

# Aid Quantity

## What is ODA?

ODA stands for Official Development Assistance. The term refers to the level of financial contributions that members of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) have committed to give to developing countries to support their economic and social development.

In order to be counted as ODA, financial flows of DAC members must respect the following criteria: i) the first is that aid must be channelled either through a) international banks and funds (such as the World Bank, IMF, UN, European Commission – so called multilateral aid); b) directly to a developing country (referred to as bilateral aid); or c) through Non-Governmental Organisations (NGOs); ii) the second criteria is that the main objective of the financial contribution must be the promotion of economic development and welfare of developing countries; iii) lastly, the contribution must be either a grant or a concessional loan, meaning that it requires lower interest rates than usual and allows for longer repayment periods.

The 22 member countries of the OECD DAC have chosen different models for their policy and implementation components of development cooperation. Independently of these various models, what really matters is whether there is a senior political figure, best if at Cabinet level, who controls all policies and financial resources, thereby overseeing not only ODA but the entire development cooperation budget, including contributions to multilateral institutions such as the World Bank, International Monetary Fund.

The volume of ODA can be looked at in two ways: by the amount actually given (e.g. in US\$), or as percentage of the country's GNI. In terms of actual volume transferred, presently the US is the largest donor, while in terms of percentages Sweden is the largest (0.93% of GNI) (please refer to table and graph at the end).

## Quantity of Aid

In 2005 EU governments have agreed to a staged increase of Official Development Assistance (ODA) for all Member States to achieve 0.7% of GNI by 2015, and as a minimum 0.51% of GNI by 2010 (EU collective equal to 0.56%).

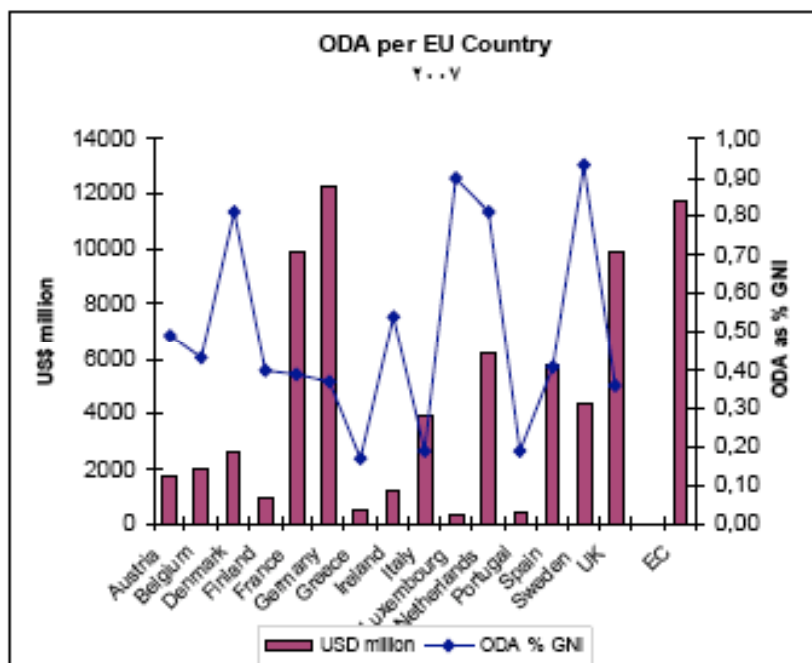
While some have surpassed the 0.7% for decades, many others promised to reach the EU agreed goals

earlier, as is the case for France whose promise was to reach 0.5% of its national income by 2007. Its actual figure, however, is only 0.39%. Also Spain, after having set itself ambitious goals including reaching the target of 0.7% by 2012 (that is three years before the EU commitment date), and an interim target of 0.5% by 2008, stands with a 0.41% in 2007, representing a huge increase from past years but not yet fully on track; in fact it is expected to decrease slightly next year.

Other countries like Germany have agreed with the EU minimum by promising to reach the EU target of 0.51% of GNI by 2010; so far Germany has made progress by delivering large increases and it is on track to reach its goal. Italy's aid, on the contrary, equal to 0.19% of its GNI in 2007, is still far short of the minimum level it promised as an EU member for 2006 (0.33% of GNI), and even further short of its EU pledge for 2010 (0.51% of GNI). Similar case is that of Portugal, which has committed to a 0.51% by 2010 and is not on track having only reached 0.19% of GNI in 2007 (please refer to table below for commitments of all EU countries).

In 2007 the combined ODA volumes of the fifteen members of the DAC that are EU members – which represent 60% of all DAC ODA - was equal to USD 62.1 billion, representing 0.40% of their combined GNI. However, the aid gap of European countries, that is the difference between what was promised and delivered, is still very large and must decrease.

2005 COMMITMENTS	IMPLEMENTATIONS TO DATE
<b>European Union (collective)</b>	
Collective EU-15 commitment: 0.7% ODA/GNI by 2015, 0.56% ODA/GNI by 2010. Minimum individual commitments for EU-15 countries: 0.7% ODA/GNI by 2015, 0.51% ODA/GNI by 2010. 10 new Member States: 0.33% ODA/GNI by 2015, 0.17% ODA/GNI by 2010. N.B. All EU-15 countries made the 1970 commitment to the 0.7% target.	EU-15: 2007: 0.40% GNI. 2006: 0.43% GNI. 2005: 0.44% GNI. 2004: 0.35% GNI. USD million: 11 771
<b>Austria</b> committed to 0.51% ODA/GNI in 2010	2007 actual: 0.50% GNI; USD million: 1 798
<b>Belgium</b> committed to 0.7% ODA/GNI by 2010	2007 actual: 0.43% GNI; USD million: 1 953
<b>Denmark</b> committed to minimum 0.8%	2007 actual: 0.81% GNI; USD million: 2 563
<b>Finland</b> committed to 0.51% ODA/GNI by 2010	2007 actual: 0.39% GNI; USD million: 973
<b>France</b> committed to 0.7% ODA/GNI by 2012; 0.5% ODA/GNI by 2007; however, seems intended to undo these commitments	MISSED 2007 commitment: 2007 actual: 0.38% GNI USD million: 9 940
<b>Germany</b> committed to 0.51% in 2010	2007 actual: 0.37% GNI; USD million: 12 267
<b>Greece</b> committed to 0.51% in 2010: not on track	2007 actual: 0.16% GNI. Worst performing EU and OECD DAC country (together with the US) USD million: 501
<b>Ireland</b> committed to 0.6% in 2010 and 0.7% in 2012	2007 actual: 0.55% GNI; USD million: 1 190
<b>Italy</b> committed to 0.51% in 2010	2007 actual: 0.19% GNI; USD million: 3 929
<b>Luxembourg</b> committed to 1% in 2009	2007 actual: 0.91% GNI; USD million: 365
<b>Netherlands</b> committed to a minimum 0.8%	2007 actual: 0.81% GNI; USD million: 6 215
<b>Portugal</b> committed to 0.51% in 2010	2007 actual: 0.22% GNI; USD million: 403
<b>Spain</b> committed to 0.7% ODA/GNI by 2012 and 0.5% ODA/GNI by 2008	2007 actual: 0.37% GNI; USD million: 5 744
<b>Sweden</b> committed to 0.1%	2007 actual: 0.93% GNI; USD million: 4 334
<b>U.K.</b> committed to 0.37% in 2007-08; 0.56% in 2010 and 0.7% by 2013	2007 actual: 0.36% GNI; USD million: 9 921



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[www.endpoverty2015.org/en/europe](http://www.endpoverty2015.org/en/europe)  
[info.europe@endpoverty2015.org](mailto:info.europe@endpoverty2015.org)