt	2.0
Ghana	1.4	Tanzania	2.5	Zimbabwe	1.7	Sudan	1.9
Viet Nam	1.3	Morocco	1.9	Nigeria	1.6	South Africa	1.7
Philippines	1.3	Madagascar	1.7	South Africa	1.6	Ethiopia	1.7
Tanzania	1.3	Mali	1.7	Palestinian Adm. Area	1.5	Bosnia-Herzegovina	1.6
Ethiopia	1.2	Uganda	1.6	Albania	1.5	Mozambique	1.5
Bangladesh	1.1	Somalia	1.6	Burkina Faso	1.4	Mali	1.4
Nicaragua	1.0	Chad	1.6	Cameroon	1.4	Madagascar	1.3
Total above	27.3	Total above	42.7	Total above	34.9	Total above	31.4
Multilateral ODA	26.2	Multilateral ODA	0.0	Multilateral ODA	8.6	Multilateral ODA	8.3
Unallocated	16.5	Unallocated	16.3	Unallocated	11.8	Unallocated	19.9
Total ODA USD mill.	85 917	Total ODA USD mill.	1 198	Total ODA USD mill.	4 795	Total ODA USD mill.	8 182
LDCs	34.8	LDCs	55.4	LDCs	37.4	LDCs	42.8
Other LICs	22.7	Other LICs	22.0	Other LICs	19.3	Other LICs	12.4
LMICs	38.3	LMICs	19.4	LMICs	37.8	LMICs	40.6
UMICs	4.1	UMICs	2.3	UMICs	4.2	UMICs	4.1
HICs	0.0	HICs	-	HICs	0.1	HICs	-
MADCT	-	MADCT	0.9	MADCT	1.2	MADCT	-
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0
Europe	4.9	Europe	4.9	Europe	12.2	Europe	14.1
North of Sahara	5.1	North of Sahara	7.3	North of Sahara	11.4	North of Sahara	9.5
South of Sahara	35.8	South of Sahara	59.1	South of Sahara	48.6	South of Sahara	44.3
N. and C. America	5.0	N. and C. America	3.9	N. and C. America	5.7	N. and C. America	5.5
South America	6.6	South America	2.2	South America	3.9	South America	3.3
Middle East	10.1	Middle East	1.3	Middle East	4.8	Middle East	9.4
S. and C. Asia	14.9	S. and C. Asia	15.8	S. and C. Asia	9.2	S. and C. Asia	9.2
Far East Asia	16.0	Far East Asia	1.8	Far East Asia	2.8	Far East Asia	3.8
Oceania	1.6	Oceania	3.6	Oceania	1.3	Oceania	0.9
Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0	Total Bilateral	100.0

Statlink: <http://dx.doi.org/10.1787/267761446578>

Table 33

ODA from Non-DAC Donors

Net disbursements

USD million

	2000	2001	2002	2003	2004	Memo: 2004 ODA/GNI (%)
OECD Non-DAC						
Czech Republic	16	26	45	91	108	0.11
Hungary	..	..	..	21	55	0.06
Iceland	9	10	13	18	21	0.18
Korea	212	265	279	366	423	0.06
Poland	29	36	14	27	118	0.05
Slovak Republic	6	8	7	15	28	0.07
Turkey	82	64	73	67	339	0.11
Arab countries						
Kuwait	165	73	20	138	209	..
Saudi Arabia	295	490	2 478	2 391	1 734	0.69
United Arab Emirates	150	127	156	188	181	..
Other donors						
Chinese Taipei	..	..	..	..	421	0.13
Israel ^a	164	76	114	92	66	0.06
Other donors ^b	1	2	3	4	22	0.05
TOTAL	1 128	1 178	3 201	3 416	3 726	..
<i>of which: Bilateral</i>						
OECD Non-DAC						
Czech Republic	6	15	31	80	63	
Hungary	..	..	..	14	21	
Iceland	4	5	5	14	16	
Korea	131	172	207	245	331	
Poland	13	31	9	19	25	
Slovak Republic	2	3	4	9	11	
Turkey	26	19	27	26	292	
Arab countries						
Kuwait	164	73	20	114	185	
Saudi Arabia	129	395	2 146	2 340	1 691	
United Arab Emirates	150	127	156	188	181	
Other donors						
Chinese Taipei	..	..	..	..	410	
Israel ^a	158	69	107	84	57	
Other donors ^b	0	1	0	1	2	
TOTAL	784	909	2 711	3 134	3 285	

a) These figures include USD 66.8 million in 2000, USD 50.1 million in 2001, USD 87.8 million in 2002, USD 68.8 million in 2003 and USD 47.9 million in 2004 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.

b) Includes Estonia, Latvia and Lithuania.

Note: China also provides aid, but does not disclose the amount.

Table 34Statlink: <http://dx.doi.org/10.1787/036556625566>**Share of Debt Relief in DAC Members' Total Net ODA in 2004**

	Net ODA (USD million)	Net ODA Debt Relief ^(a) (USD million)	of which: <i>Bilateral</i> (USD million)	Debt Relief as per cent of Net ODA	Net ODA Debt Relief for HIPC Countries ^(b) (USD million)	HIPC Debt Relief as per cent of Net ODA
Australia	1 460	12	12	0.8	5	0.3
Austria	678	93	93	13.7	71	10.5
Belgium	1 463	208	206	14.2	207	14.2
Canada	2 599	74	74	2.8	74	2.8
Denmark	2 037	37	20	1.8	35	1.7
Finland	655	6	-	1.0	6	1.0
France	8 473	1 808	1 808	21.3	1 681	19.8
Germany	7 534	567	567	7.5	535	7.1
Greece	465	-	-	-	-	-
Ireland	607	3	0	0.5	3	0.5
Italy	2 462	118	118	4.8	115	4.7
Japan	8 906	267	267	3.0	148	1.7
Luxembourg	236	-	-	-	-	-
Netherlands	4 204	216	216	5.1	115	2.7
New Zealand	212	-	-	-	-	-
Norway	2 199	49	12	2.2	36	1.7
Portugal	1 031	704	704	68.3	5	0.5
Spain	2 437	238	218	9.8	212	8.7
Sweden	2 722	26	26	1.0	21	0.8
Switzerland	1 545	8	8	0.5	8	0.5
United Kingdom	7 883	865	788	11.0	788	10.0
United States	19 705	456	176	2.3	453	2.3
TOTAL DAC	79 512	5 756	5 314	7.2	4 520	5.7

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.

Statlink: <http://dx.doi.org/10.1787/127332735288>

Table 35

Economic Indicators for DAC Member Countries in 2004

	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	29 600	3.0	3.6	5.6	1.0	-6.4	36.9
Austria	35 700	2.4	2.0	5.7	-1.1	0.3	48.8
Belgium	34 300	2.4	2.3	7.9	-0.0	3.3	48.7
Canada	30 300	2.9	3.1	7.2	0.7	2.2	40.6
Denmark	44 400	2.1	2.1	5.4	1.7	2.5	56.8
Finland	35 500	3.5	0.3	8.9	1.9	5.3	52.7
France	33 200	2.1	1.6	10.0	-3.6	-0.4	49.8
Germany	33 100	1.1	0.8	9.2	-3.7	3.8	43.3
Greece	18 500	4.7	3.6	11.0	-6.5	-6.3	43.3
Ireland	39 000	4.5	2.2	4.4	1.4	-0.8	35.2
Italy	29 000	1.0	2.6	8.1	-3.3	-0.9	45.4
Japan	37 300	2.7	-1.2	4.7	-6.5	3.7	31.0
Luxembourg	62 800	4.5	2.6	4.2	-0.6	11.1	44.6
Netherlands	35 200	1.7	0.9	4.9	-2.1	3.3	44.5
New Zealand	22 300	4.4	3.7	3.9	5.5	-6.6	41.9
Norway	54 600	2.9	5.0	4.5	11.4	13.8	58.1
Portugal	15 900	1.2	2.7	6.7	-3.0	-7.5	43.5
Spain	23 600	3.1	4.1	10.5	-0.2	-5.3	38.6
Sweden	38 900	3.1	1.3	5.5	1.4	8.2	58.7
Switzerland	51 200	2.1	0.5	4.2	-1.4	14.6	35.2
United Kingdom	36 300	3.2	2.0	4.7	-3.2	-2.0	40.7
United States	39 700	4.2	2.6	5.5	-4.7	-5.7	31.7
TOTAL DAC	35 300	3.3	2.2	6.7	-3.6	-1.3	37.3

a) GDP deflators.

Source: OECD Economic Outlook, December 2005 and country submissions.

Table 36Statlink: <http://dx.doi.org/10.1787/631076807563>**Deflators for Resource Flows from DAC Donors^a (2003 = 100)**

	1988	1989	1990	1991	1992	1993	1994	1995
Australia	83.44	90.45	93.59	95.56	91.29	85.46	92.79	95.64
Austria	73.88	71.14	85.30	86.25	94.89	92.12	96.35	111.25
Belgium	69.65	68.13	82.55	83.08	91.31	88.36	93.14	106.96
Canada	84.26	91.59	95.87	100.52	96.55	91.77	87.68	89.23
Denmark	68.62	66.48	81.43	80.98	88.22	83.32	86.38	99.76
Finland	87.18	90.44	107.56	104.05	95.57	76.66	85.47	107.04
France	74.41	71.73	86.48	85.97	93.43	89.48	92.89	105.10
Germany	75.00	71.70	86.11	85.48	95.35	93.39	97.52	112.69
Greece	56.04	56.08	69.33	72.17	79.20	75.36	79.23	90.99
Ireland	63.71	62.58	72.50	71.80	78.07	70.63	73.28	80.84
Italy	71.88	72.62	89.95	93.47	98.40	80.16	80.85	84.06
Japan	90.48	85.93	83.86	92.94	100.27	114.85	125.08	135.15
Luxembourg	63.78	61.92	74.83	74.54	82.17	81.02	86.62	100.55
Netherlands	68.91	64.95	77.35	77.48	84.31	81.32	84.90	98.19
New Zealand	83.15	79.80	82.24	80.18	75.61	78.25	86.74	98.33
Norway	69.43	69.23	79.25	78.19	81.08	72.65	72.98	83.58
Portugal	51.05	51.69	64.57	70.07	83.63	75.35	78.21	89.58
Spain	64.93	68.28	85.11	89.28	96.69	81.34	80.26	90.49
Sweden	83.65	85.89	101.77	108.59	113.98	87.82	90.78	101.33
Switzerland	72.48	66.83	82.06	84.00	87.53	85.27	93.57	109.13
United Kingdom	64.57	63.79	74.52	78.90	81.64	71.73	74.25	78.59
United States	71.41	74.11	76.97	79.66	81.50	83.38	85.15	86.89
TOTAL DAC	75.87	75.23	83.59	86.58	91.61	89.54	93.66	103.85
EC	69.40	67.41	81.45	82.68	90.35	84.72	88.50	99.92

a) Including the effect of exchange rate changes, i.e. applicable to US dollar figures only.

Statlink: <http://dx.doi.org/10.1787/631076807563>**Table 36****Deflators for Resource Flows from DAC Donors^a (2003 = 100)***(continued)*

1996	1997	1998	1999	2000	2001	2002	2003	2004	
103.39	99.58	84.54	87.43	81.85	75.46	81.50	100.00	117.45	Australia
107.06	92.82	91.79	88.51	77.91	77.03	82.14	100.00	112.22	Austria
103.03	90.54	90.68	88.15	77.21	76.35	81.81	100.00	112.46	Belgium
91.25	90.94	84.54	85.89	89.47	86.77	86.44	100.00	111.35	Canada
98.81	88.65	88.31	86.29	76.69	76.07	81.58	100.00	111.93	Denmark
101.40	91.67	92.07	88.17	78.46	78.60	83.42	100.00	110.80	Finland
103.99	92.29	92.08	88.60	77.21	76.29	82.23	100.00	112.03	France
108.42	94.70	94.37	90.90	78.42	77.22	82.49	100.00	110.99	Germany
94.02	88.53	86.13	85.70	74.10	73.66	80.59	100.00	113.22	Greece
82.30	81.34	81.29	80.20	72.71	74.67	82.07	100.00	113.79	Ireland
93.43	86.68	87.32	84.74	74.90	74.71	81.03	100.00	113.05	Italy
116.00	104.60	96.61	109.37	113.30	98.99	94.96	100.00	104.79	Japan
97.67	86.87	87.91	86.13	77.59	76.84	81.73	100.00	112.38	Luxembourg
94.58	83.38	83.37	81.24	73.04	74.68	81.02	100.00	110.80	Netherlands
105.60	101.99	83.54	82.72	72.85	70.56	78.04	100.00	117.55	New Zealand
85.37	80.19	74.61	77.00	79.07	78.22	86.66	100.00	110.95	Norway
89.73	81.97	82.72	81.64	73.06	74.09	81.50	100.00	111.90	Portugal
92.19	81.62	81.92	80.52	72.03	72.93	80.20	100.00	113.42	Spain
109.05	97.14	93.99	91.24	83.30	75.31	81.33	100.00	111.12	Sweden
104.30	88.79	88.58	86.01	77.18	77.71	85.63	100.00	109.40	Switzerland
80.23	86.62	90.07	89.95	85.28	82.97	89.18	100.00	114.60	United Kingdom
88.54	90.01	91.01	92.33	94.34	96.60	98.20	100.00	102.04	United States
99.17	92.40	90.53	92.04	88.23	84.50	88.03	100.00	108.76	TOTAL DAC
99.12	89.86	90.21	86.88	76.18	75.79	81.76	100.00	112.03	EC

Table 37Statlink: <http://dx.doi.org/10.1787/027216378833>**Annual Average Dollar Exchange Rates for DAC Members**

1 USD =		2000	2001	2002	2003	2004
Australia	Dollars	1.7265	1.9354	1.8413	1.5415	1.3592
Austria	Schillings	14.9312	15.3652	-	-	-
Belgium	Francs	43.7727	45.0448	-	-	-
Canada	Dollars	1.4851	1.5484	1.5700	1.4001	1.3011
Denmark	Kroner	8.0880	8.3208	7.8843	6.5766	5.9876
Finland	Markkaa	6.4517	6.6392	-	-	-
France	Francs	7.1178	7.3246	-	-	-
Germany	Deutsche Mark	2.1223	2.1839	-	-	-
Greece	Drachmas	365.4544	380.4920	-	-	-
Ireland	Punt	0.8546	0.8794	-	-	-
Italy	Lire (thousands)	2.1010	2.1621	-	-	-
Japan	Yen (thousands)	0.1078	0.1215	0.1252	0.1159	0.1081
Luxembourg	Francs	43.7727	45.0448	-	-	-
Netherlands	Guilder	2.3912	2.4607	-	-	-
New Zealand	Dollars	2.2047	2.3817	2.1633	1.7240	1.5090
Norway	Kroner	8.7967	8.9930	7.9856	7.0791	6.7393
Portugal	Escudos	217.5422	223.8644	-	-	-
Spain	Pesetas	180.5448	185.7918	-	-	-
Sweden	Kroner	9.1606	10.3384	9.7210	8.0781	7.3460
Switzerland	Francs	1.6879	1.6869	1.5568	1.3450	1.2427
United Kingdom	Pound Sterling	0.6606	0.6943	0.6665	0.6124	0.5457
EC-12	EURO	1.0851	1.1166	1.0611	0.8851	0.8049

Statlink: <http://dx.doi.org/10.1787/687207408725>**Table 38****Gross National Income and Population of DAC Member Countries**

	Gross National Income (USD billion)				Population (thousands)			
	1993-1994 average	2002	2003	2004	1993-1994 average	2002	2003	2004
Australia	297	387	493	596	17 765	19 580	19 880	20 110
Austria	189	204	250	291	8 010	8 030	8 050	8 140
Belgium	218	248	308	357	10 100	10 320	10 370	10 400
Canada	529	718	854	971	28 870	31 490	31 710	32 040
Denmark	135	170	209	240	5 200	5 380	5 400	5 410
Finland	86	131	160	185	5 080	5 210	5 210	5 220
France	1 312	1 463	1 799	2 059	57 775	59 440	59 770	62 000
Germany	2 024	1 987	2 389	2 729	81 300	82 500	82 500	82 490
Greece	..	133	173	204	..	10 950	11 020	11 040
Ireland	42	99	128	156	3 570	3 880	4 000	4 000
Italy	992	1 174	1 454	1 669	56 530	57 920	57 480	57 550
Japan	4 430	4 065	4 376	4 759	124 895	127 440	127 620	127 720
Luxembourg	14	19	24	28	405	440	450	450
Netherlands	320	412	499	573	15 335	16 140	16 250	16 290
New Zealand	43	55	73	91	3 575	3 940	4 010	4 060
Norway	104	191	222	252	4 325	4 550	4 570	4 610
Portugal	87	119	145	164	9 900	10 340	10 340	10 340
Spain	472	652	839	1 018	39 120	41 180	42 710	43 200
Sweden	184	241	302	350	8 750	8 940	8 980	9 010
Switzerland	256	297	337	377	6 980	7 320	7 320	7 360
United Kingdom	988	1 595	1 829	2 180	58 295	58 980	59 200	60 000
United States	6 741	10 490	10 981	11 656	259 020	288 210	291 050	293 910
TOTAL DAC	(19 463)	24 851	27 845	30 905	(804 800)	862 180	867 890	875 350
<i>of which:</i>								
EU Members	(7 063)	8 648	10 510	12 205	(359 370)	379 650	381 730	385 540

Statlink: <http://dx.doi.org/10.1787/513008770110>

Table 39

Net Official Aid Disbursements to Countries on Part II of the DAC List of Aid Recipients

	USD million					As % of GNI				
	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004
Australia	8	5	7	9	10	0.00	0.00	0.00	0.00	0.00
Austria	187	212	196	245	260	0.10	0.11	0.10	0.10	0.09
Belgium	74	88	97	163	190	0.03	0.04	0.04	0.05	0.05
Canada	165	152	104	102	93	0.02	0.02	0.01	0.01	0.01
Denmark	189	181	167	202	140	0.12	0.11	0.10	0.10	0.06
Finland	58	61	67	82	92	0.05	0.05	0.05	0.05	0.05
France	1 657	1 334	1 464	2 027	2 358	0.12	0.10	0.10	0.11	0.11
Germany	647	687	780	1 181	1 434	0.03	0.04	0.04	0.05	0.05
Greece	12	9	16	81	131	0.01	0.01	0.01	0.05	0.06
Ireland	18	23	26	1	3	0.02	0.03	0.03	0.00	0.00
Italy	406	281	..	497	664	0.04	0.03	..	0.03	0.04
Japan	- 54	84	99	- 219	121	-0.00	0.00	0.00	- 0.01	0.00
Luxembourg	7	9	10	6	15	0.04	0.05	0.05	0.03	0.05
Netherlands	306	214	211	306	222	0.08	0.06	0.05	0.06	0.04
New Zealand	0	0	1	1	1	0.00	0.00	0.00	0.00	0.00
Norway	27	32	45	50	45	0.02	0.02	0.02	0.02	0.02
Portugal	27	28	33	51	62	0.03	0.03	0.03	0.04	0.04
Spain	12	14	11	5	15	0.00	0.00	0.00	0.00	0.00
Sweden	122	119	107	127	123	0.05	0.05	0.04	0.04	0.04
Switzerland	58	63	66	77	100	0.02	0.02	0.02	0.02	0.03
United Kingdom	439	461	494	698	834	0.03	0.03	0.03	0.04	0.04
United States	2 506	1 542	2 313	1 471	1 605	0.03	0.02	0.02	0.01	0.01
TOTAL DAC	6 871	5 597	(6 317)	7 164	8 519	0.03	0.02	(0.03)	0.03	0.03
<i>of which:</i>										
EU Members	4 161	3 719	(3 682)	5 673	6 543	0.05	0.05	(0.04)	0.05	0.05

Note: For a list of countries on Part II of the DAC List of Aid Recipients in 2004, refer to the end of this volume. See note b) on Table 41 for details of the countries that transferred to Part II in 2003.

Table 40Statlink: <http://dx.doi.org/10.1787/480405816580>**The Flow of Financial Resources to Part II Countries and Multilateral Organisations**

USD million

	Australia			Austria		
	2002	2003	2004	2002	2003	2004
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	7	9	10	196	245	260
OA as % of GNI	0.00	0.00	0.00	0.10	0.10	0.09
A. Bilateral OA	4	2	5	142	162	158
1. Grants	4	2	5	142	162	158
of which: Technical Co-operation	2	1	3	36	47	45
Developmental Food Aid	-	-	-	-	-	-
2. Loans	-	-	-	-0	-0	-0
B. Multilateral OA	4	7	6	55	84	101
Grants and Capital Subscriptions	4	7	6	55	84	101
of which: to EC	-	-	-	48	73	91
to EBRD	3	3	3	7	7	9
II. Other Official Flows (OOF)	13	-	23	-	-1	-2
1. Official Export Credits	-	-	-	-	-1	-2
2. Other	13	-	23	-	-	-
III. Grants by NGOs	-	-	-	8	13	12
IV. Private Flows	1 747	-1 582	-1 478	3 544	3 585	3 702
1. Direct Investment	572	1 219	-1 324	3 544	3 585	3 778
2. Portfolio Investment	1 174	-2 801	-154	-	-	0
3. Export Credits	-	-	-	-	-	-76
V. Total Resource Flows	1 767	-1 573	-1 445	3 749	3 841	3 973
<i>Memo:</i>						
Debt Forgiveness	-	-	-	93	82	77

	France			Germany		
	2002	2003	2004	2002	2003	2004
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	1 464	2 027	2 358	780	1 181	1 435
OA as % of GNI	0.10	0.11	0.11	0.04	0.05	0.05
A. Bilateral OA	1 063	1 430	1 564	266	385	476
1. Grants	1 083	1 388	1 532	347	460	549
of which: Technical Co-operation	661	796	910	310	441	541
Developmental Food Aid	-	-	-	-	-	-
2. Loans	-20	42	32	-81	-75	-74
B. Multilateral OA	401	597	795	514	796	959
Grants and Capital Subscriptions	401	597	795	514	796	959
of which: to EC	372	570	783	462	722	900
to EBRD	23	27	-	31	40	42
II. Other Official Flows (OOF)	21	-109	-97	-505	-877	-1 076
1. Official Export Credits	-	-	-	-4	-12	-9
2. Other	21	-109	-97	-500	-865	-1 067
III. Grants by NGOs	-	-	-	78	100	-
IV. Private Flows	4 352	8 906	6 038	6 954	1 324	7 600
1. Direct Investment	1 925	1 740	4 078	1 602	-2 855	2 825
2. Portfolio Investment	2 626	8 005	1 938	6 799	4 558	4 564
3. Export Credits	-199	-840	22	-1 446	-380	211
V. Total Resource Flows	5 837	10 823	8 299	7 308	1 727	7 958
<i>Memo:</i>						
Debt Forgiveness	142	180	166	-	-	-

Statlink: <http://dx.doi.org/10.1787/480405816580>**Table 40****The Flows of Financial Resources to Part II Countries and Multilateral Organisations**

(continued)

USD million

Belgium			Canada			Denmark			Finland		
2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
97	163	190	104	102	93	167	202	140	67	82	92
0.04	0.05	0.05	0.01	0.01	0.01	0.10	0.10	0.06	0.05	0.05	0.05
12	29	8	104	102	93	95	115	43	32	40	45
6	14	8	104	102	93	90	96	64	33	39	45
4	4	4	13	10	19	-	-	2	21	26	29
-	-	-	-	-	-	-	-	-	-	-	-
6	14	-	-	-0	-0	5	19	-21	-1	1	-
85	134	182	-	-	-	72	86	97	35	42	47
85	134	182	-	-	-	72	86	97	35	42	47
79	131	171	-	-	-	67	80	86	31	37	42
6	0	8	-	-	-	3	4	4	3	4	4
-24	-34	-44	-106	-41	-71	19	32	5	-1	1	-
-	-	-	-90	-20	-41	-	-	-	-	-	-
-24	-34	-44	-16	-22	-30	19	32	5	-1	1	-
10	-	-	-	-	-	-	-	5	0	1	-
-2 527	-	6 636	5 603	3 422	3 403	431	635	767	938	297	-
-2 497	-	6 657	5 534	3 172	3 301	431	635	767	286	487	-
-0	-	-0	76	250	150	-	-	-	519	-168	-
-30	-	-21	-7	-	-48	-	-	-	134	-22	-
-2 443	129	6 782	5 602	3 483	3 425	617	868	918	1 004	381	92
-	-	-	67	58	49	-	-	-	-	-	-

USD million

Greece			Ireland			Italy			Japan		
2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
16	81	130	26	1	3	..	497	664	99	-219	121
0.01	0.05	0.06	0.03	0.00	0.00	..	0.03	0.04	0.00	-0.01	0.00
16	21	51	1	1	3	..	15	14	56	-298	61
16	21	51	1	1	3	..	20	14	123	123	129
9	20	36	-	0	-	..	8	4	119	119	125
-	-	-	-	-	-	..	-	-	-	-	-
-	-	-	-	-	-	..	-5	-	-66	-422	-68
-	60	80	25	-	-	..	481	650	43	79	60
-	60	80	25	-	-	..	481	650	43	79	60
-	58	77	25	-	-	..	442	613	-	-	-
-	2	2	-	-	-	..	35	27	43	31	34
-	-	11	-	-	-	25	-61	-59	-896	-1 120	-90
-	-	-	-	-	-	-	-	-	138	67	-30
-	-	11	-	-	-	25	-61	-59	-1 034	-1 187	-59
1	-	2	-	-	-	-	0	-	-	-	-
216	464	93	-	-	-	-199	559	170	6 150	-2 641	5 671
216	464	93	-	-	-	197	325	494	6 182	1 955	5 344
-	-	-	-	-	-	-469	-26	-1 758	-349	-6 700	1 081
-	-	-	-	-	-	73	261	1 434	318	2 104	-754
234	546	237	26	1	3	-(173)	995	775	5 353	-3 980	5 702
-	-	-	-	-	-	-	-	-	-	-	-

Table 40Statlink: <http://dx.doi.org/10.1787/480405816580>**The Flow of Financial Resources to Part II Countries and Multilateral Organisations**

(continued)

USD million

	Luxembourg			Netherlands		
	2002	2003	2004	2002	2003	2004
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	10	6	15	211	306	222
OA as % of GNI	0.05	0.03	0.05	0.05	0.06	0.04
A. Bilateral OA	3	4	3	132	153	53
1. Grants	3	4	3	138	171	64
of which: Technical Co-operation	-	-	-	-	-	-
Developmental Food Aid	-	-	-	-	-	-
2. Loans	-	-	-	-6	-19	-12
B. Multilateral OA	7	2	13	79	154	169
Grants and Capital Subscriptions	7	2	13	79	154	169
of which: to EC	5	-	10	68	139	138
to EBRD	1	1	1	8	8	23
II. Other Official Flows (OOF)	-	-	-	-	210	-
1. Official Export Credits	-	-	-	-	-	-
2. Other	-	-	-	-	210	-
III. Grants by NGOs	-	-	-	-	-	-
IV. Private Flows	-	-	-	-1 061	11 459	17 745
1. Direct Investment	-	-	-	2 775	6 861	8 513
2. Portfolio Investment	-	-	-	-4 066	4 277	7 398
3. Export Credits	-	-	-	230	321	1 834
V. Total Resource Flows	10	6	15	- 850	11 975	17 967
Memo:						
Debt Forgiveness	-	-	-	-	-	-

	Sweden			Switzerland		
	2002	2003	2004	2002	2003	2004
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	107	127	123	66	77	100
OA as % of GNI	0.04	0.04	0.04	0.02	0.02	0.03
A. Bilateral OA	100	105	123	57	66	89
1. Grants	100	105	123	57	64	85
of which: Technical Co-operation	44	41	37	12	19	8
Developmental Food Aid	-	-	-	-	-	-
2. Loans	-0	-	-	1	2	4
B. Multilateral OA	7	22	-	9	11	12
Grants and Capital Subscriptions	7	22	-	2	11	12
of which: to EC	-	-	-	-	-	-
to EBRD	1	-	-	6	7	7
II. Other Official Flows (OOF)	-2	-20	-13	2	1	1
1. Official Export Credits	-	-	-	-	-	-
2. Other	-2	-20	-13	2	1	1
III. Grants by NGOs	-	-	-	9	11	13
IV. Private Flows	-1 261	627	862	1 302	1 147	8 262
1. Direct Investment	-1 288	577	724	1 320	1 160	8 312
2. Portfolio Investment	-0	-0	-	0	-	0
3. Export Credits	27	49	138	-17	-13	-50
V. Total Resource Flows	-1 155	733	972	1 379	1 237	8 375
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). Totals may not sum due to gaps in reporting.

Statlink: <http://dx.doi.org/10.1787/480405816580>

Table 40

The Flow of Financial Resources to Part II Countries and Multilateral Organisations
(continued)
USD million

New Zealand			Norway			Portugal			Spain		
2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
1	1	1	45	50	45	33	51	62	11	5	15
0.00	0.00	0.00	0.02	0.02	0.02	0.03	0.04	0.04	0.00	0.00	0.00
0	1	1	43	48	45	1	0	1	11	5	15
0	1	1	43	48	45	1	0	1	11	10	15
0	1	0	4	6	5	1	0	1	-	9	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-5	-
0	0	0	2	2	-	32	51	61	-	-	-
0	0	0	2	2	-	32	51	61	-	-	-
-	-	-	-	-	-	31	49	59	-	-	-
-	-	-	-	-	-	1	1	1	-	-	-
-	-	-	0	1	0	-2	-4	-5	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	0	1	0	-2	-4	-5	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	1 084	409	-1	71	10	-82	206	1 439	2 169
-	-	-	1 082	416	-	57	3	-89	206	1 439	2 169
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	1	-6	-1	14	7	7	-	-	-
1	1	1	1 129	460	44	102	57	-24	218	1 445	2 184
-	-	-	-	-	-	-	-	-	-	-	-

USD million

United Kingdom			United States			TOTAL DAC COUNTRIES			EC		
2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
494	698	834	2 313	1 471	1 605	(6 317)	7 164	8 519	1 860	3 179	4 244
0.03	0.04	0.04	0.02	0.01	0.01	(0.03)	0.03	0.03	0.00	0.00	0.00
88	72	70	2 244	1 401	1 536	4 472	3 861	4 453	1 852	3 169	4 234
92	73	70	2 418	1 566	1 702	4 813	4 471	4 759	1 862	3 179	4 243
79	63	44	1 457	941	819	2 774	2 551	2 633	251	45	42
-	-	-	27	7	-	27	7	-	1	0	0
-4	-0	-0	-173	-165	-167	-342	-611	-305	-10	-10	-9
407	626	764	69	70	70	1 846	3 303	4 065	8	10	10
407	626	764	69	70	70	1 839	3 303	4 065	8	10	10
393	598	734	-	-	-	1 581	2 898	3 705	-	-	-
13	16	18	46	36	38	195	223	222	8	10	10
-	-	-	-52	-278	-278	-1 508	-2 302	-1 694	996	3 102	249
-	-	-	-226	-272	-290	-182	-237	-372	-	-	-
-	-	-	174	-7	12	-1 326	-2 064	-1 322	996	3 102	249
6	5	4	3 146	4 254	3 577	3 260	4 385	3 613	-	-	-
3 796	8 681	20 667	4 182	36 898	9 124	35 529	75 639	91 347	-	-	-
1 025	-838	4 284	21 372	16 404	18 713	44 541	36 750	68 639	-	-	-
2 880	9 489	16 648	-17 120	20 124	-9 663	-7 930	37 008	20 204	-	-	-
-110	29	-266	-70	371	74	-1 083	1 881	2 504	-	-	-
4 296	9 384	21 505	9 589	42 345	14 027	(43 598)	84 886	101 785	2 856	6 281	4 493
-	-	-	-	-	-	303	320	292	-	-	-

Table 41Statlink: <http://dx.doi.org/10.1787/885448111573>**OA Receipts^a and Selected Indicators for Countries and Territories on Part II of the DAC List of Aid Recipients**

	Net OA Receipts (USD million)					GNI/CAP (c)	Population	Current GNI	OA/GNI
	2000	2001	2002	2003	2004	2003 USD	2003 million	2003 USD million	2003 per cent
<i>MADCTs</i>									
Aruba	12	- 2	10	76	- 11	..	0.10	..	..
Bahamas	6	8	5	4	5	..	0.32	..	..
Bermuda	0	0	0	0	0	..	0.06	..	..
Brunei	1	0	- 2	0	1	..	0.36	..	..
Cayman Islands	- 4	- 1	- 2	- 1	0	..	0.04	..	..
Chinese Taipei	10	10	7	12	15	13 530	22.56	293 408	0.00
Cyprus	54	50	34	14	60	14 230	0.77	12 782	0.11
Falkland Islands	0	0	0	0	0	..	0.00	..	..
French Polynesia	403	388	418	519	580	..	0.24	..	..
Gibraltar	0	1	0	0	0	..	0.03	..	..
Hong Kong, China	4	4	4	5	7	25 110	6.82	159 508	0.00
Israel	800	172	757	440	479	16 240	6.69	106 954	0.41
Korea	- 198	- 111	- 82	- 458	- 68	12 050	47.91	608 750	- 0.08
Kuwait	3	4	5	4	3	17 970	2.40	45 074	0.01
Libya	15	10	10	11	18	4 400	5.56	22 481	0.05
Macao	1	1	1	0	14	..	0.44	..	..
Malta (b)	-	-	-	9	6	10 630	0.40	4 809	0.19
Netherlands Antilles	177	59	93	35	22	..	0.22	..	..
New Caledonia	350	294	324	454	525	..	0.22	..	..
Qatar	0	1	2	2	2	..	0.62	..	..
Singapore	1	1	7	7	9	21 410	4.25	90 934	0.01
Slovenia (b)	-	-	-	66	62	11 870	2.00	27 561	0.24
United Arab Emirates	4	3	4	5	6	..	4.03	..	..
Virgin Islands	5	2	- 0	- 1	- 1	..	0.11	..	..
MADCTs unallocated	23	25	18	27	13				
MADCTs, Total	1 666	918	1 615	1 232	1 745	..	106.15	(1 372 261)	..
<i>CEECs/NIS</i>									
Belarus	40	39	39	45	46	1 590	9.88	17 613	0.26
Bulgaria	311	346	328	420	622	2 120	7.82	19 300	2.18
Czech Republic	438	314	160	263	280	7 190	10.20	86 139	0.31
Estonia	64	69	54	85	136	5 380	1.35	8 509	0.99
Hungary	252	418	161	248	303	6 360	10.13	78 618	0.32
Latvia	91	106	78	114	165	4 420	2.32	11 051	1.03
Lithuania	99	130	132	371	252	4 540	3.45	17 872	2.08
Poland	1 396	966	881	1 191	1 525	5 280	38.20	206 440	0.58
Romania	432	648	420	601	916	2 260	21.74	55 866	1.08
Russia	1 565	1 112	1 301	1 255	1 313	2 610	143.42	416 944	0.30
Slovak Republic	113	164	153	162	235	4 970	5.39	32 573	0.50
Ukraine	541	519	484	324	360	970	48.36	49 552	0.65
CEEC Unallocated	405	155	162	298	394				
NIS Unallocated	319	273	243	228	194				
CEEC/NIS Unalloc.	253	78	317	335	288				
CEEC/NIS Part II Total	6 319	5 337	4 913	5 940	7 030	..	302.26	(1 000 477)	..
Part II Unallocated	36	311	41	178	224				
PART II COUNTRIES, TOTAL	8 022	6 567	6 569	7 350	8 999	..	408.41	(2 372 739)	..

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 2003; through 2002 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, 2000 or 2003.

Source: World Bank, Secretariat estimates. Group totals and averages are calculated on available data only.

Technical Notes

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).

AMORTISATION: Repayments of principal on a LOAN. Does not include interest payments.

ASSOCIATED FINANCING: The combination of OFFICIAL DEVELOPMENT ASSISTANCE, whether GRANTS or LOANS, with other official or private funds 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. Further details are given in the DAC at Work section of this volume.

DAC LIST OF AID RECIPIENTS: For statistical purposes, the DAC uses a List of Aid Recipients which it revises every three years. The “Notes on Definitions and Measurement” below give details of revisions in recent years. 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 GNI USD 745 or less in 2001 (World Bank Atlas basis).
- **LMICs:** Lower Middle-Income Countries, i.e. with GNI per capita (Atlas basis) between USD 746 and USD 2 975 in 2001. LDCs which are also LMICs are only shown as LDCs – not as LMICs.
- **UMICs:** Upper Middle-Income Countries, i.e. with GNI per capita (Atlas basis) between USD 2 976 and USD 9 205 in 2001.
- **HICs:** High-Income Countries, i.e. with GNI per capita (Atlas basis) more than USD 9 205 in 2001.
- Part II of the List comprises “Countries in Transition”. These comprise i) more advanced central and eastern European countries and New Independent States of the former Soviet Union; and ii) more advanced developing countries. See also OFFICIAL AID.

DEBT REORGANISATION (also: **RESTRUCTURING**): Any action officially agreed between creditor and debtor that alters the terms previously established for repayment. This may include **forgiveness** (extinction of the LOAN), or **rescheduling** which can be implemented either by revising the repayment schedule or extending a new **refinancing** loan. See also “Notes on Definitions and Measurement” below.

DISBURSEMENT: The release of funds to, or the purchase of goods or services for a recipient; by extension, the amount thus spent. Disbursements record the actual international transfer of financial resources, or of goods or services valued at the cost to the donor. In the case of activities carried out in donor countries, such as training, administration or public awareness programmes, disbursement is taken to have occurred when the funds have been transferred to the service provider or the recipient. They may be recorded **gross** (the total amount disbursed over a given accounting period) or **net** (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). (Note: in classifying receipts, the grant element concept is not applied to the operations of the multilateral development banks. Instead,

these are classified as concessional if they include a subsidy (“soft window” operations) and non-concessional if they are unsubsidised (“hard window” operations).

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. The data record actual flows throughout the lifetime of the loans, not the **grant equivalent** of the loans (cf. GRANT ELEMENT). Data on net loan flows 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 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) and multilateral agencies active in development that are: undertaken by the official sector; with the 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 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.

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 6 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 (USD). 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 USD to be converted to dollars of the reference year ("constant prices").

Notes on Definitions and Measurement

The coverage of the data presented in this Report has changed in recent years. The main points are:

Changes in the ODA concept and the coverage of GNI

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 (USD 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 1993 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%, and some other countries showed little change. The average fall has been about 3%. 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.

* S. Scott, "Some Aspects of the 1988/89 Aid Budget", in *Quarterly Aid Round-up*, No. 6, AIDAB, Canberra, 1989, pp. 11-18.

The former United States Trust Territory of the Pacific Islands has been progressively replaced by its independent successor states, viz. Federated States of Micronesia and Marshall Islands (1992); Northern Marianas and Palau Islands (1994).

Over the same period, the following countries and territories have been removed from the ODA recipient list: Portugal (1991); French Guyana, Guadeloupe, Martinique, Réunion and St Pierre and Miquelon (1992), Greece (1994).

From 1993, several CEEC/NIS countries in transition have been included on Part II of a new List of Aid Recipients (the List is given on the next page). 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 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. In 2003, Malta and Slovenia transferred to Part II, and Timor-Leste joined the LDCs.

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/GNI ratio, since their programmes are often smaller in relation to GNI 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. The amounts so treated are shown in the table below. 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.

Debt forgiveness of non-ODA claims¹

USD 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

1. 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.

Reporting year

All data in this publication refer to calendar years, unless otherwise stated.

Part I: Developing Countries and Territories (Official Development Assistance)					Part II: Countries and Territories in Transition (Official Aid)		
LDCs	Other LICs (per capita GNI < \$745 in 2001)	LMICs (per capita GNI \$746-\$2 975 in 2001)		UMICs (per capita GNI \$2 976-\$9 205 in 2001)	HICs (per capita GNI > \$9 206 in 2001)	CEECs/NIS	More Advanced Developing Countries and Territories
Afghanistan	* Armenia	* Albania	Palestinian	Botswana	Bahrain	* Belarus	● Aruba
Angola	* Azerbaijan	Algeria	Administered	Brazil		* Bulgaria	● Bahamas
Bangladesh	Cameroon	Belize	Areas	Chile		* Czech Republic	● Bermuda
Benin	Congo, Rep.	Bolivia	Paraguay	Cook Islands		* Estonia	● Brunei
Bhutan	Côte d'Ivoire	Bosnia and Herzegovina	Peru	Costa Rica		* Hungary	● Cayman Islands
Burkina Faso	* Georgia	China	Philippines	Croatia		* Latvia	Chinese Taipei
Burundi	Ghana	Colombia	Serbia and Montenegro	Dominica		* Lithuania	Cyprus
Cambodia	India	Cuba	South Africa	Gabon		* Poland	● Falkland Islands
Cape Verde	Indonesia	Dominican Republic	Sri Lanka	Grenada		* Romania	● French Polynesia
Central African Republic	Kenya	Ecuador	St Vincent and Grenadines	Lebanon		* Russia	● Gibraltar
Chad	Korea, Democratic Republic	Egypt	Suriname	Malaysia		* Slovak Republic	● Hong Kong, China
Comoros	* Kyrgyz Rep.	El Salvador	Swaziland	Mauritius		* Ukraine	Israel
Congo, Dem. Rep.	* Moldova	Fiji	Syria	● Mayotte			Korea
Djibouti	Mongolia	Guatemala	Thailand	Nauru			Kuwait
Equatorial Guinea	Nicaragua	Guyana	● Tokelau	Panama			Libya
Eritrea	Nigeria	Honduras	Tonga	● St Helena			● Macao
Ethiopia	Pakistan	Iran	Tunisia	St Lucia			● Malta
Gambia	Papua New Guinea	Iraq	Turkey	Venezuela			● Netherlands Antilles
Guinea	* Tajikistan	Jamaica	* Turkmenistan				● New Caledonia
Guinea-Bissau	* Uzbekistan	Jordan	● Wallis and Futuna				Qatar
Haiti	Viet Nam	* Kazakhstan					Singapore
Kiribati	Zimbabwe	Macedonia, Former Yugoslav Republic of		Threshold for World Bank Loan Eligibility (\$5 185 in 2001)			Slovenia
Laos		Marshall Islands		● Anguilla			United Arab Emirates
Lesotho		Micronesia, Federated States		Antigua and Barbuda			● Virgin Islands (UK)
Liberia		Morocco		Argentina			
Madagascar		Namibia		Barbados			
Malawi		Niue		Mexico			
Maldives				● Montserrat			
Mali				Oman			
Mauritania				Palau Islands			
Mozambique				Saudi Arabia			
Myanmar				Seychelles			
Nepal				St Kitts and Nevis			
Niger				Trinidad and Tobago			
Rwanda				● Turks and Caicos Islands			
Samoa				Uruguay			
São Tomé and Príncipe							
Senegal							
Sierra Leone							
Solomon Islands							
Somalia							
Sudan							
Tanzania							
Timor-Leste							
Togo							
Tuvalu							
Uganda							
Vanuatu							
Yemen							
Zambia							

2. As of October 2005, the **Heavily Indebted Poor Countries (HIPC)**s are: 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, Laos, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda and Zambia.

OECD PUBLICATIONS, 2, rue André-Pascal, 75775 PARIS CEDEX 16
PRINTED IN FRANCE
(43 2006 01 1 P) ISBN 92-64-03651-2 – No. 54925 2006

OECD Journal on Development, Volume 7, No. 1

Development Co-operation Report 2005

The OECD Development Assistance Committee (DAC) Development Co-operation Report is the key annual reference document for statistics and analysis on the latest trends in international aid. It provides reflections on 2005, the “Year of Development”, when questions about the volume and effectiveness of aid were centre stage, and includes a unique set of facts and figures which help to contextualise the development debates and decisions of 2005.

Chapter 1 contains an overview by the Chair of the DAC, who reflects on progress made in 2005, on the prospects for turning rhetoric on more and better aid into action, and considers the importance of two major issues: building capacity in developing countries and gender. Chapter 2 contains a synthesis of DAC work on pro-poor growth. Chapter 3 reports on the Paris High Level Forum on Aid Effectiveness, and argues that this key event will genuinely make a difference. Chapter 4 outlines the main features of the aid programmes of all DAC members, including brief information on the programmes of other donors outside the OECD. Chapter 5 contains a new analysis of technical co-operation, one of the largest forms of development assistance which is often poorly understood. Finally, the Annex provides the definitive source of statistics on aid and other resource flows to developing and transition countries, analysed by donor, recipient, sector and type.

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OECD PUBLISHING

ISSN 1563-3152
2006 SUBSCRIPTION
(4 ISSUES)

ISBN 92-64-03651-2 9 789264 036512
43 2006 01 1 P