

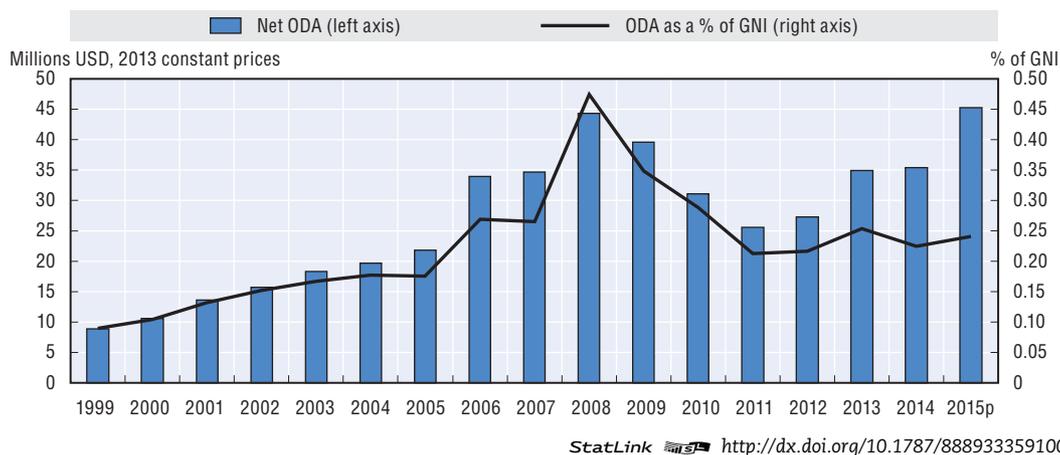
## ICELAND

### Financial flows from Iceland to developing countries

In 2015, Iceland delivered USD 39 million in net ODA (preliminary data), which represented 0.24% of its gross national income (GNI) and an 11.3% increase in real terms from 2014. Iceland is committed to achieving 0.7% ODA/GNI, and this commitment has been accompanied by an increase in official development assistance (ODA), both in terms of volume and as a share of GNI since 2012. Iceland is the 17th largest Development Assistance Committee (DAC) provider in terms of ODA as a percentage of GNI, and the 28th in terms of volume. Iceland untied 100% of its ODA (excluding administrative costs and in-donor refugee costs) in 2014, compared to the DAC average of 80.6%. Its ODA was also fully untied in 2013 and 2012. The grant element of total ODA was 100% in 2014. At present, data on other official flows, private grants (funds raised by non-governmental organisations and foundations) and private flows at market terms from Iceland to developing countries are not available.

Iceland reported USD 2.6 million of its in-donor refugee costs as ODA in 2014. These costs represented 6.8% of its total net ODA.

Figure 20.1. Net ODA: Trends in volume and as a share of GNI, 1999-2015, Iceland



### Development challenges as investment and business opportunities: Iceland's policy and practices

Iceland is in the process of writing a new Development Cooperation Policy, for which approaches for engaging the private sector are being considered. While Iceland does not have specific private sector instruments, its work within the geothermal energy sector has significant private sector aspects both as regards implementation, leveraging other sources of finance and creating more enabling environments for the private sector in developing countries.

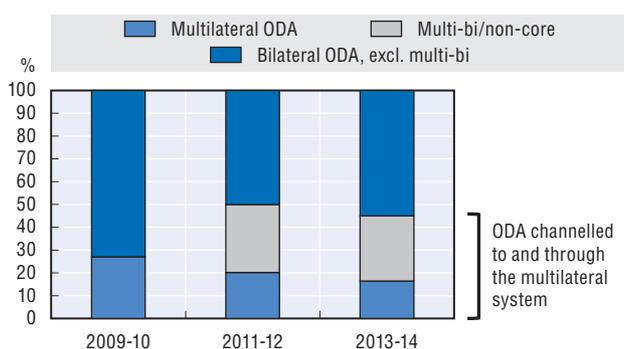
### Iceland uses ODA to mobilise other resources for sustainable development

- **Iceland promotes aid for trade to improve developing countries' trade performance and integration into the world economy.** It committed USD 9.5 million (37.1% of its bilateral allocable ODA) to trade-related activities in 2014, a 14.1% decrease in real terms from 2013. The trend has been fluctuating over the past few years.
- **Iceland has pledged USD 1.3 million to the Green Climate Fund,** which plays a key role in channelling resources to developing countries and catalysing climate finance at the international and national levels.

## Iceland's official development assistance

In 2014, 82.9% of ODA was provided bilaterally, totalling USD 30.9 million. Iceland allocated 17.1% of total ODA as core contributions to multilateral organisations, compared with the DAC country average of 28.3%. In addition, it channelled 33.3% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions). Iceland provides contributions to multilateral organisations such as the United Nations agencies and the World Bank.

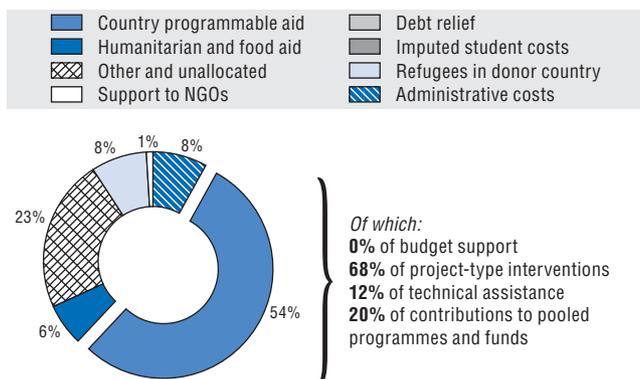
Figure 20.2. Share of ODA channelled to and through the multilateral system, two year averages, gross disbursements, Iceland



Note: Data on multi-bi/non-core ODA are not available prior to 2011.  
StatLink <http://dx.doi.org/10.1787/888933359110>

In 2014, 53.9% of bilateral ODA was programmed at partner country level. Iceland's share of country programmable aid (CPA) was higher than the DAC country average (52.9%) in 2014. Project-type interventions made up 68% of CPA. The proportion of bilateral ODA categorised as other and unallocated equalled 23%.

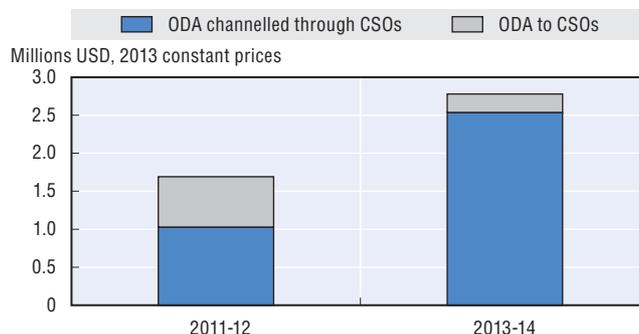
Figure 20.3. Composition of bilateral ODA, 2014, gross disbursements, Iceland



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In 2014, USD 2.8 million of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2013 and 2014 Iceland's aid channelled to and through CSOs decreased both in volume (-11.6%) and as a share of bilateral ODA, from 10% in 2013 to 8.9% in 2014. This share was lower than the DAC average of 17.4%.

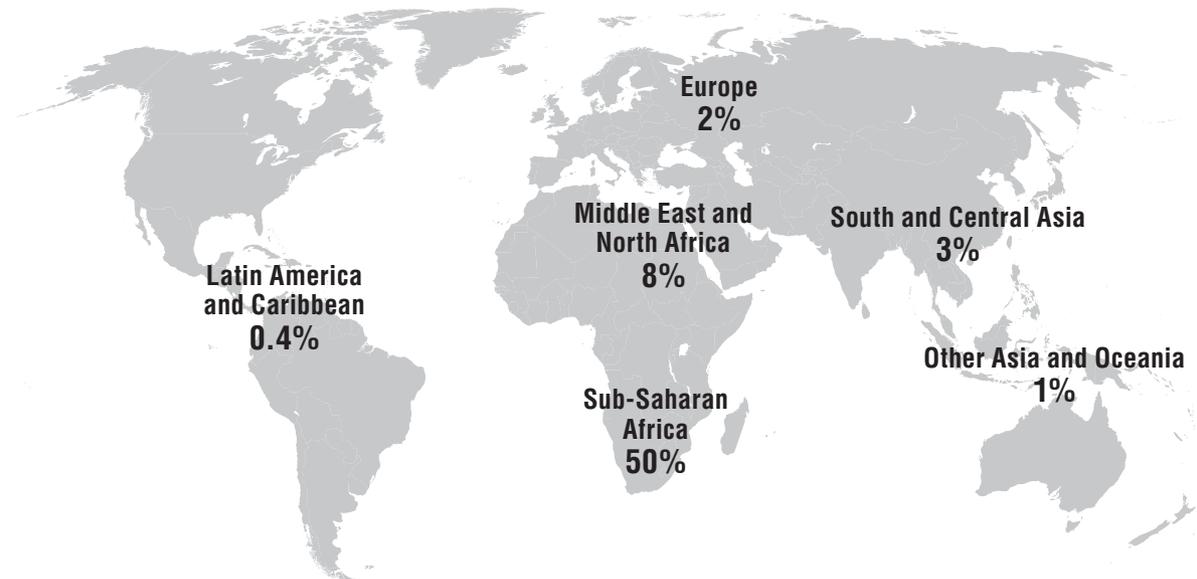
Figure 20.4. Bilateral ODA to and through CSOs, two year averages, gross disbursements, Iceland



Note: Data on ODA to CSOs are not available prior to 2011.  
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**Half of bilateral ODA was focused on sub-Saharan Africa.** In 2014, USD 14.8 million was allocated to sub-Saharan Africa.

Figure 20.5. **Share of bilateral ODA by region, 2013-14 average, gross disbursements, Iceland**

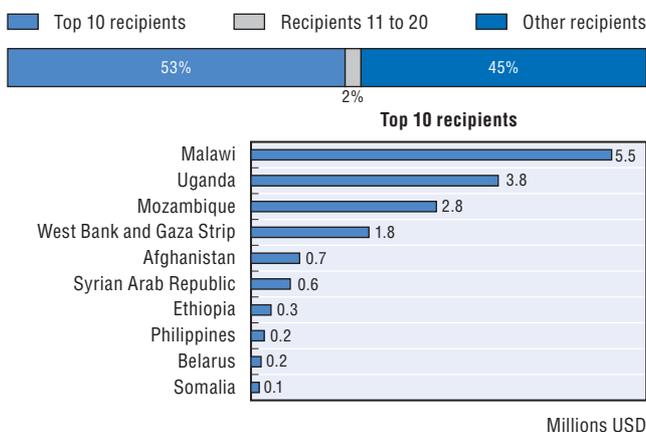


Note: 37% of ODA allocated was unspecified by region in 2013-14. This share is not represented on the map.

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**In 2014, 50.4% of bilateral ODA went to Iceland's top 10 recipients.** Its three priority partner countries – Malawi, Uganda and Mozambique – are the top three recipients of its ODA. In 2013, its support to fragile states reached USD 7.4 million (24% of gross bilateral ODA).

Figure 20.6. **Bilateral ODA to top recipients, 2013-14 average, gross disbursements, Iceland**

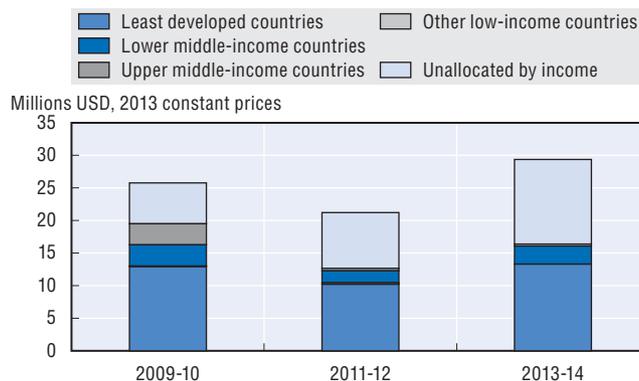


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**In 2014, 42.1% of bilateral ODA was allocated to least developed countries (LDCs),** amounting to USD 13 million. This is a decrease from 48.6% in 2013, but is still far above the DAC average of 25.6% in 2014. LDCs received the highest share of bilateral ODA in 2014, noting that 48% was unallocated by income group.

At 0.09% of GNI in 2014, total ODA to LDCs was below the UN target of 0.15% of GNI.

Figure 20.7. **Bilateral ODA by income group, two year averages, gross disbursements, Iceland**

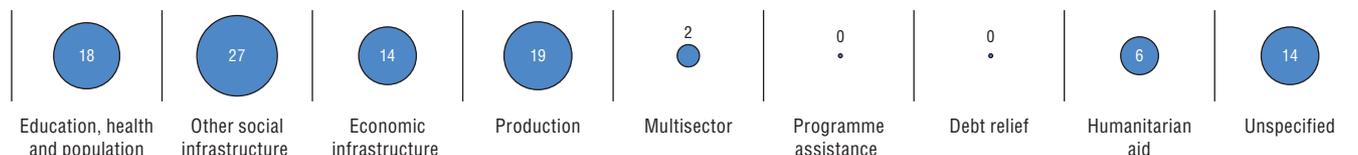


Note: Data concerning other low-income countries are only available for 2009.

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In 2014, 44% of bilateral ODA was allocated to social infrastructure and services, amounting to USD 13.6 million, with a strong focus on government and civil society (USD 4 million). USD 5.1 million was allocated to the production sectors, in particular to fishing (USD 4.4 million) and USD 4.4 million to economic infrastructure and services.

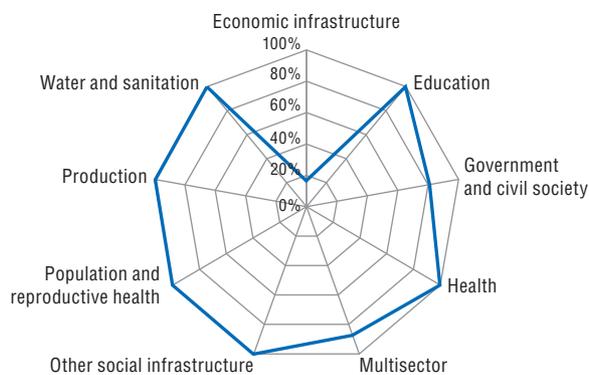
Figure 20.8. Share of bilateral ODA by sector, 2013-14 average, commitments, Iceland



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**USD 20.6 million of bilateral ODA supported gender equality in 2014.** Gender equality is one of two cross-cutting themes (with environment) in Iceland’s development co-operation and is solidly integrated into its projects and programmes. In 2014, 80.6% of Iceland’s bilateral allocable aid had gender equality and women’s empowerment as a principal or significant objective, compared with the DAC country average of 34.7%. This is down from 83.4% in 2013. Iceland has also been striving to promote gender equality in its multilateral support, mainly through the United Nations and the World Bank. Iceland supports gender equality through investments in all sectors.

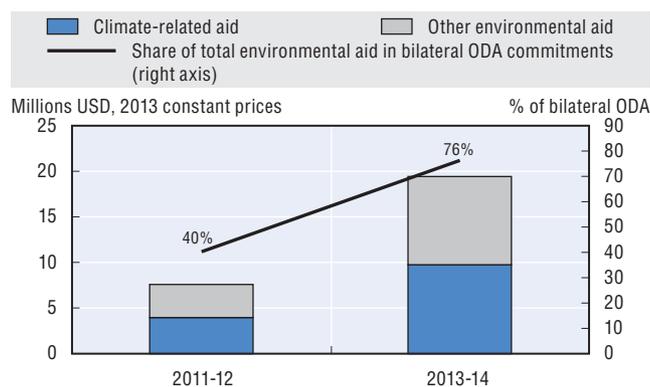
Figure 20.9. Share of bilateral allocable ODA in support of gender equality by sector, 2014, commitments, Iceland



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**USD 19.4 million of bilateral ODA supported the environment in 2014.** Environment is one of two cross-cutting themes in Iceland’s development co-operation and is solidly integrated into its projects and programmes. In 2014, 75.9% of Iceland’s bilateral allocable aid supported the environment and 39.1% (USD 10 million) focused particularly on climate change, compared with the respective DAC country averages of 32.2% and 23.9%.

Figure 20.10. Bilateral ODA in support of global and local environment objectives, two year averages, commitments, Iceland



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Note to reader: Annex B provides “Methodological notes on definitions and measurement for the Profiles of Development Assistance Committee members”.



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