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Efforts and Policies
of the Members
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Assistance Committee

Development Co-operation

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Report

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Report by James H. Michel

CHAIR OF THE DEVELOPMENT ASSISTANCE COMMITTEE

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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

– to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;

– to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and

– to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.

The original Member countries of the OECD are Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The following countries became Members subsequently through accession at the dates indicated hereafter: Japan (28th April 1964), Finland (28th January 1969), Australia (7th June 1971), New Zealand (29th May 1973), Mexico (18th May 1994), the Czech Republic (21st December 1995), Hungary (7th May 1996), Poland (22nd November 1996) and the Republic of Korea (12th December 1996). The Commission of the European Communities takes part in the work of the OECD (Article 13 of the OECD Convention).

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

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

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Severe economic and social consequences of turmoil in emerging financial markets have provided a dramatic backdrop to the struggle for development progress throughout 1998. The broad geographic impact of what was originally seen as a severe but local Asian phenomenon has been a sharp reminder that we are living in a global economy. The questions we face about globalisation are not whether it should occur. It is already with us. Rather, we are faced with the challenge of how we can influence its evolution so as to maximise participation and a just distribution of the benefits, while minimising and mitigating the risks of exclusion.

The 1998 Development Co-operation Report *takes stock of the people-centred and results-oriented development partnerships strategy against this volatile background. The conclusion is that the basic elements of the strategy remain sound, even though the challenges of development are even more complex and formidable than had been foreseen only two years ago when the Development Assistance Committee adopted its report,* Shaping the 21st Century: The Contribution of Development Co-operation. *If anything, the present crisis demonstrates the need for putting partnerships into practice on a more accelerated basis in furtherance of internationally agreed goals of human progress that serve universal interests. There is reason for impatience about the pace of the strategy's implementation. And there is reason for serious concern that levels of official financial support, more essential than ever at a time of diminishing private flows, continue to decline.*

This 1998 Report takes stock of what has been accomplished towards achieving and measuring progress toward agreed goals, strengthening partnerships as operational models for international co-operation, mobilising and monitoring resources for development, and bringing together aid and other policies that affect development. It explores the evolving recognition of corporate and individual responsibility as a factor which can improve the prospects for giving renewed prominence to questions of sustainable human development in public policy. It describes recent initiatives of bilateral donors and international development agencies. And it provides unique statistical data and analyses of aid and other resource flows, including new information concerning how aid allocations relate to agreed international development goals.

Putting into practice partnership compacts that encourage and support locally led efforts, based on integrated and people-centred development strategies, remains the basic challenge. There are tensions between global goals and the need to respect the right of each country to set its own goals, based on local circumstances. There are conflicts between the need to strengthen local capacities and institutions and the inevitable result that an increasing exercise of local responsibility and ownership will progressively diminish the visibility of donors' individual contributions. There are differing judgements on how to allocate scarce resources and efforts among countries with very different needs and wide variance in their capacities for productive use of assistance. Strong policy differences are encountered within governments in efforts to integrate development co-operation into a broader framework of policies that will facilitate the full participation by poor countries in the global economy and the full participation by poor people in the political, economic and cultural life of their societies.

Yet, despite these obstacles, progress has been made. Donors, multilateral institutions and their development partners are improving their own capacities to operate in a partnership context and seem to be increasingly committed to this approach. Positive experience has been gained with a number of pilot efforts, and the number of pilots is increasing. This report includes my personal recommendation that the international community needs to double and redouble its efforts over the coming years and to move from pilot effort to the systematic use of partnerships. Operational partnership compacts involving shared goals, agreed divisions of labour, adequate resources, coherent policies and effective co-ordination must now become the norm in the practice of development co-operation.

In previous Development Co-operation Reports *I have acknowledged in these introductory paragraphs the dedicated professionalism of the members of the team within the OECD Secretariat who make these reports possible. This, my last report as Chair of the Development Assistance Committee, is no exception.*

*This year's report was produced under the editorial direction of Bernard Wood, Director of the Development Co-operation Directorate. (Mr. Wood has alternated each year with his Deputy, Richard Carey, in carrying out this responsibility.) The Report is released each year under my authority, but its continuous improvement is due to the diligence and ability of Mr. Wood, Mr. Carey and their colleagues in the Secretariat.**

There is no separate staff for this work. It is in addition to the normal duties of all who are involved. The contributing authors, editors, statisticians, secretaries, translators and printers have collaborated each year to improve the content and the presentation to make these volumes as informative and interesting as possible.

I also want to acknowledge the comments by DAC Members, by other directorates in the OECD, by the OECD Development Centre and the Club du Sahel, all of which contributed to the quality of the final product. Finally, I want express appreciation for the suggestions received from readers of these Reports, which are always considered and, I hope, adequately reflected in subsequent editions.

Next year I shall join the ranks of the readers of these Reports. As my term as DAC Chair comes to an end, I look back with appreciation for the outstanding collaboration I have enjoyed with colleagues in producing the Development Co-operation Report *from 1994 to 1998. I depart from the OECD with satisfaction that my successor will have the benefit of that same collaboration. I look forward to reading about how future issues and challenges are addressed in the ongoing effort to support sustainable human development, with confidence that the effort will not falter and that human security and well-being will continue to be improved through international co-operation.*

James H Michel

James H. Michel

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* Most involved in 1998 were Yasmin Ahmad, Leila Attalah, Stephanie Baile, Jürgen Bartsch, Robert Beadle, Julia Benn, Roberta Bensky, Sheena Bohan, Kerry Burns, Richard Carey, Hyun Sik Chang, Francesca Cook, Ann Couderc, Josie d'Angelo, Jacqueline Damon, Arthur Fell, Christian Flamant, Ann Gordon, Kathleen Gray, Jean-Louis Grolleau, Deborah Guz, Raundi Halvorson-Quevedo, Brian Hammond, Isabelle Hernaez-Pozo, Frans Lammersen, Michael Laird, Hans Lundgren, Katja Michaelowa, Fritz Meijndert, Kaori Miyamoto, Aimée Nichols, William Nicol, Madeleine Paris, Rudolphe Petras, Jane Saint-Sernin, Robert Scharf, Simon Scott, Julie Seif, Irene Sinha, Ruth Stock, Shirley van Buiren, Claudine Wastl and Jacqueline van Hoek, Martine Vignals and Rolande MacNealy from Translation Division and Colette Goldstein, Jean-Michel Lebrun and their colleagues from the Public Affairs and Communications Directorate. Mr. Kumiharu Shigehara, Deputy Secretary-General, provided advice and support and facilitated commentary from relevant Directorates within the OECD.

Tables

Charts

Boxes

ACP	African, Caribbean and Pacific countries
AfDB	African Development Bank
AfDF	African Development Fund
AGCD*	Administration générale de la coopération au développement, Belgium
AIDS	Acquired Immune Deficiency Syndrome
AsDB	Asian Development Bank
AsDF	Asian Development Fund
ASEAN	Association of South-East Asian Nations
BIS	Bank for International Settlements
BHN	Basic human needs
BMZ*	Ministry for Economic Co-operation and Development (Germany)
CDE	Capacity Development in Environment
CEC	Commission of the European Communities
CEECs	Central and Eastern European Countries
CFA*	African Financial Community
CIDA	Canadian International Development Agency
CSOs	Civil society organisations
DAC	Development Assistance Committee
DCD	Development Co-operation Directorate (OECD)
DFID	Department for International Development (United Kingdom)
EC	European Community
EBRD	European Bank for Reconstruction and Development
ECHO	European Community Humanitarian Office
EDF	European Development Fund
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
FDI	Foreign direct investment
GATT	General Agreement on Tariffs and Trade
GNP	Gross national product
GSP	Generalised System of Preferences
HICs	High-income countries (and territories)
HIPCs**	Heavily-indebted poor countries
IBRD	International Bank for Reconstruction and Development
ICB	International competitive bidding
IDA	International Development Association

IDB	Inter-American Development Bank
IECDF	International Economic Co-operation Development Fund
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
ITC	International Trade Centre
LDCs	Developing countries
LICs	Low-income countries
LLDCs	Least developed countries
LMICs	Lower middle-income countries (and territories)
MDBs	Multilateral development banks
NGO	Non-governmental organisation
NIS	New Independent States of the former Soviet Union
ODA	Official development assistance
ODF	Official development finance
OECD	Organisation for Economic Co-operation and Development
OLICs	Other low-income countries
OOF	Other official flows
PDGG	Participatory development and good governance
PIMS	Policy Information Marker System (United Kingdom)
SAF	Structural adjustment facility
SASDA	Secretariat for analysis of Swedish development assistance
SDR	Special drawing right
Sida	Swedish International Development Co-operation Agency
SIP	Sector investment programmes (World Bank)
SNA	System of National Accounts
SSA	Sub-Saharan Africa
TC	Technical co-operation
UMICs	Upper middle-income countries (and territories)
UNCED	United Nations Conference on Environment and Development, Rio de Janeiro, 1992
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme

UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Fund for Population Activities
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNWRA	United Nations Works and Relief Agency
USAID	United States Agency for International Development
WFP	World Food Programme
WID	Women in development
WTO	World Trade Organisation

* Denotes acronym in the original language.

** Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Equatorial Guinea, Ethiopia, Ghana, Guinea, Guinea-Bissau, Guyana, Honduras, Kenya, Laos People's Democratic Republic, Liberia, Madagascar, Mali, Mauritania, Mozambique, Myanmar, Nicaragua, Niger, Nigeria, Rwanda, Sao Tome & Principe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Viet Nam, Yemen, Zaire and Zambia.

I Overview of the DAC Chair: Staying the course toward development results through partnership

All we have learned confirms that the widely shared vision of people-centred and results-oriented partnership is both worthwhile and attainable. We now need to apply the lessons we have learned and build systematically on that expanding base of knowledge so that the vision will become the norm in the practice of development co-operation.

1. Introduction

The publication of this Report coincides with the completion of my mandate as Chair of the Development Assistance Committee of the OECD. For the past five years I have had the opportunity to observe the international development co-operation system from a unique perspective and, from this vantage point, to offer some modest contributions towards improving the system's operation and effectiveness.

In the introductory chapters to these annual Development Co-operation Reports, since 1994, I have been able to address many issues relating to the formulation and implementation of a widely accepted partnership approach to development co-operation. Three principal themes discussed in these Reports have reflected a growing consensus in the DAC and, more generally, in the international community:

- Sustainable development must be based on local responsibility for integrated development policies and strategies that are people-centred and results-oriented.

- The international community can provide valuable support for such locally led efforts, based on shared goals, an agreed division of labour, adequate resources, coherent policies and effective co-ordination.

- Development co-operation needs to be integrated into a broader framework of policies to facilitate the full participation by poor countries in the global economy and the full participation by poor people in the political, economic and cultural life of their societies.

It has been a thoroughly enjoyable experience to observe, analyse and participate in the evolution of a broadening international consensus around a concept of global development partnership. At the same time, it has been discouraging, and sometimes frustrating, to see this promising policy consensus placed at risk because of a persistent decline in the resources (and, by implication, in the political support) needed to give it effect.

This decline jeopardises the achievement of agreed development goals in two related ways. First, and most obviously, it means there are fewer resources available to help combat poverty, improve social conditions and preserve the environment in places where other sources of finance are not available. Second, a lower priority for development assistance in the budgets of the industrialised countries suggests a diminished importance for development in the ranking of national policies.

In 1998 there was a continuation of the conflicting trends: progress towards effective development partnerships and diminishing resources and attention for the countries and people most in need. This contradiction gives rise to questions about the credibility of the commitment by donors and is creating risks to the sustainability of the consensus in favour of the partnership approach.

This introductory chapter discusses some of these risks, progress in implementing the partnerships strategy, and prospects for seeing development partnerships flourish in the coming years. A more detailed treatment of the tasks for aid and the implications of financial crisis in putting partnerships into practice follows in Chapter II. Chapters III, IV and V address resource flows, aid trends and the efforts of DAC Members.

2. Risks

Resources and policy coherence

Since 1992 overall flows of official development assistance (ODA) have fallen by more than 20 per cent in constant dollars. Measured as a percentage of GNP, ODA volume has fallen from a historic norm of 0.33 per cent of the combined national product of DAC Members (until 1992) to an unprecedented low of 0.22 per cent in 1997.

While the importance of policies cannot be measured simply by reference to the size of their budgets, budget trends can reflect trends in underlying policies. In those DAC Member countries where development assistance commands a growing share of the budget, it appears that development objectives are relatively important. Conversely, in countries where assistance budgets are in decline, it appears that development does not enjoy a comparable priority in national policies.

In countries where development is not seen as an important policy, development objectives cannot be expected to have a predominant influence in shaping relations with developing countries. This compounds the impact of diminished budget resources. Official development assistance is only one source of development finance, and development finance is only one aspect of a coherent set of policies likely to contribute significantly to the attainment of internationally agreed development goals.

Thus, a low ranking for development in the national priorities of a DAC Member country not only means a lower volume of aid. It also suggests a reduced likelihood of development-focused coherence in national policies that affect the developing countries. Against this background, it is especially disturbing to note that the largest donors have experienced some of the most significant budget declines.[1]

Perceptions and fears

A second risk to the consensus lies in the underlying perceptions in the rich countries – of trends in developing countries, of the relevance of those trends, and of the capacity of development co-operation to influence them. Doubts about the value of development co-operation flow from these perceptions, and also from the tension between long-term and short-term perspectives and between overall performance and specific cases.

At one level, people know that overall living conditions in developing countries have improved dramatically over the past 50 years.[2] However, the statistical data on long-term trends are often overwhelmed by news reports of current events. The social impact of the widespread financial crisis and economic contraction in Asia casts doubt on the performance of even those previously identified as the most successful developing countries.[3] The recurrence of conflict, refugee flows and famine in Africa gives rise to a sense of pessimistic *déjà vu*. Tragedies and setbacks in places whose names we have come to associate with human suffering – Burundi, Congo, Rwanda, Sudan – crowd out the less dramatic progress seen in Côte d'Ivoire, Ghana, Mozambique, Uganda and more than a dozen other African countries where development is steadily gaining ground and improving the quality of life.[4]

Perceptions of diverging interests pose a fundamental threat to the partnership approach. There continues to be considerable fear of the ongoing process of globalisation, especially in the industrialised countries where global competition is often portrayed as a zero-sum game leading to a "race to the bottom".[5] Widespread market volatility and economic uncertainty, as experienced in 1998, tend to magnify fears and increase pressures to turn inward rather than confront the difficulties of globalisation. There is a shared interest in eradicating poverty, increasing opportunity for all to participate, and preserving the natural environment on which all life depends. If that shared interest is not understood, why should taxpayers in rich countries want their governments to aid their competitors in poor countries? Partnership requires agreement on shared interests and objectives.

The partnership strategy was intended, in part, to respond to those tensions and misperceptions. If, in a given case, developing country authorities, in consultation with civil society, could agree with their external partners on goals to be pursued and on the allocation of efforts towards that end, then they could work together while measuring and reporting the investments made and results achieved. Differing circumstances among developing countries, especially their degree of readiness to take a leading role, would determine the scope of each partnership effort. A developing country's interest in and capacity for poverty reduction, for example, would determine the identity of partners, the scope of their activities and the amounts of money spent. The nature and extent of the partnership in a country with little interest or capacity would differ from the case of a country where the policy environment and political will were more propitious for large investments of development resources.

Selectivity and partnership

A particular risk to the partnership approach is the potential for confusion between development results and aid effectiveness. Both are fundamental objectives of development co-operation, and they should be highly complementary. But they are different concepts and confusion between them can lead to disappointment.

Development results flow from the combined efforts of all concerned – local authorities and civil society, as well as external partners from governments, multilateral institutions, non-governmental organisations, the private sector – to achieve overall development goals at national, regional and global levels. Publics and parliaments in industrialised countries want to know what results can be attributed to their own programmes and projects. However, the impact of any single project or programme of any given donor is only one among many factors that will influence overall development trends in the recipient country.

External factors are invariably less significant than internal policies and practices. As the DAC's 1995 policy declaration on development partnerships states:

> "Developing countries themselves are ultimately responsible for their own development. Their own earnings, savings and tax revenues are the most important source of investment in their economic and social progress. For development to succeed the people of the countries concerned must be the 'owners' of their development policies and programmes… Official development assistance remains vital for many key investments in developing countries, especially in the poorer countries. **We remain committed to generating substantial resources for development co-operation to back the efforts of countries and people to help themselves.**"[6]

Thus, timely and appropriate aid can provide a needed complement to local resources, knowledge and effort. Of course, managers of aid programmes must be accountable for the effectiveness of their interventions and demonstrate measurable results for their efforts. Evaluation is a valuable tool in increasing aid effectiveness.[7] Aid projects and programmes should have objectives against which they can be evaluated. However, it is unreasonable to expect that achieving those standards of effectiveness will, in itself, be sufficient to assure broad and lasting development results.[8]

The demand for aid effectiveness is leading to calls for greater selectivity in the targeting of aid.[9] As noted above, the content and scope of development partnerships can and should vary to reflect local circumstances and capacities. In some cases, the content of the partnership may involve more a transfer of knowledge than of financial resources.[10] There is a risk, however, that selectivity – concentrating on those poor countries that have demonstrated their readiness to make good use of additional resources – could go further and lead donors in a period of shrinking budgets to cut off most aid to countries with inappropriate policies and weak institutions.

The problem is that poverty, poor social conditions and environmental degradation are often concentrated in countries with poor policies and weak institutions.[11] The people who live in those countries cannot be written off. Beyond the ethical question, to do so would run counter to the evolution of a stable and sustainable globalisation. Moreover, unilateral decisions by donors in an effort to invest in "winners" and withdraw from "losers" would require better forecasting ability than anyone claims to possess. Many countries that once were considered hopeless have now surpassed others previously thought to have superior prospects for rapid development progress.

A rigid selectivity approach would seem vulnerable to the same kinds of practical difficulties that have impeded donor efforts to improve performance by imposing conditions. In particular, a unilateral decision by a donor (or a group of donors) to offer or withhold aid can diminish the space for dialogue, participation and local ownership.[12] These are qualities that the partnership approach regards as essential to sustainable development progress.

Selectivity in deciding what investments should be made, in what circumstances, at what times and with what partners is a necessary aspect of sound development co-operation and responsible management. The appropriate strategy for Cambodia will not be appropriate for Haiti or Somalia. However, such decisions should be taken on the basis of dialogue and consultation where feasible, and always in the context of an inclusive vision of development.

Development co-operation is about trying to do what is best in the circumstances to help more people to be able to escape from poverty and improve the quality of their lives. In countries with weak policies this may mean spending less and doing different things. But it cannot mean, as World Bank President James Wolfensohn has forcefully stated, "espousing some Darwinian theory of development whereby we discard the unfit by the wayside. Quite the contrary. Our goal is to support the fit and to help make the unfit fit. This is all about inclusion."[13]

At the DAC High Level Meeting in April 1998, Development Ministers and aid agency heads discussed the non-performing countries. They acknowledged that some countries did not share values and interests that were generally accepted in the international community. Other countries, particularly those torn by conflict, were unable to organise themselves to pursue effective pro-development policies and strategies. While these different kinds of situations called for differing strategies, common elements favoured by participants included the following:

- an emphasis on dialogue to increase trust and a sense of common purpose;
- caution about large resource transfers;
- readiness to engage non-governmental partners;
- focus on poverty reduction and peace building; and
- linking development co-operation to other foreign policy instruments.

The need for flexible strategies in reconciling the conflict between a country's need for aid and its capacity to use resources effectively is featured prominently in the work of the DAC informal network on poverty reduction, created in 1998. This body, discussed in Chapter II, is seeking to identify over the next two years some best practices and useful guidance for effective poverty reduction strategies and the most useful roles for development co-operation.

On the whole, the preference among DAC Members appears to be for differentiated partnerships reflecting local conditions, capacities and commitment, rather than any rigid notion of selectivity. Publics, parliaments and political leaders will need patience to see what results can be achieved through partnership. They will need understanding that, as in any human endeavour, the results will sometimes be disappointing. They will also need to accept the reality that unilateral donor efforts will not be determinative but their participation in a broader partnership can contribute to desired results. This should translate into a different, more modest and more realistic expectation for the results of effective aid.[14]

3. Implementing the global partnership

While the risks to the consensus are persistent, they are only a part of the picture. Alongside these risks is clear evidence of progress that shows the vitality of the partnership approach and its continued maturation into a common framework for action.

Much of the work of the DAC over the past year has been focused on encouraging the implementation of a global partnership for development. As a policy co-ordination forum with no operational programme of its own, the DAC plays a role that is primarily facilitative. This work, described in greater detail in Chapter II, has been concentrated in four areas, which also feature prominently in the programme of work planned for 1999-2000:

- advancing development goals and measuring performance;

- strengthening partnerships and increasing aid effectiveness;

- mobilising and monitoring resources for development; and

- bringing together policies that affect development.

Advancing development goals and measuring performance

The DAC's selection in 1996 of suggested development goals, based on the recent United Nations conferences, has helped to stimulate and focus a wide-ranging international dialogue. This, in turn, has contributed to a broad consensus around a global vision of concrete economic, social and environmental progress. The OECD, the World Bank and the United Nations are all using internationally agreed goals.[15] These three organisations, in consultation with policy makers and statistical experts from developing countries, have formulated a working set of core indicators to measure progress, which is accessible on Internet web sites.[16] Most promising of all, as elaborated in Chapter II, the issues addressed by these goals are increasingly found in the national development strategies of developing countries.

Work continues in the DAC on strengthening capacities for poverty reduction, and also in refining and improving the working set of core development indicators. (Particular needs include improving environmental indicators and identifying ways to measure progress in the critical areas of participation and good governance.) An important feature of this work, reflecting the influence of the partnerships strategy on the DAC's own activities, is the close collaboration with the multilateral organisations and with representatives of developing countries from both government and civil society.

DAC Members have indicated a high priority for work on poverty reduction. This activity has progressed substantially in 1998. Building on the highly productive workshop co-sponsored by the DAC and the OECD Development Centre in December 1997, there has been an intensified consultation with developing countries. Like the December 1997 forum, a workshop organised by Japan, the Netherlands and the United Nations Development Programme in July 1998 focused on the concrete experiences and needs of participating developing countries. Poverty reduction was also a central theme of the Second Tokyo International Conference on African Development (TICAD II), held in October 1998. In addition, the DAC (through its informal network on poverty reduction) has undertaken a major study of donor practice as a tool for the development of practical guidelines for poverty reduction.

The value of the core development indicators will depend heavily upon the quality of the underlying data concerning economic, social and environmental conditions. It will be important to identify in this continuing work how development co-operation can best help to improve the capacity of local institutions to collect, analyse and use timely and reliable data on the conditions addressed by the agreed indicators.

Strengthening partnerships and increasing aid effectiveness

A more intense dialogue with developing countries has contributed to a growing sense that we are strengthening partnerships and forging a common framework for action. An initial consultation on partnership in The Hague in September 1997 identified a number of themes on which developing countries desired further discussion. Since then, the DAC and DAC Members have organised fora on poverty reduction (December 1997 and July 1998, as mentioned above), strengthening local ownership (January 1998), identifying indicators for measuring progress toward development goals (February 1998), and participation and good governance (May 1998).

A major undertaking, just completed, has been a DAC-initiated examination over a two-year period of the operation of the development co-operation system in the case of Mali. In addition, there have been several consultations focused on development co-operation partnership in the context of a single developing country. We are receiving reports of concerted efforts to put the principles of development partnership into practice in a number of countries.

The DAC is giving more concentrated attention to partnership implementation issues in its peer reviews of Members' development co-operation policies and programmes, including greater emphasis on the findings of field visits. Peer reviews, reports from DAC Members and consultations with developing country partners show definite trends toward increased emphasis by aid agencies on local ownership and participation, decentralisation of decision-making authority to field offices and increased interest in co-ordination and harmonization in-country of donor practices. As shown in Chapter II, progress is evident. Yet, the pace remains too slow.

An encouraging development is that these issues are now also being raised in Consultative Groups organised by the World Bank and UNDP-organised Round Tables. A particularly noteworthy example of collaboration was the Mali Round Table in September 1998. There, the DAC-sponsored review of the development co-operation system in that country provided background for a work programme to convert the existing set of relationships between Malians and the international community into a true partnership under Malian leadership, with agreed goals and agreed responsibilities among the partners. The Club du Sahel, working with the UNDP and World Bank, will help to assure continued support for these Malian-led efforts.

The May 1998 G8 Summit at Birmingham provided a welcome endorsement of the partnership strategy. It expressed a commitment "to a real and effective partnership in support of these countries' efforts to reform, to develop, and to reach the internationally agreed goals for economic and social development, as set out in the OECD's 21st Century Strategy".[17]

Surely, the most important endorsement of the partnership approach in all of 1998 was the Tokyo Agenda for Action, adopted at the Second Tokyo International Conference on African Development (TICAD II), mentioned above. Participants in TICAD II included representatives of 80 countries and 40 international and 22 civil society organisations. Among them were many African heads of state and government, development ministers and other senior officials of industrialised countries and the Secretary General of the United Nations. The agenda for action was prepared on the basis of extensive consultations which preceded the conference. It contained ambitious goals for reducing poverty, increasing literacy, improving rates of child survival and expanding access to clean water, all fully consistent with agreed international goals. The Tokyo agenda also placed strong emphasis on the principles of local ownership and true partnership, while explicitly acknowledging the contributions made by the previous work of the DAC in elaborating these concepts. (See Box I-1 for more specific details.) The breadth and depth of support for this common framework of action poses a challenge for the entire international community to achieve TICAD's high expectations of substantial development results through partnership. At the same time, this demonstration of broad and deep international support will give considerable momentum to efforts to put the principles of partnership vibrantly into practice throughout Africa.

Box I-1.

Second Tokyo International Conference on African Development, 19-21 October 1998

The Tokyo Agenda for Action was adopted by the Second Tokyo International Conference on African Development (TICAD II), held in Tokyo from 19 to 21 October, 1998. It was co-organised by Japan, the United Nations, and the Global Coalition for Africa. The Tokyo Agenda expresses a clear commitment by Africans and their partners to agreed goals and priority actions in the areas of 1) social development: education, health and population, measures to assist the poor; 2) economic development: private sector development, industrial development, agricultural development, external debt; and 3) foundations for development: good governance, conflict prevention and post-conflict development.

The main elements of the Agenda thus are:

- an overall goal of reducing poverty and integrating Africa with the global economy through accelerated economic growth and sustainable development;
- a reduction in the proportion of the population living in extreme poverty by at least half by 2015;
- ownership and global partnership as the principles underlying the Agenda for Action;
- social development goals: achieving universal elementary school education by 2015, reducing adult illiteracy to half of the 1990 level by 2005 and eliminating gender disparity in elementary and secondary education by 2005;
- public health goals: providing safe water for at least 80 per cent of the population by 2005 and reducing mortality rates for children under age 5 to one-third of 1990 levels by 2015;
- improving production and competitiveness of agricultural and mining industries in light of their potential to create jobs and products for export;
- promotion of confidence-building measures to help to prevent regional conflicts.

As ways to achieve these common goals and objectives, the conference focused attention on strengthening co-ordination among all actors of African development, including the strengthened role of the civil society, regional co-operation within Africa, Asia-Africa and South-South co-operation.

The participants agreed to follow up their commitments with concrete actions at the national, regional and international levels, maintain the momentum generated by TICAD II, and, to ensure tangible results, give particular attention to the monitoring of the outcome of their efforts.

Mobilising and monitoring resources for development

As mentioned at the outset of this Chapter, the persistent decline in official development assistance is discouraging and frustrating. While urging a reversal in this harmful trend, the DAC has also recognised the need to look at aid in the context of all potential sources of development finance, including the mobilisation of domestic resources and the encouragement of private investment flows. (As elaborated in Chapter III, private direct investment flows, although still highly concentrated, continue to increase and have surpassed ODA by a wide margin as a source of development finance.) The DAC is considering what special tasks exist for aid financing (including as a catalyst for private resource flows), rather than looking to aid as a principal source for financing development, or even as having a general gap-filling role.[18]

This work also involves close collaboration with the multilateral organisations. The DAC is participating in the ongoing work of the United Nations, looking towards a "high-level international intergovernmental forum on financing for development to further the global partnership for development, not later than the year 2001".[19] In addition, it collaborated with the World Bank to organise a forum in May 1998 on private investment in public infrastructure. Further workshops on improving access to financing for development from all sources will proceed alongside efforts to communicate the need for more adequate and better targeted flows of official development assistance as complementary parts of a coherent development finance agenda.

Issues in which DAC Members have indicated strong interests for future work include debt, financial systems and capital markets, financing for private sector development, and the policies and overall climate for attracting private investment that will best contribute to sustainable growth and poverty reduction. With regard to investment, the implications for developing countries of multilateral investment rules will surely receive continuing attention as indicated by participants at the DAC High Level Meeting in April 1998.[20]

The DAC will also seek to strengthen its knowledge of how aid and other resource flows relate to internationally agreed goals and indicators of development progress. Monitoring resource allocations, while also measuring progress toward development outcomes, should permit new analyses that will better show the linkages between inputs and outcomes. This can be extremely valuable in better estimating resources needed to attain desired objectives.[21]

Bringing together policies that affect development

Progress in furthering greater policy coherence in relations with developing countries can be identified in three areas: the environment, trade and investment, and mitigating the influence of donors' commercial interests in aid-financed procurement.

The adoption of a policy of integrating a sustainable development orientation into all work of the OECD[22] is being implemented through a three-year programme that will address (including the implications for developing countries) climate change, technology co-operation, indicators and framework conditions for environmental sustainability. This is creating increased opportunities for collaboration within the OECD between environment and development committees and directorates. Recent manifestations of this collaboration have included the active participation:

- by the OECD Environment Directorate in the formulation of the working set of core indicators of development progress; and

- by the DAC and Development Co-operation Directorate in the March 1998 OECD/IEA Forum on Climate Change.[23]

Continuing OECD work on the implementation of international environmental conventions on climate change, desertification and biodiversity will provide additional opportunities for collaboration to further coherence between environment and development policies.

With respect to trade and investment, the DAC is continuing its collaboration, initiated in 1997, with the World Trade Organisation and other multilateral organisations which are supporting an integrated initiative to increase the trade opportunities and capacities of the least developed countries. A jointly sponsored forum on trade capacity development was conducted in November 1998, focused on improving co-ordination between bilateral and multilateral programmes of co-operation in partnership with least developed countries.

A most promising development in 1998 in bringing trade and investment policies together with development partnerships was the explicit recognition by the April 1998 OECD Ministerial Council that the success of the partnerships strategy:

> "will be based on increased policy coherence, especially to help developing countries secure sustainable development, assemble the necessary financial resources and integrate successfully into the global economy. Ministers requested the Secretariat to submit a report to their meeting in 1999 on the links between trade, investment and development, and the role that the OECD might play in promoting greater policy coherence."[24]

Work on the requested report is well underway, engaging the attention of a number of OECD directorates. The DAC work programme for 1999-2000 anticipates that follow-on efforts should include OECD work on, *inter alia*, advancing agreed multilateral investment rules; deepening understanding of why and how open markets matter; global issues of governance and corruption; international financial stability; employment; the international implications of ageing; agricultural trade; and electronic commerce.

Another major opportunity for increasing policy coherence was provided by the DAC High Level Meeting in April 1998. Participants in that meeting expressed overwhelming support for untying aid, in particular to least developed countries. Accordingly, they mandated work on a DAC recommendation for the liberalisation of aid procurement for least developed countries, with a text to be proposed to the High Level Meeting in 1999.[25]

Tied aid had long been on the agenda of the DAC Working Party on Financial Aspects of Development Assistance. Issues under discussion had focused primarily on efficiency and fairness among donors. However, this subject was given new impetus in the recent partnership dialogues conducted with developing country representatives in 1997 and 1998. Developing countries repeatedly identified tied aid as a problem, not only in terms of efficiency, but also as an impediment to local ownership, a cause of distortion in their priorities, and sometimes an opening to corruption.[26]

The mandate by the High Level Meeting to work in the DAC for a recommendation on untying aid for least developed countries was welcomed by the OECD Ministerial Council Meeting[27] and endorsed by the G8 Summit at Birmingham.[28] The preparation of such a recommendation involves many complex technical questions, as well as a number of unresolved policy issues. This work continues under the leadership of Ambassador Antonio Bandini, Chair of the DAC Working Party on Financial Aspects of Development Assistance. It is expected that a recommendation will be presented to the 1999 High Level Meeting, as requested.

4. An evolving sense of private sector and individual responsibility

There is evidence of an increasing recognition in the business community that policy choices and actions will influence the shape and direction of the forces of globalisation. Leaders in the private sector have come to be increasingly concerned that globalisation in a world divided by wealth and poverty would be unstable and unsustainable, and that an alternative model is worth pursuing.[29]

In April 1998 an OECD Business Sector Advisory Group on Corporate Governance submitted its report to the Secretary-General.[30] Chapter 7 of that report, "Recognising Societal Interests", begins with an acknowledgement that corporations "are dependent on the societies in which they operate" and an assertion that "corporate actions must be compatible with societal objectives concerning social cohesion, individual welfare and equal opportunities for all".

This section of the Advisory Group's report addresses a number of difficult issues: corporate responsibilities to different stakeholders with sometimes diverging interests (shareholders, employees, customers), tensions between social and economic returns on investment, the political sensitivities of privatisation. It comes down squarely on the side of a corporate citizenship that goes beyond technical compliance with the law.

In this regard, the report speaks positively of the voluntary disclosure of company policies and codes of conduct. It also notes the expectations of investors that corporations refrain from activities such as violations of workers' rights, bribery, support for oppressive regimes and environmental disruption. Beyond specifying such harmful practices, the report identifies areas of socially responsible conduct in which corporations are expected to engage. It cites approvingly individual corporate policies on environmental standards as well as the voluntary international standard, Social Accountability 8000, promulgated by the Council on Economic Priorities Accreditation Agency.

These are not new issues. Many of them are addressed in the voluntary OECD Guidelines for Multinational Enterprises, first adopted in 1976 and most recently updated in 1991[31] . However, they are taking on more force with respect to developing countries as the globalisation of business proceeds. Non-governmental organisations (especially human rights and environmental groups) are monitoring and publicising corporate performance; instantaneous communications heighten public awareness; business ethics acquire a growing importance for both consumers and investors. The trend toward corporate accountability for a "triple bottom line" of responsible economic, social and environmental performance will present formidable implementation problems.[32] At the same time, the political and economic incentives and dynamics favour a continuation of this trend, including its further extension to local suppliers of multinational corporations, wherever they may be located.[33]

The evolving expectations of investors and consumers are giving rise to a plethora of instruments that can be important to the attainment of development results through partnership. In addition to the above-mentioned voluntary Social Accountability 8000 Standard, there is an Environmental Management Standard, ISO 14000, issued by the International Standards Organisation. Firms certified as complying with SA 8000 or ISO 14000 can use that certification in their advertising. In addition, fair trade organisations like the Max Havelaar Foundation have succeeded in creating a substantial market for socially and environmentally certified consumer products from developing countries. The Forest Stewardship Council certifies and provides for labelling of timber products. Indeed, a potential issue is the risk of confusion from a multiplication of global, regional and national standards.[34]

The aggregate amounts of resources being committed to investment and consumption are so vast as to defy comprehension. The 1998 *Human Development Report* estimates that total world expenditures for consumption have doubled over the past 25 years to reach $24 trillion in 1998.[35] Investment has grown almost as fast, increasing to about $8 trillion in 1998.[36]

Within these enormous totals, the volume of social investing and consumption is substantial and growing, with implications for sustainable human development:

- It is estimated that assets under management in the United States in "socially and environmentally responsible portfolios" grew from $639 billion in 1995 to $1.2 trillion in 1997 (an annual increase of about $280 billion). That $1.2 trillion represents almost one dollar out of every ten under management in the United States. The number of mutual funds in the United States employing social or environmental criteria in their publicly stated investment policies is believed to have tripled during this 1995 to 1997 period.[37]

- Since Max Havelaar "quality mark" coffee was first introduced in the Netherlands in 1988 more than 100 million packets have been sold. Sales of coffee bearing this label have grown to approach three per cent of the Dutch market, amounting to more than $6 million dollars in 1997. Coffee and other certified fair trade consumer products are gaining in popularity in many European countries. The annual growth rate in sales of fair trade-labelled products in the United Kingdom in recent years is an astonishing 64 per cent.[38]

An increasingly active role by business organisations is another manifestation of corporate concern for development, within a context of shared economic, social and environmental interests and values. Groups such as the World Business Council for Sustainable Development and the Prince of Wales Business Leaders Forum have been outspoken on issues of multiple-stakeholder partnerships, corporate citizenship and co-ordinated efforts in pursuit of common objectives of prosperity and justice.[39] The International Chamber of Commerce has entered into a joint initiative with the United Nations to promote investment in least developed countries. The Caux Round Table's 1995 Principles for Business[40] set very high standards of business responsibility. Consumer groups, business associations and individual firms have developed other voluntary codes.[41]

Voluntary codes surely have their place in a structure of global governance, along with binding laws and regulations issued under national authority and international goals, standards and treaty obligations within a multilateral system. Indeed, such a flexible structure, including "informal arrangements", was expressly contemplated by the Report of the Commission on Global Governance in 1995.[42] One purpose for such a structure would be to serve as a normative framework for an inclusive, highly participatory global partnership for development.

Some issues require the universality and certainty of binding international obligations. An example is combating bribery in international transactions, where a number of governments have been unwilling to commit themselves individually unless others were mutually bound to the same standard. The result is a new treaty.[43] Such international commitments often depend upon national laws and institutions to give them effect. Enforcement of the core labour standards of the International Labour Organisation conventions, for example, assumes the existence of local rules, remedies and institutions. Obviously, in many countries considerable capacity development is needed for this role to be carried out.

In this context, voluntary codes can play an important role in encouraging justice for people and protection for the environment, among other things, in two significant ways:

- First, they can advance the horizon of co-operative action in furtherance of sustainable development, beyond the minimum standards of international or national law.

- Second, they can ease the pressure on weak legal systems and institutions in developing countries as they improve their capacity to prescribe and enforce standards that should not have to depend entirely upon voluntary compliance.

The DAC's 1996 report, *Shaping the 21st Century: The Contribution of Development Co-operation*, addressed the subject of partnership primarily in terms of relationships between developing countries and the industrialised countries and multilateral organisations. The report's point of departure in this regard was the importance of strengthening local capacity and responsibility for leadership. However, the *21st Century* report also recognised the need for expanding the base for co-operation and, in particular, focused on the role of successful developing countries as a source of knowledge and experience that could be shared through South-South co-operation.

The importance of South-South co-operation involving successful developing countries, highlighted in the 1996 report, remains strong. Experience has shown, however, that it is necessary to think and act more broadly. Partnership must involve a wide range of collaborators.

We have seen the importance of strengthened co-operation between bilateral and multilateral organisations. The essential role of civil society for sustainable development is well established in both theory and in practice.[44] We clearly need to do more to engage business leaders – as well as investors, consumers and other private-sector stakeholders – in partnership efforts in furtherance of a shared vision of an inclusive and mutually beneficial global community. The facts reported here indicate that the opportunity is present. It is an opportunity that should be energetically and imaginatively pursued.

5. Parting thoughts

At the beginning of 1999 there is reason for satisfaction that the key elements of a global development partnership are largely agreed and, gradually, are being put into practice. As we gain experience in this process we are learning some important lessons. We are also being reminded of things we have known but have not always done. The pace of implementation, however, is a matter for concern. It is time for more vigorous action.

Lessons learned

The elements of integrated strategies for development success are well known from experience. They are summarised in the DAC's 1995 policy statement on development partnerships and in many other sources. Sound economic policies, access to social services, broad participation, good governance, environmental sustainability and peace building are all relevant.[45]

We also know that specific priorities and needs for assistance must be determined country-by-country, taking into account regional and local circumstances. The appropriate scope of co-operation with external partners, the division of labour in pursuit of national goals, and appropriate monitoring, reporting and evaluation mechanisms are best determined through a continuous process of dialogue, with an emphasis on strengthening local capacity and commitment. Putting all these pieces together can be very difficult. But we know what the pieces are.

We are reminded that people are at the centre of the development process. The purpose of development is to improve the quality of life, and the principal agents of development are the people and institutions of the developing countries. Their own efforts are the most important determinant of success. Therefore, we are learning that the focus on local ownership and participation must remain paramount.

We are also learning that all participants in a partnership should be stakeholders in the effort. Bilateral and multilateral aid agencies and their personnel, governments and organisations of civil society in industrialised as well as developing countries, local and multinational businesses – all are better partners if they have a stake in the enterprise.

We have learned that, because instilling a sense of local ownership, participation and a stake for all participants is extremely difficult, true partnership is still relatively rare in the day-to-day practice of development co-operation. Incentive structures are only beginning to change so as to encourage co-ordination and harmonization in local efforts and to help strengthen local capacity to play a central role.

We have learned that in many of the poorest developing countries conditions are not propitious for the immediate exercise of a leading role by local authorities. Yet, it is the poorest countries, often the least ready to assume fully the responsibilities of partnership, where the most progress must be made in order to achieve global goals of poverty reduction, social progress and environmental sustainability. This puts a premium on capacity development and continuous movement toward the ideal of local ownership of the development process, with local leadership co-ordinating the contributions of external partners. Partnerships must be flexible and varied in response to local circumstances, capacities and commitment.

And we have learned that, within those poor countries, the poorest people who have the greatest need are the most difficult to engage in development partnerships. Special efforts are needed to assure the inclusion of the very poor, women, ethnic minorities and others who are at high risk of being permanently marginalised. We cannot reduce poverty without the participation of the very poor; we cannot attain gender equality without the participation of both women and men; we cannot achieve an inclusive vision of development if we ignore those with disabilities.

All we have learned confirms that the widely shared vision of people-centred and results-oriented partnership is both worthwhile and attainable. We now need to apply the lessons we have learned and build systematically on that expanding base of knowledge so that the vision will become the norm in the practice of development co-operation.

Making partnership the norm rather than the exception will require priority attention to some major obstacles in the next few years. Two related needs stand out:

- to achieve a higher priority (and a higher political visibility) for development as an important and urgent public issue; and

- to demonstrate a greater commitment by all partners to obtaining development results.

The priority of development

There is an obvious need for higher priority to combating inequality, and exclusion. Meeting what World Bank President James Wolfensohn has called "the challenge of inclusion...the key development challenge of our time"[46] can produce a globalisation with sustained opportunities for peace, democracy, justice and economic progress. However, a globalisation process that marginalises many individuals and entire regions of the world, including regions with the fastest population growth, risks exacerbating already disturbing inequalities in wealth and income between countries and within countries.[47] These inequalities are not only disturbing from a standpoint of social justice. Economic inequality and the attendant breakdown in social capital make it harder to reduce poverty[48] and can result in a deterioration of health and other social conditions.[49]

Sound arguments have been made for greater attention to these issues, appealing on grounds of ethical responsibility, human security, ecological sustainability and economic self-interest. Yet, these well known arguments have not produced a strong political commitment, based on the conviction that winning the battle for a more just, prosperous and sustainable world is important and attainable. Without such a commitment, we will continue to confront the related problems of inadequate levels of official development assistance and insufficient political weight to development interests in policy decisions.

There is probably no single strategy for reversing the present low level of political attention given to development issues. Addressing this challenge would appear to require a combination of efforts:

- by development professionals to demonstrate that they are responsible stewards of public resources and are making a difference;

- by civil society, including business leaders, to demonstrate that there is a constituency for development progress;[50]

- by the media to give time and attention to development issues requiring a long-term perspective;[51]

- by educators to include familiarisation with development issues and values in school curricula and broader public education programmes;[52] and

- by senior government officials to exercise courageous leadership to inform, explain and encourage public understanding and support.[53]

The foregoing list necessarily implies a long-term strategy. There can be no expectation of sudden changes in public policy or in the availability of public resources for development. Nevertheless, it should be recalled that millions of people are spending billions of dollars to consume and invest in ways that they consider socially and environmentally responsible and that a growing number of businesses are adopting and implementing codes of ethical conduct and international social and environmental standards. These positive indications of personal and corporate responsibility do not necessarily suggest increased confidence in government policies or programmes of development co-operation. On the other hand, these attitudes within civil society contribute to a favourable climate in which to demonstrate that development partnerships reflect shared values, advance shared objectives and are worthy of support.

Demonstrating commitment

My final thought is that the development community should now set some goals for itself in implementing a global partnership for development. It is time to move beyond a limited number of experimental efforts and systematically establish broadly inclusive and participatory partnerships in as many developing countries as possible. Within the framework of global development goals, those partnerships would be expected to support national efforts and national goals to reduce poverty, improve social conditions and achieve environmental sustainability.

Making partnership the norm in practice might begin with the immediate identification of ten countries where a partnership approach is currently being applied, drawing upon the many pilot efforts that have been initiated (see the matrix set out in Chapter II). Goals might include seeking to double that number (to 20 operational partnerships) by the end of 1999, and doubling it again (to not less than 40 operational partnerships) by the end of 2000. Such ambitious goals will put a premium on improved co-ordination and harmonization among multilateral and bilateral development agencies. It will demand structures for dialogue that facilitate participation by all concerned. It will require that management systems be adapted to encourage and reward listening and co-operating. It will depend upon a supporting structure of monitoring mechanisms (including pragmatic, results-oriented Consultative Groups, Round Tables and Peer Reviews) that nurture partnership and empower local ownership and participation.

Beyond co-ordination among development agencies, a concerted effort to see 40 partnerships in operation by the end of 2000 will require imaginative efforts to identify collaborative roles for a host of other actors. While maintaining a focus on the lead role of the people and institutions of each developing country, we also need to be partners in a common enterprise with many stakeholders, extending the radius of trust among government, civil society, business and international organisations. A particular challenge in this effort will be, without relaxing necessary standards of accountability, to moderate the culture of control and foster greater openness and flexibility in organisations accustomed to concentrating on their own activities and projects.

In suggesting a goal of 40 "operational partnerships" by the end of 2000 I have no desire to encourage the fashioning of elaborate definitions or adjudication procedures. Rather, I mean to propose some simple and flexible criteria, derived from already agreed notions of partnership:

- national goals and strategies adopted by the developing country;
- a process for involving civil society and other local stakeholders in the evolution and implementation of such national goals and strategies;
- a structure for co-ordinating the roles of external partners, including roles in strengthening local capacity and fostering local participation and ownership;

- a mechanism for monitoring, reporting and evaluating progress, either on an *ad hoc* basis or through a Consultative Group, Round Table or similar forum.

The DAC Secretariat might collect periodic reports from participants in these partnerships for its own reporting, including required annual progress reports to the High Level Meeting. Ideally, the country reports (and any regional reports) should be made publicly available and kept up-to-date on an Internet website.

Practices are already changing in ways that take partnership far beyond the level of rhetoric.[54] My proposal reflects my conviction that the pace of change needs to be greatly accelerated. If evidence of progress in a substantial number of partnerships was available by the fifth anniversary of the Copenhagen Social Summit in 2000, this would provide a convincing body of experience for demonstrating achievement and clarifying the needs and expectations for further progress. This knowledge would be a powerful instrument for addressing the current doubts, resource scarcities and inadequate policy coherence that are casting a shadow over the long-term prospects for effective development co-operation.

6. Conclusion

Despite the constraints of limited resources and policy inconsistencies, the international community has the opportunity in the coming years to achieve remarkable gains in reducing poverty and inequality, improving the quality of life and assuring the sustainability of human progress. There is a broad agreement on objectives, on key strategies for attaining those objectives, and on the need to work collaboratively in ways that encourage broad participation as stakeholders by concerned people and institutions. Progress is being made in strengthening partnership approaches and in adapting existing mechanisms to the partnership model. The international community can do much more to gain the best advantage from this opportunity.

A long-term partnerships strategy must rest on a solid foundation of demonstrated commitment, proven competence and measurable accomplishment. Development co-operation must be shown to be neither charity nor compensation, but the subject of partnerships that are effective in advancing worthwhile, attainable and shared objectives. Those who recognise the importance of development for achieving an inclusive global community need to work together and make the best use of the knowledge and resources at their disposition. They need to communicate the results of the common effort, and thereby foster the increased political support and more adequate resources that are needed to sustain effective development partnerships. We can achieve a virtuous cycle of results, confidence and support that are mutually reinforcing.

In previous years I have sometimes posed questions in these overview chapters, framing the policy choices that lay ahead. In the 1996 *Development Co-operation Report*, reporting on the then recently adopted development partnerships strategy, I asked whether that strategy would prove to be a realistic vision or, in light of deeply entrenched gaps between theory and practice, only a mirage. I would like to end this overview chapter, in my final report, not with a question but with a confident assertion. While challenges remain, the economic turbulence of the past year has served to remind us all that we are living in a global age in which people everywhere share an interest in each other's well-being. The continued growth in patterns of socially and environmentally responsible consumption and investment, described above, demonstrates that people care about the welfare of others and the future of the planet. And the progress over the past two years in putting partnership principles into effect shows that the vision is real and is beginning to transform the practice of development co-operation. Therefore, I believe that the challenges will be met, that the doubts and fears will be sufficiently overcome, and that the international community will come together to make the vision a reality of people-centred economic, social and environmental achievement.

It has been a privilege for me to participate with many colleagues, in the OECD and throughout the international community, in a continuing struggle for all to share prosperity and justice in a new, more interdependent global age. Although I will no longer be in a position to contribute to this struggle as Chair of the DAC, I look forward to participating enthusiastically in other ways in the common effort. I know that the DAC will remain a vital force in the ongoing work to achieve development results through partnership.

Notes

1. As set out in detail in Chapter V, below, the decline in ODA volume has been most pronounced among the G7 countries. A number of smaller DAC donors have increased their assistance in recent years. However, this does not make up for the substantial reductions by the major donors. As observed in the most recent annual *Reality of Aid* report, "If policies were programmes and promises were dollars, the Reality of Aid could report great progress on the road to eradicating global poverty this year". Judith Randel and Tony German with Deborah Ewing, ed., *The Reality of Aid 1998/1999*, EUROSTEP and ICVA, 1998, p. 5.

2. See United Nations Development Programme, *Human Development Report 1998*, Oxford University Press, Inc., 1998, pp. 19-24. See also, James Fox, "Gaining Ground: World Well Being 1950-95", USAID, 1998. In this paper the author compiles data from published United Nations reports with respect to, *inter alia*, infant deaths, life expectancy, food and nutrition, and education and literacy.

3. See "The crisis in emerging Asia", *OECD Economic Outlook No. 63*, OECD, June 1998, pp. 9-22; "East Asia's financial crisis: causes, evolution and prospects", Global Development Finance 1998, World Bank, 1998, pp. 29-48. For an in-depth analysis of international financial instability and the world economy, including trade implications of the Asian crisis, see United Nations Conference on Trade and Development (UNCTAD), *Trade and Development Report, 1998*. United Nations, 1998. Prospects for developing countries after the Asian crisis and preventing future financial crises in developing countries are principal themes in the *1998-99 Global Economic Prospects*, World Bank, 1998.

4. See African Development Bank, *1997 Report*, 1998, pp. 22-24, 35-36, for an overview of the region's performance and prospects. Among other positive indicators reported, per capita income increased by more than two per cent over each of the last three years in 21 African countries. See also Stanley Fischer, Ernesto Hernández-Catá, Mohsin S. Khan, "Africa: Is This the Turning Point?", IMF, 1998; Report of the Secretary-General of the United Nations, "The causes of conflict and the promotion of durable peace and sustainable development in Africa", S/1998/318, 13 April 1998; UNCTAD, *op. cit.*, Part Two, "African Development in a Comparative Perspective".

5. See *Open Markets Matter: The Benefits of Trade and Investment Liberalisation*, Chapter 4, "Clouds Over the Market Openness Debate", OECD, 1998, p. 59, for a brief exposition of some of the principal fears about globalisation and responses to those fears. See also Gary Burtless, Robert Lawrence, Robert Litan and Robert Shapiro, ed., *Globaphobia: Confronting Fears About Open Trade*, Brookings, 1998. For a provocative view of globalisation as a "race to the bottom", see David C. Korten, *When Corporations Rule the World*, Kumarian Press, Inc., and Berrett-Koehler Publishers, Inc., 1995.

6. "Development Partnerships in the New Global Context", OECD, 1995, para. 4 (emphasis in the original). See David Landes, *The Wealth and Poverty of Nations*, W.W. Norton & Company, Inc., 1998, p. 523.

7. Strengthening the value added by evaluation is a core function of the DAC and its highly regarded Working Party on Aid Evaluation. See *Shaping the 21st Century: The Contribution of Development Co-operation*, OECD, 1996, p. 17.

8. A number of excellent presentations of the complexities involved in evaluating institutions, development outcomes and aid interventions are contained in Robert Picciotto, Eduardo Wiesner, ed., *Evaluation & Development: The Institutional Dimension*, World Bank, 1998. See also "A New Vision of Development Co-operation for the 21st Century", Proceeds of a 17 September 1997 symposium co-sponsored by the Japanese Overseas Economic Co-operation Fund and the World Bank, *Journal of Development Assistance*, Volume 3, No. 2, OECF, March 1998.

9. See, *e.g.*, Paul Collier, "The Failure of Conditionality", in Catherine Gwin and Joan M. Nelson, ed., *Perspectives on Aid and Development*, Overseas Development Council, 1997, p. 51, at pp. 64-66.

10. History demonstrates the importance of knowledge to development success. See Landes, *op. cit.*, note 6, Chapter 18 of which (at p. 276) begins with the prescription "Institutions and culture first; money next; but from the beginning and increasingly, the payoff was to knowledge". The continued relevance of this lesson of history is confirmed by contemporary research into current development efforts. The *World Development Report, 1998/99*, World Bank, 1998, subtitled "Knowledge for Development", addresses this crucial subject in depth. See David Dollar and Lance Pritchett, "Assessing Aid: What works, what doesn't and why", Policy Research Report, World Bank, 1998.

11. See the list of 66 countries furthest from attaining internationally agreed goals of economic and social development in 1997 *Development Co-operation Report*, OECD, 1998, p. 15. Information concerning developing countries, grouped according to their distance from internationally agreed goals, is kept up to date on the indicators web site, http://www.oecd.org/dac/indicators. See also note 4 to Chapter IV, below.

12. See Collier, *op. cit.*, note 9. The shortcomings of coercive approaches and unilateralism are thoroughly analysed by Tony Killick (with Romani Gunatiloke and Ana Marr) in *Aid and the Political Economy of Policy Change*, Routledge, 1998. This impressive study concludes that deep-rooted obstacles to making conditionality more effective tend to favour a more collaborative model based on local ownership and decentralised dialogue and support by external partners in furtherance of identifying and achieving shared objectives.

13. James Wolfensohn, Address to the Annual Meetings of the World Bank and the International Monetary Fund, 23 September 1997, http://www.worldbank.org/html/extdr/am97/jdw-sp/jwsp97e.htm.

14. See the thoughtful discussion of expectations for and effectiveness of aid in Catherine Gwin, "The Future of Multilateral Aid", in Kazuo Takahashi, ed., *Agenda for International Development 1998*, Foundation for Advanced Studies on International Development, 1998, p. 122.

15. See *Shaping the 21st Century: The Contribution of Development Co-operation*, OECD, 1996, pp. 8-11; *World Development Indicators*, World Bank, 1998, pp. 4-11; Report by the Secretary-General on ECOSOC session of 13-15 May 1998 on the integrated and co-ordinated implementation and follow-up of major United Nations conferences and summits (E/1998/19) and ECOSOC Resolution of 30 July 1998 (E/1998/L.42).

16. http://www.oecd.org/dac/indicators; http://www.worldbank.org/indicators.

17. G8 Birmingham Summit communiqué, 17 May 1998, para. 6, http://birmingham.g8summit.gov.uk.

18. For a historical review of traditional theories of development, including capital accumulation and the "two-gap" model, and the role of aid, see Charles P. Oman and Ganeshan Wignaraja, *The Postwar Evolution of Development Thinking*, OECD Development Centre, 1991.

19. UNGA Resolution 52/179, "Global partnership for development: high-level international intergovernmental consideration of financing for development", 14 January 1998.

20. Press statement by the DAC Chair, 9 April 1998, SG/COM/NEWS/(98)41, http://www.oecd.org.

21. Some anomalies in the targeting of aid in light of agreed development goals (*e.g.*, preference for higher education over primary education) and suggested changes are set out in the 1998 report of the United Nations Secretary General on the causes of conflict and promotion of durable peace and sustainable development in Africa, *op. cit.*, note 4, paras. 90-92. The issue of targeting aid for maximum effectiveness is analysed in depth in the impressive report of the research by David Dollar and Lance Pritchett, *op. cit.*, note 10. See the discussion of targeting aid on internationally agreed development goals in Chapter IV, below.

22. See OECD Ministerial Council Meeting communiqué, 28 April 1998, para. 37, SG/COM/NEWS(98)51, http://www.oecd.org.

23. Highlights of the Forum were published as "Moving Forward and Setting Priorities After Kyoto", COM/ENV/EPOC/DCD/DAC/IEA/M(98)1, OECD, 1998.

24. OECD Ministerial Council Meeting communiqué, 28 April 1998, para. 36.

25. *Loc. cit.*, note 20.

26. For example, the informal DAC document "Strengthening Development Partnerships: A Working Checklist", http://www.oecd.org/dac, reflects recommendations emerging from a forum convened with five partner countries in January 1998. (See Box II-1.) With respect to tied aid, the views of the developing countries were summarised as follows:

> "Practices involving tied aid are prominently identified among procedures that can impair local ownership and capacity building, with substantial economic and credibility costs. The proposal for a DAC Recommendation to start with untying aid to Least Developed Countries could be a step toward improved partnerships in this area, yielding additional tangible benefits for partners from competitive bidding and from local procurement."

27. *Loc. cit.*, note 22.

28. *Op. cit.*, note 17, para. 7.

29. See generally, *The World in 2020: Towards a New Global Age*, OECD, 1997, for an analysis of an inclusive vision of globalisation in which closer linkages between OECD and non-OECD economies can contribute to higher performance growth, improved living standards, environmental sustainability and global political stability. See also the alternative scenarios (market world, fortress world and transformed world) described in Allen Hammond, *Which World? Scenarios for the 21st Century*, World Resources Institute, 1998. An encouraging indication that a vision of global interdependence is reaching the private sector is a recently published book directed to an audience of business leaders. Professor Jeffrey Rosensweig persuasively demonstrates the business sense of a global growth strategy that includes often neglected developing countries and "can help save billions of people from a lifetime of poverty…" Jeffrey A. Rosensweig, *Winning the Global Game: A Strategy for Linking People and Profits*, The Free Press, 1998.

30. *Corporate Governance: Improving Competitiveness and Access to Capital in Global Markets*, OECD, 1998.

31. OECD Document OCDE/GD(97)40, 24 March 1997, http://www.oecd.org/daf/ cmis/mneguide.htm.

32. See Nick Mayhew, "Trouble with the triple bottom line", *Financial Times*, 10 August 1998, p. 8. It should be noted that these three dimensions of corporate performance (economic, social, environmental) are the three dimensions of sustainable development, and are the areas in which agreed international goals and indicators are being used to measure progress, as discussed in Chapter II of this Report.

33. See the Corporate Community Involvement website at http://www.charitynet.org/CCInet/index.html. See also Debora L. Spar, "The Spotlight and the Bottom Line: How Multinationals Export Human Rights", *Foreign Affairs*, Volume 77, No. 2, March/April 1998, p. 7; Jane Nelson, *Building Competitiveness and Communities: How world-class companies are creating shareholder value and societal value*, Prince of Wales Business Leaders Forum, 1998. The Washington, D.C.-based Ethics Resource Center estimates that 45 per cent of American companies had ethics offices in 1997, compared to 11 per cent in 1987. *Ethics Today*, Vol. 3, No. 1, Ethics Resource Center, Winter 1998.

34. This issue was discussed at a workshop on trade, environment and development co-operation, organised by the DAC Working Party on Development Assistance and Environment in July 1997. A summary of the workshop discussions was published as "Underpinning New Opportunities for Green Trade", OECD, 1997. This document is available on the DAC web site, http://www.oecd.org/dac. Minimising the confusion from a profusion of ethical labels and standards is an objective of the recently formed Ethical Trading Initiative. See http://www.ethicaltrade.org.

35. The 1998 *Human Development Report* explores links between consumption and sustainable human development and suggests ways in which changes to existing consumption patterns can have a positive impact on peoples' lives.

36. Based on data in the *World Development Indicators*. See, in particular, *1998 World Development Indicators*, section 4.9, "Growth of consumption and investment", World Bank, 1998, pp. 208-211. As pointed out in that publication (at p. 211), global consumption and investment are very difficult to estimate.

37. Social Investment Forum, *1997 Report on Responsible Investing Trends in the United States*, 1998.

38. These estimates are based on data provided by the Fairtrade Labelling Organisations International in Bonn. Letter dated 3 September 1998 from Julie Pereira, Executive Secretary, on file in OECD/DAC. See also *Development*, Vol. 41, No. 1, Society for International Development, March 1998, which is devoted to consumption, civil action and sustainable development. Civil society's role, through individual investing and consuming decisions, is a powerful influence in the evolution of the global development partnerships strategy that merits further study. In this regard, the OECD Environment Directorate is examining possible indicators of environmentally sensitive consumption patterns.

39. See Prince of Wales Business Leaders Forum, "Responsible Business", *Financial Times Guide*, 20 May 1998, and World Business Council for Sustainable Development, *Signals of Change: Business Progress Towards Sustainable Development, 1997*, for representative collections of articles and company profiles reflecting business views of responsibility.

40. http://www.cauxroundtable.org.

41. See Simon Webley, *Codes of Ethics and International Business*, Institute of Business Ethics, 1997, p. 24, for a comparative analysis of the ethical codes of ten multinational corporations. The same publication contains excerpts from voluntary business ethics codes adopted by the International Chamber of Commerce, the Caux Roundtable and an Interfaith Declaration. The strong interest in voluntary codes has caused the Government of Canada to develop a guide for their development and use, available on the Industry Canada website, http://strategis.ic.gc.ca/volcodes.

42. Commission on Global Governance, *Our Global Neighborhood*, The Oxford University Press, 1995, pp 2-7.

43. See *Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and Related Documents*, OECD, 1997. See also *Inter-American Convention against Corruption*, Organisation of American States, 1997. Evidence of the interplay between demands and expectations of civil society and the private sector and the evolution of public policy in the sensitive area of bribery and corruption is provided by the Declaration of the Eighth International Conference Against Corruption held in Lima, Peru, from 7-11 September 1997. This Lima Declaration is reproduced as Appendix 3 in *Corruption and Integrity Improvement Initiatives in Developing Countries*, United Nations Development Programme and OECD Development Centre, 1998.

44. See Final Report of the DAC *Ad Hoc* Working Group on Participatory Development and Good Governance, OECD, 1997. See also Amanda Bernard, Henny Helmich and Percy B. Lehning, ed., *Civil Society and International Development*, OECD, 1998; Sophie Bessis, "Les nouveaux enjeux et les nouveaux acteurs des débats internationaux dans les années 90", *Revue Tiers Monde, No. 151*, l'Institut d'étude du développement économique et social de l'Université de Paris I – Panthéon-Sorbonne, 1997, p. 659.

45. The key elements of effective, integrated development strategies are summarised as follows in paragraph 3 of the DAC policy statement, "Development Partnerships in the New Global Context", OECD, 1995. The full text of the statement is reproduced as an annex in *Shaping the 21st Century: The Contribution of Development Co-operation*, OECD, 1996.

- A sound policy framework encouraging stable, growing economies with full scope for a vigorous private sector and an adequate fiscal base.
- Investment in social development, especially education, primary health care, and population activities.
- Enhanced participation of all people, and notably women, in economic and political life, and the reduction of social inequalities.
- Good governance and public management, democratic accountability, the protection of human rights and the rule of law.
- Sustainable environmental practices.
- Addressing root causes of potential conflict, limiting military expenditure, and targeting reconstruction and peace building efforts toward longer-term reconciliation and development.

46. James Wolfensohn, *loc cit*., note 13.

47. The 1998 *Human Development Report*, at p. 29, estimates that in 1960 the 20 per cent of the world's people living in the richest countries had 30 times the income of the poorest 20 per cent. By 1995 they had more than 80 times the income of the poorest 20 per cent. See Nancy Birdsall, "Life is Unfair: Inequality in the World", *Foreign Policy*, No. 111, Summer 1998, p. 76, in which the author estimates that 80 per cent of the world's population lives in countries that generate only 20 per cent of the world's income.

48. Lionel Demery and Michael Walton, "Are Poverty and Social Goals for the 21st Century Attainable?", World Bank, 1998, demonstrates that poor countries with greater inequality require higher growth than poor countries with more equal distribution of wealth in order to achieve an equivalent degree of poverty reduction. See also Birdsall, *op. cit.*, note 47, for ideas on what to do, and what not to do, about inequality.

49. See James Lardner, "A New Health Hazard: Economic Inequality", *Washington Post National Weekly Edition*, 24 August 1998, p. 22. The linkage between inequality and human development is a consistent theme in the annual UNDP *Human Development Reports.*

50. See Ian Smillie and Henny Helmich, in collaboration with Tony German and Judith Randel, ed., *Stakeholders: Government – NGO Partnerships for International Development*, Earthscan/OECD, London 1999.

51. See Mort Rosenblum, "Reporting the Reality of Developing Societies", in *Public Support for International Development*, Colm Foy and Henny Helmich, ed., OECD, 1996, p. 127. See also Ian Smillie, "Optical & Other Illusions: Trends and Issues in Public Thinking About Development Co-operation", Ian Smillie and Henny Helmich, ed., *Public Attitudes and International Development Co-operation*, OECD, 1998, p. 19.

52. *Reality of Aid* 1997-1998, Eurostep ICVA, 1997, contains at p. 266 an estimate compiled by participating NGOs of spending in DAC Member countries on public information and development education. As this publication cautions, the absence of precise definitions precludes accurate inter-country comparisons. Nevertheless, the magnitude of the differences reported, ranging from $1.69 per capita in Sweden to $.01 per capita in the United States, suggests that there is a connection between the extent of education efforts and the degree of public understanding of the role of development co-operation. See also the treatment of public support in the 1998/1999 *Reality of* Aid, *op. cit.*, note 1, at p. 243. Ian Smillie describes the amounts spent on development education as "a very small cup of sand on a very large beach". Smillie, *op. cit.*, note 51, at p. 28.

53. See Colm Foy and Henny Helmich, ed., *Public Support for International Development*, OECD, 1996; Henny Helmich, "International Development Co-operation in Transition", *Development*, Vol. 40, No. 4, Society for International Development, 1997, p. 62.

54. A number of examples were cited by World Bank President James Wolfensohn in his 6 October 1998 address to the Bank's Board of Governors. In that address, he also proposed working with specific countries "in drawing up holistic frameworks that sharpen strategic vision". The partnership vision that he expressed was as follows:

> "What if it were possible for governments to join together with civil society, with the private sector, to decide on long-term national priorities? What if it were possible for donors to then come in and coordinate their support, with countries in the driver's seat, with local ownership and local participation? What if it were possible for these strategies to look 5, 10, 20 years ahead so that development could really take root and grow and could be monitored on an ongoing basis. Too ambitious some will say. Too utopian. But what if I told you it is already happening?"

1998 Annual meetings, press release No. 3.

II The tests of crisis and the development partnerships strategy

The international strategies for development and co-operation have passed the test of their basic validity, in the turmoil of the past year... The lessons of 1998 show that aid, even stripped to its most indispensable functions, is likely to be more needed, in more places, and perhaps for more years than might have been assumed when "Asian miracle" models began to promise so much. If present trends were to continue, the volume of development assistance would fade to insignificance long before the job was done.

1. Overview

This chapter takes stock of the 1998 work of OECD countries in the Development Assistance Committee with partner countries and other international institutions to put into practice the development partnerships strategy. The analysis must begin with some assessment of the impacts of the past year's global economic buffeting on the course of development and on the co-operation strategy. The overview by the DAC Chair in Chapter I has set out the challenges in staying the course in improving development co-operation itself, with a clear proposal to rapidly extend improvements to many more co-operation relationships over the next three years. The discussion here attempts to project the effects of the international financial crisis on the broad international consensus on development strategies which has taken shape over recent years and within which development partnership efforts have been set.

As 1999 begins, we still do not know the final outcome, and the full toll, of the turmoil that began in 1997 with the financial crisis in emerging Asia. The detailed discussion that follows in Chappter III has been based mainly on the firm data on 1997 financial flows. While it is clear to all that further enormous change has been taking place since, that careful year-to-year stocktaking remains important. For the more general projection here, it is evident that through direct economic impacts, and contagious confidence effects, all regions of the world have been pulled into the storm to some extent, including the most powerful economies. The wide spectrum of developing countries will feel diverse immediate and longer-term effects. At the same time, there are likely to be some important common challenges and debates facing a great many of them. The case of Indonesia provides one very important example of both the multifaceted impacts of crises, and of the debates that it triggered internationally.

Simultaneously with these spreading financial shocks, the international community, and Africans in particular, worked in

1998 to come to grips with continuing, and in some cases renewed, uncertainties in the development prospects of parts of the African continent. Tangible benefits had begun to emerge from reform in an increasing number of countries – and some special initiatives had helped to nurture a budding sense of "Afro-optimism". But during 1998 Africa and its friends have been faced with the setback of re-emerging and widening conflicts, while one major country, Sudan, has sunk into even deeper disaster. At the same time, while still uncertain, the outlook for Nigeria shows new hope. Most of Sub-Saharan Africa has attracted little attention in the concern over contagious economic instability. African capital importers and resource producers stand to see their economic prospects even further constrained, especially if recessionary pressures spread and deepen.

Also more uncertain, for political reasons, are the prospects for development and external co-operation in the two largest countries of South Asia – India and Pakistan – after their nuclear weapons tests in 1998 and active military tensions between them, especially over Kashmir. These uncertainties are further compounded by different political and economic policy problems within each country, and negative impacts from the international economic situation.

The implications of all these global and regional strains for development co-operation programmes will be substantial. At the same time the overall volume of aid resources continues to decline, albeit with sustained and improving performance among some donors. (Examples include the recent commitment of sustained upturns in the United Kingdom and Sweden.) Some of the more specific implications and questions relating to these trends are treated in this and following chapters.

2. Financial crisis: Collateral damage and emerging lessons

What broad lessons will ultimately be drawn from the fact that the current economic turmoil began, and hit so hard, in rapidly-emerging economies that had been widely viewed as models of successful growth and poverty reduction? How will those lessons affect the course being pursued in the development partnerships efforts traced in the coming pages?

In the longer term, perhaps one of the most important lessons of 1998 will be the evidence that an increasing number of developing countries has come to matter so much to global economic health and prospects. When the Southeast Asian economies and societies were hard hit, decision-makers and markets in the industrialised countries simply could not afford the kind of fatalistic detachment which had traditionally greeted "Third World" crisis. The spread of the storms to other regions in East Asia and Latin America, and the financial convulsion in Russia, triggered important economic, geopolitical and social concerns. Even while grappling with rising instability and public anxiety at home, the industrialised countries have heard remarkably few calls to retreat within any mythical "Fortress OECD". While protectionist pressures may yet worsen – and spasms of reaction against the perceived impacts of "globalisation" are strong in many industrialised countries – indifference to the economic situation of other parts of the world is clearly no longer an option. Even less can anyone seriously claim durable benefits to any one group of countries from the misfortunes of others. To this point at least, interdependence has become accepted as a fact of international life.

A second major lesson of the sudden and deep social impact of economic crisis on some of the most successful of the world's developing countries is that the benefits of growth, and even of the diffusion of opportunity and wealth within societies, need more time to take firm root than may have been assumed. There are solid reasons to expect that the dramatic setbacks to successful poverty-reduction in these countries will be temporary, but it is now also inescapably clear that the progress achieved was still fragile. This perception will have immediate and longer-term implications for the development strategies of developing and transitional countries themselves, and also for the levels and types of assistance to be provided by external partners to countries which may appear to be approaching self-reliance.[1]

There is much debate about what the recent crisis may teach about reliance on market-based development and economic openness in general. Debate concerning degrees of openness to certain types of international financial flows has been particularly intense. The countries most affected by the various types of financial shocks have responded with a wide range of measures – orthodox and less orthodox – and international debates have opened up among economists and economic institutions about appropriate prescriptions for the future to prevent, or treat, financial crises in countries facing different economic situations.

For most developing countries these debates may have important long-term policy implications, but less immediate application. The fact that private capital flows into developing countries have remained so heavily concentrated – 85 per cent of the global total into just 12 countries in 1997 – means that most other developing countries will have felt that much less immediate impact from rapid outflows. At the same time, the reversal or drying-up of even modest absolute flows into some smaller economies could both cause major short-term damage and stifle promising new shoots of private financing. Moreover, all developing countries are likely to suffer both short- and longer-term damage from the tarnished image of "emerging markets" in general. Latin American experience suggests that recovery from this kind of damage to confidence will take many years of hard effort. One very likely impact is that a wider group of countries, and needs, may again be competing for a diminishing pool of aid resources, bilateral and multilateral (see Chapter IV). As with social well-being and human resource development in the countries concerned, diminished investment, from all sources, in environmental infrastructure and services and resource management activities is likely to result in further enduring damage.

Moreover, demonstration effects of policies pursued by heavily-impacted countries, and the perceived outcomes of the new international debates, are likely to be very important for all developing countries. Many have only quite recently opted for market-based development strategies and increased openness. These countries have little appetite for trying to turn back the clock to a discredited interventionism. Nevertheless, they are understandably going to be deeply concerned about the right lessons for their own strategies to be drawn from the hard falls of the Asian "Tigers" and from the subsequent, much wider, economic shock-waves.

The international community owes them credible help in forming such conclusions. The OECD will aim to offer some findings in a forthcoming 1999 report requested by Ministers on the relationships between trade, investment and development, and the contributions that OECD can make to strengthening the coherence of policies affecting development. One implication that might be drawn is germane to the debate (within and beyond OECD countries) over multilateral investment rules. This point is that there are likely to be distinct advantages for developing countries being able to attract greater shares of foreign direct investment, sunk into local productive activities, and being less reliant on short-term debt flows. The latter have proven to be even more "footloose" than had been expected in the face of changing conditions and market sentiment. The issue of how foreign investment actually fits in the overall context of financing for development is one that has not been illuminated by much of the heated debate about the proposed Multilateral Agreement on Investment (MAI) – in which the proposed Agreement has become a general "lightning-rod" for all manner of perceived concerns about globalisation. It is worth noting the specific linkages drawn in the approach taken on these issues by Ministers and Heads of Agencies at the DAC High Level Meeting in April 1998, at the height of the debates:

> "Enterprise-based economic growth is essential for decisive reductions in poverty over time. DAC Members stressed the need to work with poorer countries, most of which do not yet generate or attract sufficient private investment flows, to create the kind of investment climate which will encourage both domestic and foreign enterprises, especially small and medium enterprises. Developing countries, now often at a disadvantage in attracting many kinds of investment, would benefit overall from more harmonized and predictable international rules... They agreed that they would continue and intensify their assistance to developing countries to improve their capacities to benefit from new investment opportunities."

A final set of lessons that has emerged very clearly from the recent crises – and indeed from earlier ones – is about the critical importance of trustworthy institutions, good governance (political and corporate), transparency and wide citizen participation in making development sustainable. This message was drawn out from earlier Latin American experience in the 1995 edition of this Report. It has been even more starkly clear in the experience of the past year. Prosperity is precarious when it is controlled by narrow and interlocking economic and political elites, and when it is not supported by foundations of sound, transparent institutions that encourage solid stakeholding by the largest possible numbers of economic actors and citizens. While no society can afford to become complacent about these institutional underpinnings – or finding the necessary balances between economic, social and political stability – these prerequisites are that much more difficult, and critical, for developing and transitional societies to achieve.

3. Testing the international strategies

The Chair's overview in Chapter I has outlined many of the ways in which a growing consensus in the international community about development goals and approaches has crystallised into a strengthening common framework for action which deserves and needs greater support. The latter parts of this chapter, and those chapters which follow, will trace many of the tasks underway to carry forward this action. But before going into the details of such implementation efforts, this is the point at which to pause and assess the implications of the major international economic storms of the past year for the basic directions of the collective development co-operation enterprise.

Critical examination shows that the agreed co-operation strategies of DAC Members have in no way been blown off course by the lessons of the Asian crisis. On the contrary, their basic thrusts have been reinforced. These emphases – captured in the 1995 statement on *Development Partnerships in the New Global Context*, and the 1996 report on *Shaping the 21st Century: the Role of Development Co-operation* – were clearly focused on helping strengthen the very foundations for development whose fragility has clearly made even some rapidly-growing countries vulnerable to major setbacks. The central importance of indigenous effort and leadership is unchanged, as are the key elements which need to be integrated in order to achieve sustainable development (and successful co-operation):

- "A sound policy framework encouraging stable, growing economies with full scope for a vigorous private sector and an adequate fiscal base.

- Investment in social development, especially education, primary health care, and population activities.

- Enhanced participation of all people, and notably women, in economic and political life, and the reduction of social inequalities.

- Good governance and public management, democratic accountability, the protection of human rights and the rule of law.

- Sustainable environmental practices.

- Addressing root causes of potential conflict, limiting military expenditure, and targeting reconstruction and peace-building efforts toward longer-term reconciliation and development."[2]

However, while the long-term strategies for success appear as sound as ever, setbacks in Asia and elsewhere show that the requirements for countries to achieve, *and sustain*, this success may be even more demanding than had been expected. The course will be longer, less direct and more uneven than the various Asian "miracles" were leading many to hope.

The main implications for aid donors appear to be similar ones. Development progress remains impressive, by any historical standard, even if there are important setbacks from time to time, as indeed there were in the development history of each of today's industrialised countries. The "investment" potential of development co-operation is further enhanced for donor countries by the more apparent stake they share in the stability and growing prosperity of countries in other regions. The focus of aid on helping build capacities and institutions to support developing countries' own sound policies and efforts and to leverage all the other resources for development is reinforced. The need remains for maximum effectiveness and efficiency in aid, for a focus on helping to reduce poverty durably, and on applying all the lessons and partnership approaches that are identified in the sections below. Consistent, pro-development policies in other relations with developing countries are no less vital – including measures to help them co-operate within their regions and integrate successfully into the world trade and investment systems – if they are to build sustainable economic, social and political stability.

The international strategies for development and co-operation have passed the test of their basic validity in the turmoil of the past year. It is less clear that they will pass the tests of perseverance and of the needed tangible support. It will be a forbidding set of tasks for developing countries to meet, and secure, the basic goals of improved well-being by the year 2015. The lessons of 1998 show that aid, even stripped to its most indispensable functions, is likely to be more needed, in more places, and perhaps for more years than might have been assumed when "Asian miracle" models began to promise so much. If present trends were to continue, the volume of development assistance would fade to insignificance long before the job was done.

4. Progress in implementing the strategy

DAC Member agencies and other development co-operation organisations have been working on different strands of partnership practice and improved aid systems for many years. The agreed DAC principles and guidelines have both reflected and supported this movement. Now, some fifteen reports of Members' efforts[3] over the past year, together with information emerging from DAC Peer Reviews and other sources, show that many agencies are taking a more explicit and systematic approach to co-operation arrangements and techniques based on ownership and participation by the authorities and civil societies of developing countries themselves. Encouragingly, these accounts also show that a wide range of developing countries in all regions have begun, in varying degrees, to exercise their own leadership in producing their strategies and in co-ordinating with their external partners. The record of these individual cases, however, also underlines that much more needs to be done to help developing countries strengthen their capacities to lead the co-ordination process, and that external partners generally need to gear themselves better to support these changes. There remain some persistent tendencies by donors to focus more on their own programmes than on harmonized support for locally-owned development.

DAC Members' joint work in the OECD has advanced an action-oriented dialogue with developing countries on implementing new partnership approaches. In January 1998, the DAC organised a forum of development partners, addressing some key issues in the implementation process, namely ownership and donor procedures. Discussions took place on the basis of country case presentations by government representatives from Egypt, Mali, Mozambique, Tanzania, and Uganda, which were commented upon by representatives of the civil society and the donor community field officers in the countries concerned. The DAC Senior Level Meeting, which was held back-to-back with this forum, provided a succinct, eleven-point checklist of possible areas of action to help advance ownership and simplify and harmonize donor procedures (see Box II-1). These senior officials recognised how difficult and complex it can be for donors to actually adjust their procedures to those of host countries, even in those cases where sufficiently strong local procedures are already in place. On this basis they suggested the most useful next step might be to flexibly adapt their policies in a small number of experiments to work through the problems, test the feasibility and benefits of change, and share good practice.

The DAC's in-country Review of the International Aid System in Mali has, in the past year, helped guide a far-reaching process of re-examination. A number of directions for action have emerged, with relevance well beyond the individual case of Mali, although that country, with strong leadership by its authorities and civil society, will remain a prime case for testing improved practices. A special meeting was convened in Paris in March 1998 by the two Malian ministers most directly involved, and specific proposals from

Box II-1.

Strengthening partnerships for development

A working Checklist from the Senior Level Meeting of the Development Assistance Committee, January 1998

As part of the continuing work of the OECD's Development Assistance Committee (DAC) aimed at effective implementation of the development partnerships strategy, a Forum of Development Partners was convened in conjunction with the Committee's Senior Level Meeting in January 1998. The Forum presentations – focused on five partner countries, together with much other experience by DAC Members – led the Senior Level participants to the following points as a working checklist to guide efforts toward improving partnerships, and simplifying and harmonizing donor procedures:

1. Donors should encourage recipient partners to formulate their own development strategies – setting out the local priorities, plans and instruments for implementing such strategies. This process should systematically involve civil society, as well as consultation with external partners. Where such locally-owned strategies are compatible with internationally agreed goals, donors should work to implement their aid programmes in a co-ordinated manner on the basis of such locally-owned strategies and accept their discipline.

2. Donors should stimulate and help strengthen recipient partner-led co-ordination of development co-operation. The capacity for local co-ordination (which can and should also strengthen the international process) may be improved by donors' own delegation of decision-making authority from headquarters to field missions. At the international level, the possible advantages and disadvantages of organising Consultative Group (and Round Table) meetings in the capitals of the recipient partners concerned, should be further tested in practice.

3. Transparency of donor and recipient partner interests and mutual trust should be increased through continuous dialogue, both informal and through systematic work on themes and sectors through standing sub-groups, preferably led by the host government.

4. External partners should agree in principle to adjust more to local procedures, where necessary helping recipient countries to bring their procedures and management capacities up to international standards. There may be useful DAC roles in identifying best practices and helping organise pilot exercises to move toward the simplification and harmonization of procedures.

5. Practices involving tied aid are prominently identified among procedures that can impair local ownership and capacity-building, with substantial economic and credibility costs. The proposal for a DAC Recommendation to start with untying aid to Least Developed Countries could be a step toward improved partnerships in this area, yielding additional tangible benefits for partners from competitive bidding and from local procurement.

6. Donors share the objective of ending the proliferation of projects and providing their aid increasingly in forms of programme and budget assistance to support the country's strategic priorities for development. To this end, they need to help strengthen partner countries' capacities to manage such aid, and further test the various approaches and conditions under which they can pool their contributions in country funds for major sectors or key goals *e.g.,* poverty eradication. The integration of aid spending into the overall budget context may require donors to manage their own significant inputs differently to help strengthen local revenue pools.

7. There is a widely felt need to support local capacity building by changing the existing modalities for providing technical co-operation, which often appears expensive and excessive, hampering true ownership and the use and development of local capacities.

8. The practices of joint monitoring and evaluation of development programmes by donor and recipient partners should be further developed and applied, with a view to learning together the lessons of achievements and failures.

9. Improving the coherence between external partners' development co-operation policies and their other policies (such as those affecting trade and investment) affecting recipient partners is clearly seen as increasingly important to help the developing countries concerned move toward reduced dependence on aid.

10. Innovative ways of financing should be constructed so as to have ODA play catalytic and leverage roles in generating and attracting other forms of domestic and foreign investment; the roles of grants, loans, forms of support for the local private sector, and "matching" contributions by beneficiaries merit further careful assessment and coherent policies.

11. External partners should continue to help lessen the debt burden of recipient partners; in this context, among others, the modality of various types of "debt swaps" should be considered.

that consultation are summarised in Box II-2. In September 1998, during the UNDP Mali Round Table, a follow-up process and structure were agreed upon between the government and external partners. Improved partnership arrangements would be sought in increments, beginning with current efforts to assist decentralisation and in important social sectors like education and basic health. OECD support for the Mali-led structures will continue, through the Club du Sahel.

While preparing for the small number of experiments to test recommendations emerging from the eleven-point checklist and the more general findings of the Mali Aid Review, the DAC intends to take into account experience to date in various ongoing international pilot efforts, the coverage of which is summarised in the matrix in Table II-1. Among the most important of these pilots are the following:

United Nations Development Assistance Framework (UNDAF). As part of the ongoing UN reform, it has been agreed that the UN programmes will be formulated and presented as part of a single United Nations Development Assistance Framework with common objectives and time frames. Programme funds managed by each of the programmes and funds would be included in the document, but remain clearly identifiable. Preparation would entail collaborative programming and close consultation with governments, including compatibility with Country Strategy Notes wherever they exist. In 1998, an UNDAF pilot effort entered its country implementation phase in eighteen countries: Colombia, Ghana, Guatemala, India, Kenya, Madagascar, Malawi, Mali, Morocco, Mozambique, Namibia, Philippines, Romania, Senegal, South Africa, Turkey, Vietnam, and Zimbabwe. Close collaboration with the World Bank is planned in two pilot countries, namely Vietnam and Mali, to promote complementarity between UNDAF and the World Bank's Country Assistance Strategy (CAS).

Box II-2.

Mali Aid Review

Proposals from a consultation meeting in Paris, March 1998

A. Operational principles for the change process

A set of operational principles were discussed as a possible underpinning for the change process. They are as follows:

– The joint effort to improve the international aid system is in support of Mali's own development strategies and efforts. The aid system should always be seen as a supportive mechanism, and not as an end in itself.

– An in-country mechanism, including key Malian ministries and major donors, should be created to monitor reforms and deal with any obstacles that may arise.

– During a pilot phase (*i.e.* 18 months) both sides would agree to adapt or temporarily waive certain procedures that hinder local ownership, co-ordination and management of aid-funded activities. The objective would be to harmonize along the lines of national procedures but ones which meet internationally acceptable accountability standards.

– In the spirit of partnership, changes would be made on both sides and a strong element of reciprocity built into the pace of change.

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– The system can only become more effective if subject to monitoring of indicators of results – the new working set of agreed core indicators for development progress, together with Mali's identification of its top priority indicators, should help guide this effort. The indicators to assess aid contributions need to be further developed.

– The reform of the international aid system should be monitored periodically at high level in order to draw out generic lessons and sustain the political commitment to change. This could take place during regularly scheduled international meetings (UNDP Round Table meetings, Bank-Fund Annual meetings, DAC Senior Level and High Level meetings).

B. Proposed immediate steps to carry forward the process

On the Malian side

- Initiate an annual process of ranking national development priorities consistent with a medium-term budgetary framework that is discussed in the presence of all sectoral ministers and interested donors.
- Confirm budgetary counterpart contributions for all projects and programmes.
- Consolidate and disseminate information on aid to the general public in various forms.
- Agree to systematically audit projects and programmes and make audit reports public.
- Identify key positions in the administration essential for taking leadership in aid co-ordination and management.
- Define terms of reference and recruit personnel for the key positions identified above.
- Establish a plan for reinforcing institutions including specific inputs expected from the donor community.
- Stabilise key personnel assignments for integrating NGOs into the international aid system.

On the donor side

- On a pilot basis, waive practices that create distortions and onerous administrative burdens on national procedures (procurement tying and requiring tax exemptions on aid-financed equipment and services were promptly identified).
- Regularly provide information to the authorities on aid uses and amounts by type of expenditure.
- Agree to timely disbursements of funds once agreed requirements have been met.
- Agree to assure sufficient representation and delegation of authority within Mali as well as adequate capacity to pursue experimental approaches.
- Provide support as requested to the key positions and structures during a transition period while the government achieves necessary changes through civil service reform.
- Stabilise field personnel during the experimentation period.

Special Programme of Assistance for Africa (SPA). Experience with Sector Investment Programmes and Sector-Wide Programmes has shown that one considerable problem engendered by multi-donor participation is the burdensome plethora of administrative and procedural requirements imposed on local institutions by the donors. This tends to absorb rather than develop local capacity. As a consequence, donors represented in the Economic Management Working Group of the SPA have agreed to make a co-ordinated effort to harmonize and streamline administrative and procedural requirements. To this end, five "focal" sector programmes (Ethiopia Education, Ghana/Health, Côte d'Ivoire/Education, Mozambique/Agriculture, and Zambia/Health) have been selected, for

Table II-I.

Matrix of development co-operation pilot exercises

Countries	OECD/DAC	DAC Members	World Bank	United Nations	European Commission
AFRICA					
Benin	Governance/Switz		SPA[1]		
Burkina Faso	Governance/NL		SPA	Governance	
Burundi			SPA		
Cameroon			SPA		
Central African Rep.			SPA		
Chad			SPA	CONTACT[2]	
Comoros			SPA		
Congo			SPA		
Côte d'Ivoire			Lead[3] & SPA[4]		Co-ordination[5]
Egypt				Governance	
Equatorial Guinea			SPA		
Eritrea			SPA		
Ethiopia		S21/Japan	Lead & SPA[6]		Co-ordination
Gambia			SPA		
Ghana		S21/Japan	Lead & SPA	UNDAF[7]	
Guinea			SPA		
Guinea-Bissau			SPA		
IGAD[8]		S21/Italy			
Kenya			SPA	UNDAF	
Madagascar			SPA	UNDAF	
Malawi	Governance/US		SPA	UNDAF	
Mali	Aid Syst. Review Governance/France		SPA	UNDAF	
Mauritania	Governance/UNDP		SPA		
Mozambique		S21/Netherlands	SPA[9]	UNDAF	Co-ordination
Namibia				UNDAF	
Niger			SPA		
Rwanda			SPA		
Sao Tomé & Principe			SPA		
Senegal		S21/Japan	SPA	UNDAF	
Sierra Leone			SPA		
South Africa				UNDAF	
Tanzania		S21/Nordics, Japan	SPA	Governance	
Togo			SPA		
Uganda	Governance/Denm.		Lead & SPA		
Yemen				Governance CONTACT	
Zambia			SPA[10]		
Zimbabwe		S21/Japan		UNDAF PACT Reg. Office[11]	
ASIA					
Bangladesh					Co-ordination
Cambodia		S21/Japan			
China				Governance	
India				UNDAF	
Mongolia				CONTACT	
Nepal				Governance	

Table II-I. *(continued)*

Matrix of development co-operation pilot exercises

Countries	OECD/DAC	DAC Members	World Bank	United Nations	European Commission
Philippines				UNDAF	
Vietnam			Lead	UNDAF	
ARAB STATES					
Morocco				UNDAF	
LATIN AMERICA					
Bolivia	Governance/Ger.	S21/US	Lead	Governance	
Colombia				UNDAF	
Costa Rica	Governance/UNDP				Co-ordination
Guatemala				UNDAF	
Haiti				Governance	
Peru		S21/Japan			Co-ordination
Dominican Republic			Lead		
E. Caribbean States			Lead		
OCEANIA/ PACIFIC					
South Pacific		S21/Australia			
EUROPE/CIS					
Azerbaijan				CONTACT	
Kyrgyzstan				Governance	
Moldova				CONTACT	
Turkey				UNDAF	

1. Special Programme of Assistance (SPA) to low-income debt-distressed countries in Sub-Saharan Africa. *Key objectives of SPA-4 (1997-99) include: i) substantial poverty reduction within a five to seven year horizon; ii) provide quick disbursing assistance to countries which undertake poverty reducing economic reform; iii) play a catalytic role in consensus building and ownership, in Africa and donor countries, on the difficult reform agenda that lies ahead; iv) continue its work on improving the modalities for delivering quick disbursing assistance; and v) continue the emphasis on the broad sector investment approach with the objective of increasing the development impact of public expenditures. Various experiments/pilots have been conducted or are on-going to enhance these objectives.*
2. Country Assessment in Accountability and Transparency.
3. "Lead" countries where the World Bank is expecting early implementation of the partnership approach outlined in its document "Partnership for Development: From Vision to Action" discussed at an informal meeting of the Bank's Board in September 1998.
4. Pilot on common implementation arrangements in the education sector.
5. These pilots were conducted during 1994-97, and the results have been used to formulate guidelines for operational co-ordination, which were adopted in March 1998. The principal objectives of these guidelines are listed above.
6. Pilot on common implementation arrangements in the education sector.
7. United Nations Development Assistance Framework. *The idea is to formulate and present UN programmes of assistance as part of a single assistance framework with common objectives and time frame, in order to achieve goal-oriented collaboration, programmatic coherence and mutual reinforcement.*
8. Inter-Governmental Authority on Development in the Horn of Africa.
9. Pilot on common implementation arrangements in the agricultural sector.
10. Pilot on common implementation arrangements in the health sector.
11. Regional Office of the UNDP Programme for Accountability and Transparency (PACT).

which the participating donors have agreed to make a concerted effort, in close co-ordination with recipient governments, to move toward common implementation arrangements. Of these programmes, the one on the health sector in Zambia seems to have advanced the furthest. In a related experiment in Burkina Faso, the European Commission is leading a test on a new approach to conditionality. Among other outcomes, this test has so far resulted in a proposed list of indicators for measuring performance in the areas of budget management and equitable growth. A recent evaluation of the SPA is expected to help further focus the Programme's efforts, while strengthening regional perspectives and the role of African partners.

European Commission Pilots on Co-ordination. These pilots were conducted during 1994-97 in Bangladesh, Costa Rica, Ethiopia, Côte d'Ivoire, Mozambique and Peru. The results have been used to formulate general guidelines for operational co-ordination, which were adopted in March 1998. The principal objectives of these guidelines are:

- strengthening the capacity of recipient countries to take the responsibility and self-government of their development process;
- lessen the administrative burden of recipient countries;
- increase the effectiveness of development co-operation of the Community and its members, as well as that of all donors together;
- ensure the coherence of the Community's and its members' co-operation activities with the common policy orientations adopted by the Council and ensure the complementarity of their actions in the framework of an unique strategy formulated by the recipient countries themselves; and
- optimise the presence of the European Union in the field of development.

5. Monitoring development progress

Last year's Report noted the progress in achieving broad support for identifying a core set of development indicators to monitor progress towards the global development goals selected in the development partnerships strategy. A first seminar was jointly organised by the OECD, the United Nations and the World Bank in Paris in May 1997, with participation from developing countries and NGOs. That event took stock of the broad range of work underway on indicators of development progress and agreed to establish working groups in each of the major fields covered by the goals. Over the following months, these working groups discussed in detail the indicators available for the various goals and consulted others about the most appropriate and manageable selection to use for monitoring progress. Their proposals were put to a second broadly-based meeting, held in February 1998, where participants, including policy makers and statisticians from developing countries, agreed to focus their efforts on a working set of core indicators. Box II-3 lists the indicators in the set and the goals to which they relate.

The working set of indicators is providing an impetus for creating an agreed system for tracking progress in implementing the goals of recent global conferences. Such a system would monitor key development objectives without adding to data collection and reporting burdens on developing countries. The aim is to provide a compact information tool to help improve public understanding of development

Box II-3.

Measuring development progress: A working set of core indicators

Goals	Indicators
Economic well-being	
Reducing extreme poverty The proportion of people living in extreme poverty in developing countries should be reduced by at least one-half by 2015. *(Copenhagen)*	1. Incidence of extreme poverty: population below $1 per day 2. Poverty gap ratio: incidence times depth of poverty 3. Inequality: poorest fifth's share of national consumption 4. Child malnutrition: prevalence of underweight under 5s
Social development	
Universal primary education There should be universal primary education in all countries by 2015. *(Jomtien, Beijing, Copenhagen)*	5. Net enrolment in primary education 6. Completion of 4th grade of primary education 7. Literacy rate of 15 to 24 year-olds
Gender equality Progress towards gender equality and the empowerment of women should be demonstrated by eliminating gender disparity in primary and secondary education by 2005. *(Cairo, Beijing, Copenhagen)*	8. Ratio of girls to boys in primary and secondary education 9. Ratio of literate females to males (15 to 24 year-olds)
Infant and child mortality The death rates for infants and children under the age of five years should be reduced in each developing country by two-thirds the 1990 level by 2015. *(Cairo)*	10. Infant mortality rate 11. Under 5 mortality rate
Maternal mortality The rate of maternal mortality should be reduced by three-fourths between 1990 and 2015. *(Cairo, Beijing)*	12. Maternal mortality ratio 13. Births attended by skilled health personnel
Reproductive health Access should be available through the primary health-care system to reproductive health services for all individuals of appropriate ages, no later than the year 2015. *(Cairo)*	14. Contraceptive prevalence rate 15. HIV prevalence in 15 to 24 year-old pregnant women[1]
Environmental sustainability and regeneration	
Environment [2] There should be a current national strategy for sustainable development, in the process of implementation, in every country by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015. *(Rio)*	16. Countries with national sustainable development strategies 17. Population with access to safe water 18. Intensity of freshwater use 19. Biodiversity: land area protected 20. Energy efficiency: GDP per unit of energy use 21. Carbon dioxide emissions

(continued on next page)

(continued)

Box II-3.

Measuring development progress: A working set of core indicators

General Indicators

Other selected indicators of development

For reference: Population
Gross National Product

GNP per capita	Aid as % of GNP
Adult literacy rate	External debt as % of GNP
Total fertility rate	Investment as % of GDP
Life expectancy at birth	Trade as % of GDP

This list is neither exclusive nor comprehensive and some elements (*e.g.* environment) remain under discussion. It reflects progress to date in identifying core indicators that are relevant to the development goals selected from the series of UN Conferences held in the 1990s, and which now form a wide consensus on development priorities. The goals were selected because they were important in their own right and as meaningful proxies for broader development goals. The selection does not imply any diminished commitment to other goals accepted by the international community, at international conferences or elsewhere. The list reinforces other indicator initiatives, such as the Minimum National Social Data Set of the United Nations Statistics Division, and the General Data Dissemination System of the IMF.

Like the goals, the indicators are inter-related and should be seen as a whole. They constitute a core set reflecting key aspects of economic and social well-being and environmental sustainability. Thus some indicators address more than one goal, but for brevity are shown only once; for example: child malnutrition is also an indicator of health status; attended births also indicate access to reproductive health services; literacy is a key determinant of economic well-being and health; while freshwater is an environmental resource, access to it directly affects the quality of women's lives and the health of their children. Moreover, the majority of the indicators can be disaggregated by gender to measure the extent of inequality.

There are many sources for indicators. This set will be published annually in the *Development Co-operation Report*, and put in the context of other indicators in the *Human Development Report* published by the United Nations Development Programme and *World Development Indicators* published by the World Bank. Those interested in more detail of development issues and indicators are referred to these publications.

1. Until satisfactory data coverage is achieved on this indicator, the prevalence of HIV infection in all adults will be used.
2. Indicators for land use, marine environment and air quality will be added to the list later.

challenges and progress. The UN system is considering the set alongside its own Development Assistance Framework (UNDAF) and the Minimum National Social Data Set (MNSDS) with the aim of arriving at a universally shared set in 1999. The World Bank has included projections and analysis in relation to the goals in the 1998 edition of *World Development Indicators*.

A new Internet site (http://www.oecd.org/dac/indicators) gives the general public an insight into the internationally agreed goals and the challenges involved in meeting them, as shown by the working set of core indicators. Efforts to refine the indicator set and improve data coverage and comparability are continuing: the World Bank is revising its internationally comparable estimates of the numbers of people in absolute poverty; suggestions have been invited to enhance the usefulness of the environmental indicators and extend them to cover land use, marine environment and air quality; and work is continuing to identify acceptable indicators for participatory development and good governance. This further work will be jointly reviewed in the year 2000.

The indicators set will also serve as a focus for ongoing efforts to help to build statistical capacity in developing countries through collaboration of interested bilateral and multilateral donors and partner countries to improve co-ordination of assistance to statistical activities.

6. Partnership, aid effectiveness and difficult choices

Aid effectiveness and partnership with the host country governments, institutions and people

Detailed evaluation studies of development projects and programmes bear out the emphasis now being placed on real partnership for successful development co-operation. In a recent sample analysis of more than 900 World Bank projects, good borrower performance is judged critical to determining project outcome in that it raises the probability of a satisfactory outcome rating by 35 to 40 per cent. This type of "performance" in partnership implies that stakeholders must have ownership of programmes. A study entitled "Ownership in the Finnish Aid Programme", published in 1996, found that in the 1980s Finnish aid projects were generally not "ownership-friendly". The identification of problems and their solutions were largely in the hands of Finnish nationals and of senior public servants in recipient countries. The study goes on to say that the role of aid recipients – people and institutions – in the formulation and implementation of aid programmes is now being greatly expanded, and improved aid quality is expected to result.

Many other case studies support this expectation. A participatory evaluation of the World Bank-funded rural development scheme in Sri Lanka found that participation by stakeholders and beneficiaries in all phases of a project – including evaluation – is extremely important for long-term sustainability. In this programme, participation was key to many improvements in the project design and led to considerable changes in subsequent projects. Today it is considered a very successful programme, involving both NGOs and the private sector.

NGOs and effectiveness

NGOs are often important actors in development co-operation. A recently completed study by the DAC Working Party on Aid Evaluation[4] provides insight into the relationships between partnership and the effectiveness of NGOs. The assessment found that more than 90 per cent of the programmes had achieved their objectives. However, impact on the poor varied, from significant benefits to little clear-cut evidence of improvement. Most NGO projects were found to reach the poor, but often not the poorest. They were not sufficient in themselves to enable poor people to lift themselves out of poverty.

Critical factors contributing to success were that programmes involved the beneficiaries and responded to local needs. Together with competent staff, clear vision, sound project design and institutional capacity, real participation is again a major factor in project success. Clearly, a policy lesson to external partners is to focus on programmes which respond to well articulated needs, and where beneficiaries are directly involved.

Some studies, notably by the Nordic countries, pointed to shortcomings by the NGOs in relation to participation. They found that top-down, non-participatory NGO projects are still part of current practice. However, they noted that no degree of participation can fully compensate for poor project management and unfavourable external circumstances. Participation seems to be a reinforcing and interacting factor for project success.

Despite the growing interest in evaluation, there is still a lack of reliable evidence on the impact of NGO projects and programmes due to insufficient monitoring and base-line data, hasty evaluations and a focus on outputs rather than outcomes and broader impact. Further efforts are needed here by NGOs and their funders and partners.

Effectiveness and partner country performance

Recent evaluation and research work on aid has strongly borne out the long-standing observation that aid can be very effective in providing support, but only in a sound policy environment. In other situations, where the host country institutions and policies are less effective, aid is critically hampered, and may even fail to reach its main objectives. With strengthened concern about the effectiveness of aid programmes and increasingly scarce resources, the instinctive reaction in some quarters is to argue for providing aid only to the countries where there is assurance that it can be effectively used.

Attractive as such a simple "performance yardstick" might seem – and it would certainly reduce the pressures and risks for aid practitioners – they recognise that its literal application would be a "cop-out". A major challenge for aid, and part of its *raison d'être*, alongside domestic and market resources, is precisely to try to address the difficult cases and sometimes even those perceived as hopeless, such as failed states, those in conflict, or those where governments have little or no commitment to the well-being and opportunities of their own people.

As noted in Chapter I, policy debate on these topics among DAC Members suggests that – while major inflows of aid are not wise in countries without a government commitment to the kinds of development goals agreed by the international community – some constructive alternatives to confrontation or isolation may still be available. Dialogue can be maintained, and donors can be strongly selective in providing support, concentrating on poverty reduction and promoting the development of a pluralistic society through the use of non-government channels.

In failed states and countries in conflict, humanitarian aid is not enough. Efforts are needed to address the causes of the conflict. Here, development co-operation may need to be more closely linked to foreign policy measures such as (in some suggestions): withholding arms from all combatant groups; maintaining dialogue with all groups holding some power; and underpinning peace efforts through development assistance in semi-conflict/semi-peace situations. To this end, a particular country's evolution should be judged against its own record and circumstances and not against that of others.

Clearly, the challenge of assessing and responding to "performance" in these complex country situations becomes a multi-dimensional and highly qualitative notion encompassing political, economic, institutional and even ethical factors. Even under more stable development circumstances where realistic, mutually-agreed performance criteria are important, these are unlikely to be implemented through any mechanistic application.

In practical and responsible terms, then, the issue is not so much whether the donor community can focus on the good performers. The key questions relate to the choice of strategy, programme emphasis and selection of instruments, as well as the partners, including NGOs and civil society, with whom donors can work. The difficult task for aid in many "non-performing" countries is to stimulate change on a step-by-step, and often long-term and indirect basis, recognising that quick and dramatic improvements are rarely the stuff of true development.

7. Key current issues

Poverty reduction

Despite a half-century of unprecedented progress in improving economic well-being and reducing poverty in many countries, it is estimated that some 1.3 billion people – almost a quarter of the world's population – continue to suffer from acute poverty as defined by the minimum income standard of $1 per day, and accompanied by many other forms of deprivation. These people are ill-clothed, ill-housed, in poor health, malnourished or starving. They live precariously on the edge of existence. Most live in developing countries. Many are illiterate. Disproportionately, they are women and – perpetuating the tragic costs – children.

Development assistance can claim significant achievements in helping improve the livelihoods and well-being of poor people over the past fifty years, but much remains to be done. Even while the proportion of people living in extreme poverty continues to be reduced – notwithstanding important setbacks at times in some countries – the absolute numbers of very poor people are still rising.

Against this very mixed background of experience, DAC Members have agreed to give central importance to finding the most effective ways of helping very poor people to durably improve their lives. As one step in this concerted effort, in December 1997 the DAC and the OECD Development Centre brought together leading practitioners from the academic community, partner country governments and civil societies, and development co-operation agencies, for an extraordinary forum in Paris on key elements for poverty reduction strategies. Participants debated the strengths and weaknesses of different poverty reduction strategies, policies and instruments, from a wide variety of perspectives and experience. Several key guideposts emerged for further intensive work:

- Poverty is much more than just income deprivation: it includes other, more qualitative aspects of life such as ill-health, illiteracy, lack of access to basic services and assets, insecurity, powerlessness, social exclusion, physical isolation and vulnerability – and these must be factored into policies and programmes for reducing poverty.

- To have durable impact, poverty reduction must effectively strengthen participation, empowerment, and capacity development to help bring fundamental social and political changes that will allow people to break out of extreme poverty.

- Strategies must move beyond simple assumptions about the relationships between economic growth, equity and poverty reduction – at certain points a measure of equity is a huge multiplier of the benefits of growth.

- While improved education and health remain key underpinnings for reducing poverty, sheer public spending in these areas is now considered secondary to institutional and policy reforms that increase the effectiveness of, and access to, these services.

The poverty forum also critically examined experience in donor performance in helping combat poverty and highlighted the need to distil relevant best practice. Poverty reduction has long been the chief underlying goal of development assistance for many donors but the principal lines of attack have been buffeted by uncertainties. Direct support for "basic human needs"– primary education, basic health services – came to be buttressed by work in infrastructure and microenterprise development and funding structural adjustment for more sustainable growth. Some central suggestions emerged for improving future donor support: getting assistance through to poor people so that they will have more tools of development in their hands; strengthening participation itself; helping more partner countries to generate and "own" poverty reduction strategies; help strengthen basic social services; and translate poverty reduction policies of donors into operational realities at the field level.

The poverty forum triggered heightened interest and determination among DAC Members to pursue a collective work programme to deepen this analysis and apply the key lessons for development co-operation work. With their sights set on the goal of halving the proportion of people living in extreme poverty in the developing world by 2015, Ministers and Heads of Aid Agencies, at the 1998 DAC High Level Meeting, agreed to produce a set of "best practice" guidelines of practical value to donor agencies as well as other development actors. This work, which will strongly reflect field perspectives and partnership approaches, will focus on:

- identifying effective, gender-sensitive, sustainable strategies, policies, instruments and channels for reducing poverty;
- promoting greater understanding and agreement on basic approaches, tools and analytical methods for assessing and addressing poverty reduction problems and needs; and
- helping donors operationalise poverty reduction strategies.

Work towards agreed guidelines on effective poverty-reduction strategies can draw, and build, upon long-standing DAC work on gender and development, captured in updated guidelines in 1998, together with the new "Source Book" described in Box II-4.

Governance, conflict and development co-operation

The partnership approach charted in *Shaping the 21st Century: The Contribution of Development Co-operation* has important implications for how development co-operation agencies provide support for improved governance and for conflict prevention and peacebuilding. Linked with the other dimensions discussed in the 1994 Development Co-operation Report in a wider vision of human security, these two sets of issues are closely connected but have frequently been dealt with separately in development co-operation agencies. While good governance has come to be considered an integral part of development programmes (as reflected in DAC Guidelines adopted in December 1993 and follow-up work in related areas), peacebuilding and conflict resolution support have often been approached as part of emergency/humanitarian assistance.

The future effectiveness of support to good governance and participatory development, on the one hand, and to peacebuilding and conflict resolution, on the other, will depend, at least in part, on the extent to which the linkages between these two sets of needs are recognised. The *DAC Guidelines on Conflict, Peace and Development Co-operation* adopted by Ministers in May 1997, make it clear that many of the underlying causes of violent conflict can be traced to failings of economic and political governance, particularly during periods of rapid socio-economic change.

Box II-4.

DAC *Source Book on Concepts and Approaches linked to Gender Equality*

Supporting government efforts to improve people's lives and build more equitable relations between them as they push towards societal and economic transformation continues to be one of the tangible successes of development co-operation to date. Attention has been given to reinforcing civil society, empowering the poor, encouraging NGOs and other key leaders of change who support and encourage governments in this direction. It is widely recognised today that a major challenge is to address the social processes and institutions that result in inequalities of opportunity and access between women and men. These are a cost to development as a whole, and to women in particular. Reducing these gaps demands a reshaping of development activities so that they reflect the visions, interests and needs of women as well as men, whose priorities ordinarily define the norm. This requires both political and technical approaches.

Relatively small investment of donor resources towards activities in this area has resulted in a number of positive and sustainable changes. These have expanded opportunities and choices for women as well as for men, and therefore for their families and society at large. For example, when girls' learning needs and time constraints are addressed, many boys benefit as well; when women come together to form small co-operative enterprises, family expenditures and savings rise. As more women become visible in decision-making positions, they encourage girls to play a more active role in civil society which advances democratisation.

Convinced that these successes will be repeated and moved forward rapidly as concepts and terms become more readily understood and used, the DAC has produced a *Source Book** to help speed up the process. It presents key concepts that illustrate and clarify ideas and approaches linked to gender equality. At times practical recommendations are made on how to move some issues forward. One to two-page explanations illustrate how gender equality and women's empowerment relate to or are affected by: accountability; empowerment; culture; institutional analysis; policy "evaporation"; mainstreaming; men; monitoring and evaluation; national "institutions" for women; policy dialogue; participatory approaches; programme assistance; resistance to change. Bibliographical references are also listed.

Many donors are currently producing their own expanded source books based on the DAC example, which is available in French and English.

* The *DAC Source Book on Concepts and Approaches Linked to Gender Equality* and the *DAC Guidelines for Gender Equality and Women's Empowerment in Development Co-operation* can be downloaded in English and in French from http://www.oecd.org/dac.

Challenges for applying the partnership approach to the governance agenda

As noted in the discussion at the beginning of this chapter on the wider lessons of the fragility in some rapidly developing countries, the critical importance of underpinnings of good governance and wide participation for sustainable development have been further underlined. At the same time, for obvious reasons, efforts to improve governance and promote peacebuilding are among the most sensitive, complex and difficult areas of development. These efforts especially need to develop from strong domestic roots and sustained internal momentum in order to take hold. External partners' roles can be vital, but in the long run they are even more circumscribed than in other fields. Thus, the general changes toward partnership now being sought in development co-operation practices are even more important here. It is now widely recognised that support other than traditional investment projects or technical co-operation may be required. (See the 1997 Development Co-operation Report, Chapter II, "Applying the new development co-operation paradigm".) Many agencies are in the process of restructuring and developing more adaptable instruments that incorporate "learning by doing" and provide longer-term stability in funding.

During the Ottawa Symposium on Military Expenditures in Developing Countries held in March 1997 there was a broad recognition that security is necessary to development and that improved security creates a more favourable environment for development at lower levels of military expenditures. Addressing governance issues – including sound economic management, the rule of law and freedom of the press – also contribute to improving security. Donor support can be most effective when it supports national and regional initiatives and is sufficiently sensitive to the local political context.

Effective support for locally owned processes – especially in fields like governance and peacebuilding – requires more sophisticated analytical and process-facilitation skills from personnel in development co-operation agencies, and especially field personnel. And yet, because these areas are relatively recent additions to the development co-operation agenda, policy-oriented expertise tends to be in headquarters and not fully translated at the operational level which is relevant to the field.

To illustrate, in a DAC-sponsored pilot exercise in 1997 and 1998 to help promote locally-owned dialogues in the area of good governance and participatory development, field visits to five of the seven pilot countries revealed relatively little capacity in most donor field offices to deal with these complex areas. The general sentiment expressed by field offices was that headquarters have not been sufficiently responsive to the incremental financial and human resource requirements of more active donor participation in these complex country-level processes. As a result of this constraint and the sometimes strained relationship between governments and civil societies on political questions, field offices have generally been uneasy about initiating or intensifying collective consultations.

One sensitive area which seems to be making its way into country-level dialogues is that of corruption. There are probably several reasons for this important change. One is that there is a groundswell of pressure for ending corruption from within many developing countries, whose people know that they are paying a crippling price for this abuse. Another is the fact that corruption is both an economic and a political governance issue and so falls more easily into areas traditionally considered acceptable for donor involvement. A further breakthrough may have come from OECD Members' initiatives in recent years to strengthen their agreed curbs on corrupt practices in international business transactions, showing the appropriate recognition that their own authorities and corporate nationals share responsibility. Fighting corruption in aid programmes themselves is a key part of the challenge (as recognised in a 1996 DAC Recommendation) and it clearly requires action on both the developing country and the donor sides: on-going national integrity surveys in aid-dependent countries show that aid is perceived as creating opportunities for corruption.

Key questions for development co-operation now are how to expand the purview of dialogues to cover other key areas of the governance-peacebuilding agenda. There is more to be done in DAC to follow through on agreed policy directions and emerging best practices in areas such as enhancing civil society, decentralisation, building stronger legislative and judicial systems – including the vital, and extremely sensitive, issue of how to enhance the legitimacy, security, and effectiveness of political opposition – and promoting balanced military-civilian relations in the context of civilian rule and security sector reform. These issues are expected to loom large on the on-going work programme of the DAC, in 1999-2000, in continuing and closer collaboration with many other institutions concerned.

Aid untying

The issue of aid untying has long been identified as a key test of donor countries' coherence and credibility of their policies towards developing countries. Tying practices are now increasingly cited as incompatible with effective partnership and capacity-building strategies. DAC Members have agreed that liberalising aid procurement would constitute an important and tangible step towards implementing the objectives of the development partnerships strategy.

Particularly since the adoption of the 1992 Tied Aid Disciplines, the DAC has explored ways to liberalise aid procurement regimes and align this sector with the general liberalisation trend of a wide range of government policies, including government procurement. Requiring aid procurement to be conducted under internationally competitive procedures will extend to this area the same high standards for efficiency that increasingly apply to other international economic transactions.

Together with other efforts to promote local ownership and capacity-building, aid untying should contribute to increased stakeholder involvement in the selection, design and implementation of programmes and projects. Furthermore, it can support partner country strategies that seek increased self-reliance in the development process and deeper integration into the mainstream trade and investment regime.

DAC Members recognise that steps towards greater use of untied aid represents one of a wide range of efforts required to fully implement the partnerships strategy. In consequence, and following detailed investigation of options and targets for an initiative, the DAC's 1998 High Level Meeting (HLM) mandated the Working Party on Financial Aspects of Development Assistance to work on a Recommendation on untying ODA to the least developed countries (LLDCs), including the relevant implementation issues, with a view to presenting a proposed text to the HLM in 1999.

In order to arrive at an agreed text for the Recommendation, HLM Participants identified a number of issues which need to be satisfactorily addressed. The capacity of the private sector and procurement systems in partner countries has to be enhanced in order that the Recommendation delivers its objectives. The Recommendation has to find a balance between maintaining a sense of national involvement in donor countries and calling upon partner countries' expertise. Furthermore, account has to be taken of differences in the structures and starting points of Members' programmes with respect to volume, ODA/GNP ratio, and the existing degree and distribution of Members' untied aid.

A thorough examination will be needed of the modalities involved in the untying initiative, including: appropriate procurement modalities; manageable thresholds, coverage and exclusions; definitions and reporting arrangements on the tying status of ODA; mechanisms for confidence-building and transparency; and monitoring and peer review.

The initiative has been endorsed by the OECD's Business and Industry Advisory Committee (BIAC) and the leaders of the G8 Birmingham Summit in May 1998 pledged themselves to a shared international effort in this work. The next and very intensive phase of work on the initiative now involves addressing the issues listed above in order to reach agreement on a Recommendation and its associated procedures for adoption by the DAC High Level Meeting in 1999.

Notes

1. One important issue, highlighted by the sudden and dramatic setbacks to the economic and social well-being of large numbers of people in affected countries (and especially to the most vulnerable groups), is the need to maintain appropriate types of "social safety nets" to help facilitate structural adjustments and cushion major shocks. This was one of the themes explored in an OECD symposium on "Structural Aspects of the East Asian Crisis", held on 16-17 November 1998 in Paris.

2. Source: "Development Partnerships in the New Global Context", DAC Policy Statement, OECD, 1995.

3. Norway reported on the Nordic-Tanzania Partnership; Japan on its partnership with Tanzania; Italy on the partnership with the Inter-Governmental Authority on Development (IGAD) of the Horn of Africa; the United States on progress made in implementing the development partnerships strategy in Bolivia; Australia on its efforts to advance the principles of effective partnerships with South Pacific Island countries; the European Commission on its public debate and proposals for the future relationship between the EU and ACP countries and on its Euro-Mediterranean partnership initiative; and Korea on its relations with China and Vietnam. The Netherlands and the European Commission reported on initiatives to strengthen in-country co-ordination; Germany and Korea reported on their efforts to strengthen ownership and participation; the United Kingdom reported on operationalising the concept of partnership in the context of its present development policy and on how to influence the pattern of growth in favour of the poor; Japan, Portugal and Germany reported on various other initiatives.

4. "Searching for Impact and Methods: NGO Evaluation Synthesis Study". This joint effort, which was led by Finland, involved all Members of the OECD's Development Assistance Committee, and a number of well-known researchers contributed. It is the most comprehensive international effort undertaken to synthesise evaluation experience with NGOs.

III Financial flows to developing countries: setbacks, lessons and prospects

Total net resource flows to developing countries fell in 1997 by $40 billion, 11 per cent below 1996 levels, after increasing steadily since 1990. However, 1997 levels are still two and a half times those of 1990... Total ODF declined $1.5 billion in 1997 to $76.6 billion, surprisingly close to 1996 levels, principally due to extraordinary multilateral non-concessional lending to countries hit by financial crises. However, the drop in the bilateral ODA component represents a worrying facet of the broader picture, especially because of its continued downward trend over the last few years and because of the importance of such flows for the poorest countries and people.

1. Overview

1997 data on external financial flows to the developing countries, seen in the context of recent trends, provide two major causes for reflection:

- The rapid expansion of bank lending, particularly to many of the Asian economies, suffered a significant setback following the financial crises, which was only partly offset by a substantial increase in direct investment by DAC countries.

- Total flows of official development finance remained relatively constant, principally due to extraordinary multilateral non-concessional lending to countries hit by financial crisis in 1996. However, the reduction in bilateral development assistance to the developing countries (including the poorest ones) continued in 1997.

This chapter examines these two challenges and their implications for developing countries and for development co-operation efforts.

- It begins by highlighting 1997 trends in external flows to developing countries. It shows how the Asian crises brought to an end the extraordinary boom in bank lending, but not to direct investment by DAC countries in the developing countries. The magnitude of multilateral lending to countries in financial crises largely maintained overall official development finance flows but within this, the sharp fall in 1997 levels of ODA is traced to exchange-rate movements and also to cuts in the aid budgets of G7 countries.

- It goes on to trace some of the underlying factors in the still-unfolding international financial crises, and looks at the implications more generally for developing countries and for development co-operation to attract and manage sustainable external private finance for development. This discussion begins to draw out some lessons of this experience for countries which presently attract important amounts of external private resources and for others in their efforts to do so. In particular, it identifies areas where capacity-building assistance can be especially helpful.

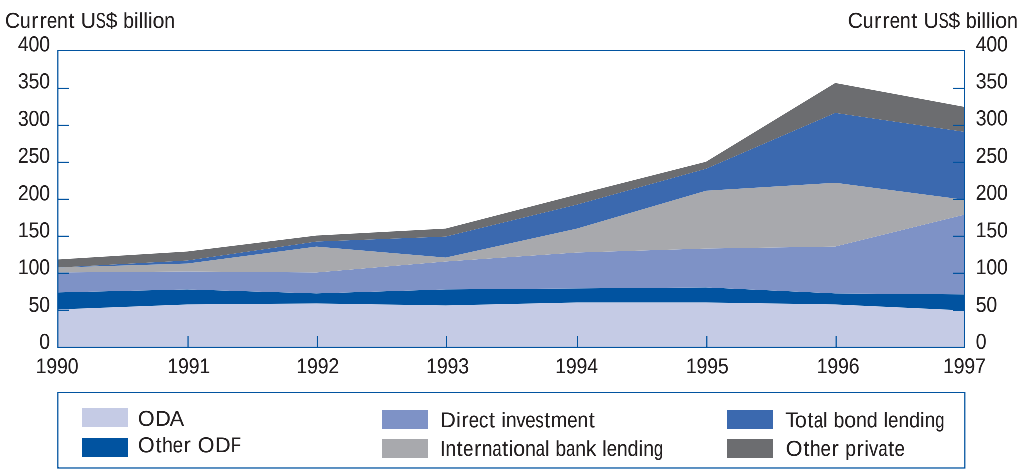
- Finally, the discussion is broadened beyond the issues related to external private flows and financial systems to include the mobilisation of domestic resources and the roles of development co-operation in assisting partner countries to move towards the higher levels and improved structures of finance needed to meet internationally agreed development goals. The rationale and directions of DAC work in this respect are set out in the discussion on the development finance agenda. The perspectives presented signal how DAC donors are approaching the objectives of strengthening the self-financing capacities of partner countries and reducing aid dependency.

The discussion here foreshadows a more extensive focus on development finance, scheduled for the next issue of the *Development Co-operation Report*. This treatment will also link up with other work underway elsewhere on this theme, including the preparations in the United Nations General Assembly in co-operation with the Bretton Woods Institutions for a high level intergovernmental meeting on finance for development scheduled for 2001.

2. Highlights of recent trends in external flows

Total net resource flows to developing countries fell in 1997 by $40 billion, 11 per cent below 1996 levels, after increasing steadily since 1990. However, 1997 levels are still two and a half times those of 1990. (See Chart III-1 and Table III-1.) The drying-up of international bank lending particularly to Asia lies behind the decline in the volume of private flows going to developing countries, which could not be compensated for by record levels of direct investment from DAC countries and extraordinary non-concessional lending to crises-hit countries by multilateral institutions. But the drop in flows of Official Development Finance (ODF), particularly bilateral ODA, represents a second worrying facet of the broader picture, especially because of its continued downward trend over the last few years and because of the importance of such flows for the poorest countries and people. Charts III-2 and III-3 illustrate the different types of flows in 1997 by region and by income group.

Chart III-1. **Total net resource flows to aid recipient countries**



Source: OECD.

Table III-1.

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

	Current $ billion								Per cent of total		
	1990	1991	1992	1993	1994	1995	1996	1997	1990	1993	1997p
1. Official development finance (ODF)	**76.5**	**84.8**	**78.6**	**83.4**	**86.2**	**89.3**	**78.1**	**76.8**	**59.0**	**51.4**	**23.6**
1. Official development assistance (ODA)[a]	50.6	57.4	58.6	56.0	60.3	59.8	57.9	49.8	39.0	34.5	15.3
of which: Bilateral	37.2	41.3	41.3	39.4	41.3	40.6	39.1	32.3	28.7	24.2	10.0
Multilateral	13.4	16.1	17.3	16.6	19.0	19.2	18.9	17.5	10.4	10.2	5.3
2. Official aid (OA)	2.3	6.6	6.1	6.0	6.9	8.4	5.6	5.3	1.8	3.7	1.6
of which: Bilateral	1.9	5.0	5.2	5.2	5.5	7.1	4.0	3.7	1.4	3.2	1.2
Multilateral	0.4	1.6	0.9	0.7	1.3	1.3	1.6	1.6	0.3	0.5	0.5
3. Other ODF	23.7	20.8	14.0	21.5	19.0	21.1	14.5	21.7	18.2	13.2	6.7
of which: Bilateral	12.9	13.1	8.0	11.4	12.4	14.0	5.8	5.9	9.9	7.0	1.8
Multilateral	10.8	7.7	5.9	10.1	6.7	7.1	8.7	15.8	8.3	6.2	4.9
II. Total export credits	**9.5**	**0.6**	**1.0**	**–3.0**	**6.3**	**5.6**	**4.0**	**–4.4**	**7.3**	**–1.8**	**–1.4**
of which: Short-term	4.5	-0.8	0.5	–1.5	0.2	0.8	0.5	0.6	3.5	–0.9	0.2
III. Private flows	**43.6**	**50.8**	**77.3**	**81.9**	**126.6**	**168.3**	**282.6**	**252.1**	**33.6**	**50.5**	**77.7**
1. Direct investment (DAC)	26.9	23.2	27.8	38.4	48.5	52.3	63.5	107.8	20.7	23.7	33.2
of which: To offshore centres	7.1	6.5	9.5	9.4	10.8	6.3	16.7	20.9	5.5	5.8	6.5
2. International bank lending[b]	6.1	10.7	34.6	4.8	32.1	76.9	86.0	20.0	4.7	3.0	6.2
of which: Short-term	7.0	12.0	25.0	7.0	44.0	40.0	40.0	15.0	5.4	4.3	4.6
3. Total bond lending	0.5	4.9	7.5	28.7	32.0	30.0	93.8	91.2	0.4	17.7	28.1
4. Other (including equities)[c]	5.1	6.6	1.4	4.3	8.0	3.1	33.8	28.5	3.9	2.6	8.8
5. Grants by non-governmental organisations	5.1	5.4	6.0	5.7	6.0	6.0	5.6	4.6	3.9	3.5	1.4
Total net ressources flows (I + II + III)	**129.6**	**136.2**	**156.9**	**162.3**	**219.1**	**263.2**	**364.7**	**324.5**	**100.0**	**100.0**	**100.0**
Memorandum items (not included):											
Interest paid by aid recipients[d]	–73.1	–68.8	–70.4	–62.2	–83.1	–94.2	–98.4	–104.0			
Net use of IMF credit (GRA)[e]	–2.2	0.1	–0.9	1.3	–1.4	11.6	–2.9	14.4			
Non-DAC donors (ODA)	7.9	3.7	1.4	1.5	1.3	0.8	0.9	0.2			
For reference											
Total DAC net ODA[a, f]	53.0	56.7	60.8	56.5	59.2	58.9	55.4	48.3			
of which: Bilateral grants	32.3	36.5	34.8	33.4	35.2	36.2	36.5	31.2			

p: Provisional.
a) Excluding forgiveness of non-ODA debt for the years 1990 to 1992.
b) Excluding bond lending by banks (item III.3) and guaranteed financial credits (included in II).
c) Incomplete reporting from several DAC countries (including France. the United Kingdom and the United States). Includes Japan from 1996.
d) Excluding dividends.
e) Non-concessional flows from the IMF General Resources Account (GRA).
f) Comprises bilateral ODA as above plus contributions *to* multilateral organisations in place of ODA disbursements *from* multilateral organisations shown above.

Chart III-2. **Total net resource flows to aid recipient countries in 1997p**
Breakdown by region

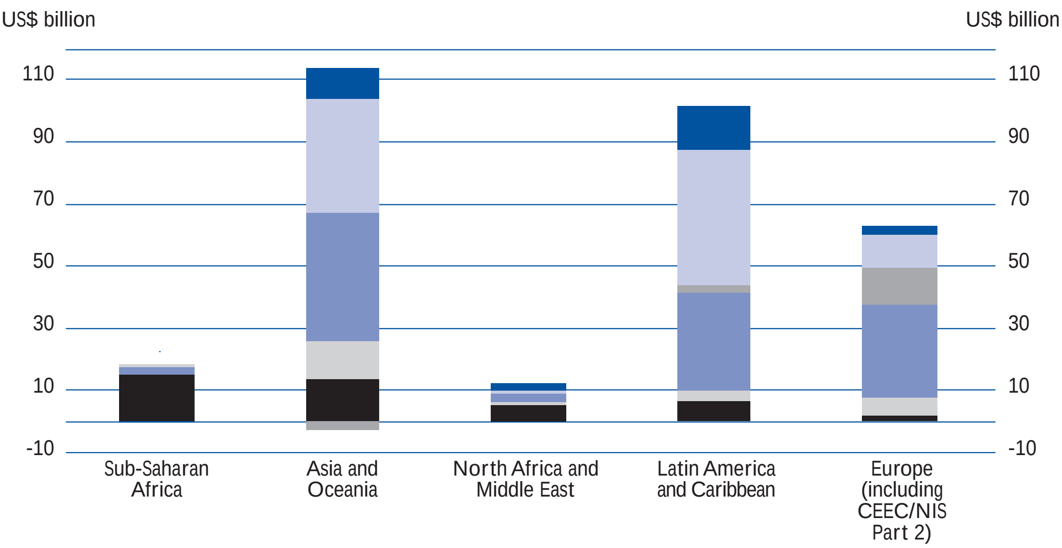
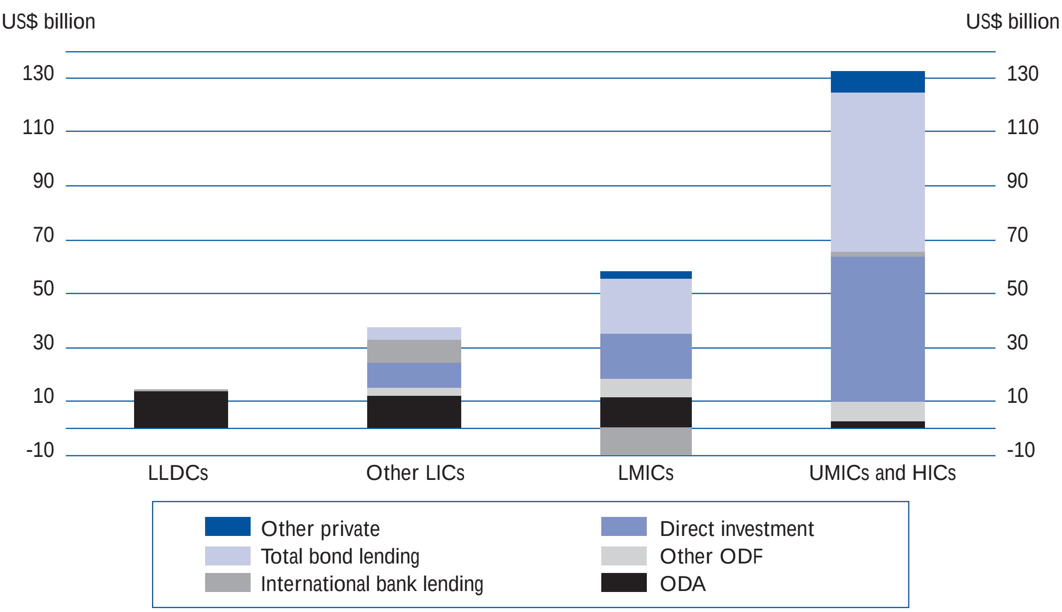


Chart III-3. **Total net resource flows to aid recipient countries in 1997p**
Breakdown by income group



p: Provisional.

Private flows

Total net private flows from OECD sources to the developing world fell sharply in 1997, to $252 billion compared to $283 billion in 1996. While the 1997 total was still well above the levels of private flows to developing countries prior to the 1996 record level, this 1997 total also reflects the *immediate* adjustment in the second half of 1997 and the slide that began with the Asian financial crisis, continued, and spread into 1998.

Underlying this aggregate picture, the following components are noteworthy:

- The curtailment of international bank lending (from $86 billion in 1996 to only $20 billion in 1997) contributed to the overall reduction of $30 billion in private flows. Long-term bank lending to Asia dried up, but short-term lending to the region was also sharply affected.

- In terms of other important components of total private flows, *foreign direct investment* continued its strong upward path in 1997 reaching a record $108 billion, up $44 billion on its 1996 level. While *equities* slackened off in 1997, reacting sharply to the crisis, bond lending remained at a high level compared to the years prior to 1996.

Initial indications, based on forecasts for 1998-1999 from other sources (particularly the Institute of International Finance) suggest that private sector capital flows to developing countries are likely to decline substantially in 1998. Net private capital flows to 29 major emerging market economies are projected to fall to $158 billion in 1998 from $242 billion in 1997 (*i.e.* to about half of their 1996 level). Moreover, a major part of projected 1998 net private flows are attributed to growing interest arrears, *i.e.* the non-payment of interest on outstanding loans – a factor that in some ways inflates the total, and does not bode well for an early recovery in long-term lending. New bond issues for developing countries are few and far between. However, foreign direct investment is expected to be down only slightly for those 29 countries (from $120 billion in 1997 to $106 billion in 1998),[1] where an important element is expected to be foreign acquisitions of domestic enterprises.

In Asia...

International bank lending was particularly impacted by the Asian crises because of its predominant role in private flows in the past, representing the largest component of external flows to the region. Net international bank lending plummeted from $62 billion in 1996 to *minus* $3 billion in 1997. Bond lending, after a major surge to $51 billion in 1996, fell back to $37 billion in 1997, while equities fell nearly $8 billion to $10 billion. Conversely, foreign direct investment accelerated its growth in 1997, increasing $14 billion for the year as a whole to a record $41 billion. While it remains to be seen if the surprisingly robust behaviour of direct investment will continue, one explanation for its 1997 performance is that this reflects the ongoing and widespread effects of recent liberalisation in a number of countries. Many formerly restricted sectors (*e.g.* telecommunications, banking, transportation, power and utilities) are now open to foreign investors and represent long-term opportunities. At the same time, local owners need capital and may be willing to share control to obtain it.

In other developing country regions...

Possible impacts of the crises that began in emerging Asia on external flows beyond the "front burner" countries were more difficult to discern, not least because the Asian crises gathered momentum in the second half of 1997. In Latin America, the other major recipient region for private flows, most of the main elements of private flows were up on 1996 levels, with direct investment and bonds reaching record levels in 1997, taking total external flows to a new high of $101 billion in 1997. The poorest countries (the LLDCs) also experienced a welcome but modest rise in external private flows, albeit from low starting points. Private flows to Sub-Saharan Africa fell slightly to $2.6 billion in 1997, mostly comprised of foreign direct investment.

As the foregoing shows, private flows remain concentrated on a very few countries. The Chart in Box III-2, which covers foreign direct investment in infrastructure, gives a vivid picture of this concentration and lists the major recipients of these types of private flows.

Official Development Finance

Total ODF declined $1.5 billion in 1997 to $76.6 billion, surprisingly close to 1996 levels, principally due to extraordinary multilateral non-concessional lending to countries hit by financial crises. However, the drop in the bilateral ODA component represents a worrying facet of the broader picture, especially because of its continued downward trend over the last few years and because of the importance of such flows for the poorest countries and people. (On the basis of constant prices and exchange rates, total ODA to the developing countries has fallen by more than 20 per cent from its 1992 peak.)

- ODA, particularly bilateral ODA, accounts for most of the reduction from 1996 to 1997. Total ODA fell $8 billion, of which $7 billion was bilateral ODA. In relative terms this represents a 17 per cent reduction in bilateral ODA and an 8 per cent reduction in multilateral ODA. While exchange-rate movements (falls in the exchange rates of other currencies against the US dollar) account for an important part of the 1997 reduction, it is nevertheless clear that the disturbing trend in reduced ODA flows is still to be reversed.

- Other components of ODF: Official aid to countries on Part II of the DAC List declined slightly to $5 billion in 1997, while other ODF rose sharply by $7 billion to $22 billion, largely reflecting the response by multilateral financial institutions to the needs of the countries affected by financial crises late in the year.

- As a percentage of the combined GNP of DAC countries, ODA has fallen for the last five consecutive years, from 0.33 per cent in 1992 to 0.22 per cent in 1997, its lowest level ever. Cuts in the aid budgets of the G7 countries account for most of the reduction in ODA (see Chapter V for details).

- On the basis of ODA that can be allocated between developing country regions and income groups (an important amount is unallocated/unspecified), trends in both the volume and share of total ODA for the LLDCs and for Sub-Saharan Africa have been downward over the last three to four years.

To give some context to the above trends, and focusing on the poorest developing countries (the LLDCs):

- External private flows of under $1 billion in 1997 (mostly international bank lending) were equivalent to less than 1 per cent of the collective GDP of these countries (compared to more than 3 per cent of GDP of other developing countries in recent years).

- On the other hand, over the last few years ODA to the LLDCs has averaged about 15 per cent of the GDP of that group of countries.

3. Financial crises, financial systems and policy implications: Early lessons

As noted in Chapter II, the financial crises of 1997-1998 have now extended beyond South-East Asia and are making their impact felt globally. The financial collapse in Russia has intensified the pressures. Many emerging and developing countries are suffering the consequences of falling confidence and risk aversion by investors. Certain countries, including some in the Americas whose financial systems or economic or political situations may bear real or perceived similarities to the crisis countries of South-East Asia, are particularly vulnerable. At the same time, other countries have avoided the worst through early policy actions (Philippines) or even remained in good standing through sound economic practice and financial sector regulation (Chile). Overall, there is now a serious risk that instead of the greater prudence in lending to developing countries which would be a healthy outcome of the crisis, there will be excessive caution, perhaps lasting for several years. This would constitute a major set-back to prospects for private capital flows and development in all regions, including Africa, where private investment flows were just beginning to show signs of dynamism. A key challenge here is to adapt fiscal and monetary policies to economic re-expansion in the crisis countries as soon as possible. The return of growth and the return of confidence are closely interrelated.

Paradoxically, the financial crises struck in South-East Asia at a point when Thailand, Indonesia and Malaysia were being held up as successors to the early Asian tigers and as models for other developing countries. With a view to both the immediate outlook, and longer-term implications for developing countries in general, efforts are underway to identify factors of fragility and the preliminary lessons that can be drawn for developing countries and for development co-operation.

Factors of fragility

Events are obviously still unfolding and will be for some time. Thus definitive conclusions are not possible, but a series of diagnoses of fragility is now widely accepted:

- Weak and underdeveloped financial sectors, inadequately supervised, have been a major common factor.

- Incomplete financial sector modernisation and liberalisation compounded the problems, with greater sensitivity needed to the types and sequencing of financial opening appropriate to countries in different development situations.

- Structural weaknesses and constraints in local economies impeded effective competition in some sectors.

- The crises were precipitated by *private* sector foreign borrowing (not public).

- Domestic purchasing of overvalued assets was largely financed through foreign currency borrowing by intermediaries unable to cover their foreign exchange positions.

- While not an original cause of the problem, highly managed exchange rates, implicitly or explicitly fixed to a specific foreign currency, worsened the crises.

- Institutional investors seeking rates of return not available in their own markets did not adequately assess the underlying productivity and risk of the investments being financed with their money.

- Global markets quickly picked up and transmitted the real and confidence effects of the collapse of domestic asset markets. Banks, near-banks and financial intermediaries, were put at risk.

- Investors, both foreign and domestic, bankers, and rating agencies have all made decisions based on insufficient information and transparency.

Many of the traditional warning signs of a financial crisis were not evident in Asia. Generally, there was not heavy external borrowing by the public sector; budgets were close to balanced; inflation rates were under control; international trade was buoyant, and domestic private savings rates remained high.

However, a number of governments (in both OECD and developing countries) played major roles in seeding these crises by implicitly guaranteeing financial intermediaries, thereby reducing or eliminating the perceived risks to investors. In the aftermath of the collapse of local asset markets, long-term lending from international financiers dried up while short-term lending was overused. There has been evidence in some countries of a pick-up in foreign direct investment bolstered by some foreign investors taking advantage of liberalisation and market opportunities as other investors withdrew. Some of the "fire-sale" acquisition of assets by foreigners has been and will continue to be controversial. As a general rule, there has been a major "flight to security" by investors globally.

Lessons for development and co-operation

For many, one of the most important lessons of recent financial crises has been to underscore the dangers of excessive reliance on certain forms of foreign financing for development. The priority must remain on creating the conditions necessary for significantly higher levels of domestic resource mobilisation and long-term investment, including keeping domestic investors' money at home. Once achieved, these same conditions to a large extent will once again make affected countries attractive to foreign investors and lenders and facilitate a return to a more normal situation for investment and trade.

One top priority for most of the countries impacted must be the strengthening of weak and weakened domestic financial systems. This has both a regulatory aspect – better supervision of banks and intermediaries – and a lending capacity aspect – improving the ability of loan officers in financial institutions to make better loans, based on clear lending criteria.

Roles for governments are changing and challenging. Disincentives are needed to discourage lending driven by "cronyism", along with incentives to open up lending to new entrants across the spectrum of the financial industry. Steps must be taken to improve supervisory and prudential practices. In creating a favourable investment climate, domestic investors must increasingly be taken into account, both retaining and attracting back individual investors and developing domestic institutional investors for the future. These actions may have more immediate significance for the countries worst hit than for others, but are necessary for a broad range of countries.

There are other lessons of specific significance for the impacted economies and others. These include the importance of having in place the keys for dealing with social crises which accompany financial crises, including statistical systems to measure impacts on individuals and families, especially the poor. Who are they, and how will they react in particular circumstances? Such systems should be capable, for example, of tracking reversals in rural-urban migration and the impacts on local economies. Social safety nets conceptualised and planned in advance have a much better chance of mitigating the effects of disasters than those that must be rapidly improvised after the fact. It will be important to carefully monitor, and adjust as necessary, current efforts to construct functional social safety nets and to promote cross-country learning.

Major debates have been re-opened about exchange-rate regimes and certain forms and sequence of capital controls and liberalisation in the current critical conditions and into the future for different types of economies. It is clear that affected economies are in need of urgent policy support in the area of exchange-rate management in current circumstances.

Many of the other lessons that are beginning to be drawn are equally applicable to a broad range of countries, and they are likely to be integrated in the efforts to bring about general reform in the international financial system, which have gained wide attention and momentum.

Structural reform

Recent OECD work across a broad range of sectors suggests that, coupled with the adoption of new technology and innovation, regulatory reform can lead to significant productivity gains. Electricity, telecommunications, air transport, road haulage and retail distribution all offer significant opportunities. It is estimated that heavily regulated European economies could expect one-time productivity gains of 3 to 6 per cent if suitable reforms are implemented. For some East Asian economies, evidence suggests gains could be even greater. It is now clear that the cost of not adjusting can be high, and the global markets may discipline poor performers severely.

Improved transparency

It is widely recognised that one of the most critical lessons learned is the need for increased transparency of information. This applies not only at the macroeconomic level, but also at the level of the firms, institutions and individuals operating in the market. This is expected to be high on the agenda of monetary authorities in industrial countries, as well as emerging countries affected. Participation of the private sector will also be vital in defining the scope of the problem and identifying practicable remedies. Better information is in future likely to be demanded to allow more informed decision-making by bankers and intermediaries, both domestic and foreign, as well as investors themselves.

Incomplete financial market liberalisation

The financial crises have brought to the fore the dangers of partial and incomplete financial market opening. When the opportunity to take advantage of short-term capital movements is more readily available than the option to seek equity flows or borrow abroad in bond markets, volatility is increased. This argues for a cautious, balanced approach. There has been considerable discussion about various means to discipline unrestricted short-term flows and portfolio investment. However, these proposals too must be handled cautiously.

Public sector governance

The role of government has changed. It is a misconception that structural and regulatory reform means simply deregulation. In fact, as more competition develops, more government action may be required in the areas of the environment and consumer protection, for example. Fragile financial sectors need much better prudential regulation and supervision. New legislation concerning bankruptcy, corporate disclosure, etc., may be required. There must be political will on the part of leaders and governments to take on powerful vested interests which benefit from lack of competition. The dangers of government "bail-outs" and guarantees to banks and intermediaries which have taken on overvalued, risky investments have been further underscored. Neither domestic nor foreign financial intermediaries should be sheltered fully from the consequences of their bad risk management.

Corporate good governance

The OECD has recently undertaken work on the importance of corporate good governance and the benefits which can be derived as a result of improved decision-making and transparency, and better accountability to shareholders and other stakeholders. Many of these approaches would also be of benefit in emerging markets. Furthermore, in the corporate governance of the banking sector, great progress has been made by the Basle Committee on Banking Supervision over the past ten years. There appears to be near-universal acceptance of the validity of the Basle Principles. Nonetheless, the financial crises underscore the need to view current capital adequacy ratios as a minimum, and for banks to exercise greater judgement, based on better information, concerning the nature of lending risks they face.

Other lessons

There are a number of other possible lessons to be drawn from the crises. For example, it is worth asking what role better, pre-established channels for regional co-operation might have had, at least in sharing experience and heading off a downward spiral in regional conditions. The adequacy of IMF processes, policy approaches and resources, and other forms of financial safety nets, to deal with such crises have become important international agenda items. But, as discussed earlier, even in cases where macroeconomic fundamentals are relatively strong, and monetary and fiscal policies are broadly appropriate, financial sector crises can occur. In the most recent case, the likely causes can be traced back to the private sector, not public sector borrowing abroad. The issue then emerges as to how to involve the private sector in crisis prevention and crisis management efforts.

It is important, of course, to continue with rigorous work to understand better what took place this time. Many reacted with surprise at the suddenness, severity, spread and now duration of the crisis, and demand better predictability in future. Certainly this deserves even greater attention and rigorous economic work. But the very unpredictability of such crises underlines the critical importance of prevention strategies and preparedness for the role of governments and donors in general, and bilateral donors in particular.

Lessons for donors

The nature of the financial crises themselves will in some ways dictate the type of programming which donors are able to put into place to support developing country partners in meeting, if not preventing, these crises. The unpredictability of the events to date suggests a parallel to good development co-operation practice in the area of emergency assistance, and the importance of being prepared in advance for a broad range of possible emergencies and their consequences. Effective aid will have to be targeted, catalytic, flexible and quick, which suggests the need for donors to have responsive mechanisms already in place wherever possible.

As in other areas of development co-operation, true partnership and strong local ownership are essential in dealing successfully with these crises. Donors should help draw out and listen to their development partners' own strategies to deal with the situation. Well thought-out strategies will include strong inputs from civil society and the private sector, and address the social as well as the economic aspects of response.

There have been persistent calls for better efforts at co-ordination – not only among multilateral agencies, but also among bilateral donors. Nonetheless, this will not happen unless the developing countries concerned take the lead, and are prepared to see an active role for donors. In turn, donors must demonstrate a capacity to offer useful support in advance. This will only occur if donors have adequate human resources on the ground. Given the importance to all concerned of avoiding financial crisis, and the unpredictability of their incidence, donors may wish to consider whether reviewing with the host government involved the state of the financial system, the state of social safety nets, and the identification of key officials involved should not be an ongoing feature of donor co-ordination activities in a broad range of countries.

In examining the list of lessons learned from the recent financial crises, and trying to decide what kinds of actions would be most appropriate for donors in the circumstances, three striking factors emerge:

● There is a broad range of priority activities for programming in which donors have substantial expertise:

– financial sector strengthening/policy advice;

– regulatory reform in infrastructure (power, telecommunications, transport, water, etc.);

– good governance, both public sector and corporate;

– improving social safety nets/targeting poverty reduction;

– improving transparency of information;

– improving statistical systems, particularly with regard to social vulnerabilities;

– improved economic monitoring and analysis (to better predict crisis); and

– promoting regional co-operation.

● Programming in these areas makes a great deal of developmental sense, whether or not a financial crisis has occurred, or appears to be imminent.

● Urgent attention is needed to radically improve co-ordination of assistance efforts in these areas, under national leadership and coherent national strategies. This is particularly important at this moment in financial sector strengthening where efforts are dispersed and overlapping, often with little communication among donors or between government agencies.

While some of the expertise required is not traditionally used by aid agencies, and is not found within the public sector, it is available in the private sectors of OECD countries (*i.e.* expertise on privatisation or structuring private participation infrastructure packages). It may require some new approaches by donors to access the expertise required by partner countries, but the demand is obvious. One area in particular would seem to be suitable for renewed emphasis by donors, whether partner countries have experienced a recent financial crisis or not: sound financial systems, appropriately designed, managed and supervised, have long been recognised as central to the ability of any economy to mobilise and allocate both domestic and foreign resources for sustainable development and poverty reduction. With the clear focus on private sector-driven development, donors can help build a more systematic approach to support for sound financial sectors and practices, with attention to building capacities, good governance and longer-term prevention.

With a view to assisting donors and partner countries to develop programming in financial sector strengthening – and drawing on expertise and relevant experience elsewhere in OECD programmes – the DAC intends to undertake new work in the area, and to mount a workshop on financial systems for sustainable resource mobilisation in less advanced developing countries. This work will take into account experience to date with the 1997-1998 financial crises and, starting from the priority which must be accorded to domestic resource mobilisation, investigate the main characteristics of financial systems which partner countries will need to mobilise resources on a sustainable basis. Strengthening financial systems and institutions, building strong governance (supervisory, regulatory), intermediation, monitoring and crisis prevention capabilities will all be addressed. Best practices for donor assistance in the provision of appropriately designed, managed and supervised financial systems with partner countries will be reviewed. This is expected to have applications for a broad range of partner countries, not limited to those recently struck by financial crises.

4. Mobilising and managing resources for sustainable development

The development finance agenda

The pivotal role of sound financial systems, not only in terms of attracting and efficiently allocating external capital, but more broadly, mobilising domestic resources, and supplying the credit needs of the economy, has been discussed above. Sound financial systems and their effective governance are thus crucial for developing countries in their efforts to increase investment and raise the productivity of investment, bringing faster growth.

Focusing on domestic resource mobilisation as the prime source of finance for development means that developing country governments and the donor community must also look beyond financial systems to other crucial components of the broader agenda for development finance, such as public sector financial management, external debt and enterprise development. Much remains to be done in these sectors not only to strengthen domestic resource mobilisation and enhance its contribution to development, but equally to provide the type of enabling environment required to attract sustainable external finance and, over time, reduce aid dependency.

The remainder of this section sets out the broad lines of the agenda for resource mobilisation – the "development finance agenda" – and its implications for donor efforts with partner countries to mobilise resources for development.

Seen from the perspective of the development finance agenda, an important role for development co-operation is to support the

Box III-1.

The development finance agenda

The development partnerships strategy and the commitment of adequate resources

Shaping the 21st Century sets out a vision of development which fosters self-reliance and in which countries and people will be less in need of aid. Developing countries and their peoples are ultimately responsible for their own development. Equally, the vast bulk of finance needed to meet development objectives must come from domestic resource mobilisation, complemented by external (private and official) resources. In assuring adequate resources for development, partner country responsibilities include adhering to appropriate macroeconomic policies, creating a predictable climate favourable to enterprise development and the mobilisation of local savings for investment, and carrying out sound financial management, including efficient tax systems and productive public expenditure. Partner countries and donors together are responsible for creating the conditions conducive to generating adequate resources for development.

The development finance agenda as a tool in guiding donor support

In this setting, the development finance agenda is the framework within which DAC Members seek to define and implement development co-operation efforts in support of partner countries' actions to create the conditions for sustainable resource mobilisation and thus move towards the levels and structures of domestic and external resources needed to meet development objectives. This perspective underlines the key roles of development co-operation in assisting partner country efforts to improve the functioning of the state, its institutions and the private sector. It also emphasizes the importance of using ODA to build institutions, governance and capacities, and in ways which address priority areas and catalyse the mobilisation of domestic and external private resources.

In aid-dependent countries, a major issue is how to mobilise the "time-profile" of development financing patterns to promote the transition to a sustained higher growth path which then helps to generate greater domestic resource mobilisation and attract private external finance. A successful private sector-led development process will lead to more "normal" financing patterns with reduced aid dependency. Understanding how aid requirements and institution-building in the financial sector and elsewhere in the economy evolve over time will help clarify some key issues in the aid and development debate.

Key policy challenges in mobilising domestic resources

Key elements in the agenda for achieving higher levels and improved structures of domestic and external resources include:

Financial sectors and systems. These are central to the mobilisation and allocation of savings and providing credit for investment, but many problems need to be tackled to fulfil this role more effectively, *e.g.* distortionary interest rates, arbitrary state intervention, bank insolvency, insufficient market competition and discipline, poor transparency, lack of diversity in institutions and instruments and weak regulatory systems.

Public sector fiscal management. Stronger revenue mobilisation, stricter expenditure control and budgetary systems which improve the prioritisation of expenditures and investment, transparency and accountability will all strengthen the contribution of this sector to resource mobilisation.

External debt. A successful debt strategy has a crucial role to play in mobilising resources, by improving fiscal positions, increasing creditworthiness and stimulating the private sector. Accelerating the implementation of multilateral and bilateral initiatives and strengthening debt-management capacities will be important.

Enterprise development. Higher levels of gross investment must be associated with a shift in the balance towards private investment. A dynamic private sector with strong export capacities requires policies to promote macroeconomic stability and a pro-business environment encouraging entrepreneurship and risk-taking.

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Principles guiding donor initiatives

High demands on and expectations for aid, declining aid budgets and capacity difficulties in partner countries require DAC donors to take a strategic and targeted approach to working together with partner countries to strengthen resource mobilisation. In identifying where and how aid can effectively make the difference, they are guided by watchwords such as *priority expenditures, value-added, comparative advantage and catalytic roles.*

The agenda for strengthening resource mobilisation is both substantial and complex; targeted interventions have to be guided by partner countries' assessments of their own priorities and capacities.

Each donor must also assess its own comparative advantages *vis-à-vis* those of other bilateral donors and the multilateral institutions active in this area to ensure a strong value-added approach.

In areas or activities where private finance is or should be available, donors need to move away from direct financial support and switch towards assistance to meet the preconditions for private investment; elsewhere they need to search for high-leverage uses of ODA where limited interventions effectively catalyse from other sources the bulk of finance needed.

efforts of partner countries to strengthen the policy regimes, institutions and capacities needed to finance development goals. ODA provided for these purposes can be likened to "bridging finance" – assistance provided over a finite period within which partner countries build the policies and structures that produce greater financial autonomy. In this way, ODA to support resource mobilisation will also help create the conditions to allow exit from aid dependency over time.

Meeting infrastructure needs into the 21st century

An example of how DAC donors are beginning to use this framework is a recent DAC/World Bank seminar on meeting infrastructure needs into the 21st century, which brought together representatives from partner countries, business, finance and the bilateral and multilateral donor agencies. The key findings were:

- Multiple and on-going demands have to be met by creating financial and managerial systems capable of generating and maintaining infrastructure of all kinds, at regional, national and sub-national levels.

- Privatisation and decentralisation are two powerful trends which alter the way donors need to define their roles and design their interventions in infrastructure development.

Box III-2 sets out some initial pointers for the directions, targets and modalities of donor support emerging from this discussion. The next step in this work will be for the donors, individually and collectively, to examine the policy directions suggested by the workshop and how to put them into practice. Along the same lines, the DAC plans to assess best practices in areas such as building sound financial systems for sustainable resource mobilisation, support for enterprise and private sector development and for strengthening fiscal systems.

Box III-2.

Meeting infrastructure needs into the 21st century

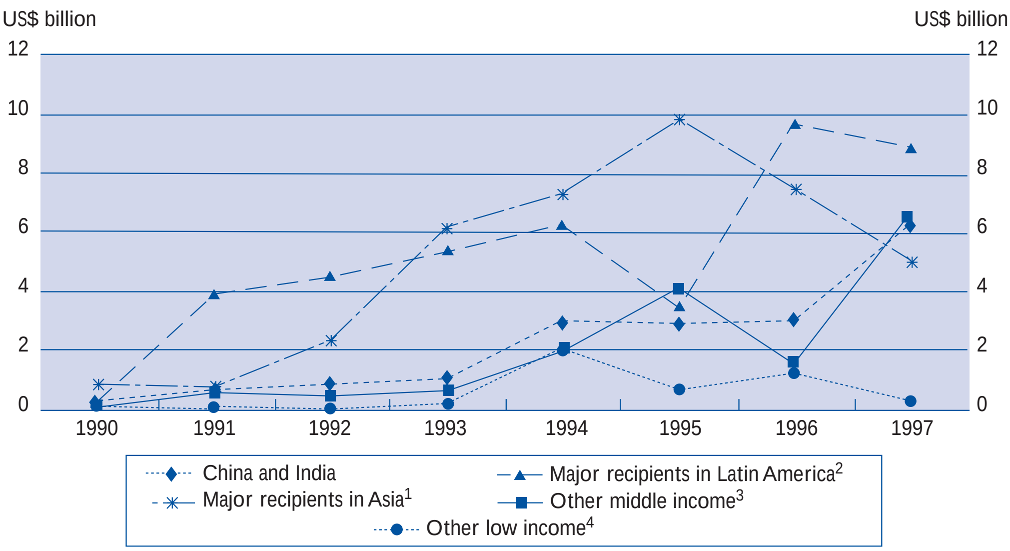
Appropriate and reliable economic infrastructure services are essential for sustainable development. They also remain a major constraint in the developing world, especially in low-income countries and poorer regions, where needs are most acute and technical, financial and managerial resources scarce. At the same time, there are changes underway within the area of infrastructure finance and provision which have strong implications for the evolving role of aid in support of infrastructure. Three important trends stand out:

1. **Infrastructure needs and resource demands are tremendous.** Estimates by the World Bank suggest that infrastructure investment needs to rise to around 4 per cent of GDP, which would absorb the bulk of public investment resources in many countries.

2. **Infrastructure provision as well as financing increasingly fall under the responsibility of sub-sovereign authorities**, in part as a consequence of an ongoing democratisation process.

3. **Economic reforms, globalisation, and technical change have expanded the potential for private sector involvement.** Clearly, the private sector can play a very active role in generating additional resources for infrastructure, directly (where private investors provide the financing) and indirectly (by increasing efficiency in the management and delivery of infrastructure services). Private finance for infrastructure is expanding (see graph), although still concentrated in relatively few countries and sectors. At the same time, aid is declining.

Long-term private capital flows for infrastructure



1. Comprises Indonesia, Malaysia, Philippines and Thailand.
2. Comprises Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela.
3. The rise in the 1995 figure for "Other Middle Income Countries" is accounted for by a US$2.1 billion flow to Turkey, whilst the 1997 rise is accounted for by a US$3.5 billion flow to South Africa.
4. In 1994 and 1996 Pakistan received private flows of US$2 billion and US$1.1 billion respectively, which explains the peaks in "Other Low Income Countries".

Source: Euromoney Loanware, Bondware.

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These forces imply new and changing roles for governments as well as aid agencies. Where there is private sector interest, governments need to move away from direct financing and provision to developing the financial and regulatory environment necessary to build and manage infrastructure in sustainable ways, including greater attention to maintenance and rehabilitation. Donors need to work closely with partner countries to establish systemic approaches to planning, managing and maintaining infrastructure services.

Some of the key directions for better targeted donor support to infrastructure include:

Strengthening local expertise. At both national and sub-sovereign levels of government, this is crucial to planning, management and regulation as well as to ensuring local ownership of aid programs. Capacity-building efforts need to focus on developing a range of financial, technical, regulatory and managerial competence, including regulatory reform, privatisation, sector policy formulation (including pricing) and project negotiating skills.

Assisting in local capital market development. Donors can help to enlarge and encourage the domestic base for resource mobilisation. From the perspective of infrastructure finance, it is vital to develop long-term savings institutions and instruments that are compatible with the long-term nature of infrastructure investments.

The focus on value-added and catalytic support means that donors must avoid crowding out private sector involvement with ODA-financed activities. This implies moving away from supporting capital investment in countries/sectors where the private sector is or could be engaged (*e.g.* telecommunications, power generation) and towards less favoured areas (*e.g.* water and sanitation), and, where possible, unbundle assistance packages so that technical assistance can be separated from financial project support. Where financial support for projects is still needed, donors are investigating approaches to achieve higher leverage in the use of aid money (*e.g.* guarantees, co-financing).

Where decentralisation of infrastructure finance is taking place, **donors need to strengthen field presence, provide technical assistance at local levels, and ensure the involvement of local staff**. At the same time, **interventions need to be co-ordinated**.

Much work is still required to refine the development finance agenda and its use in guiding donor support for the resource mobilisation efforts of partner countries. The growing heterogeneity of development finance profiles in partner countries means that the more practical application of this work will be strengthened by moving away from the present “broad brush” categorisations and groupings of developing countries (*e.g.* on the basis of regions or income groupings) to ones which better reflect their resource profiles and outlooks, based on indicators of key resource mobilisation variables. This work should permit a more meaningful input into individual country strategies and contribute to many other efforts underway to target ODA to areas where it is most needed and effective and to those where DAC donors have a comparative advantage.

Note

1. "Capital Flows to Emerging Market Economies", Briefing note by the Institute of International Finance, Inc., 29 September, 1998.

IV Trends and issues in the supply of aid

Aid is increasingly targeted on social sectors relevant to key goals of the development partnerships strategy. However, because total aid flows have fallen, aid expenditures remain substantially below the best available estimates of requirements for donors to help their partners meet key UN conference goals. Policy reform, better targeting of interventions, and programme effectiveness as well as aid volume are important in contributing to poverty reduction.

1. Introduction: The uses of aid

Overall flows of official development assistance (ODA) have declined sharply since 1992. As a proportion of DAC Members' combined national product, ODA has fallen from 0.33 per cent in 1992 to 0.22 per cent in 1997, the lowest ratio ever.[1] Cuts in aid budgets, particularly pronounced in the G7 countries, have made it all the more important to ensure that reduced aid resources are targeted for maximum effectiveness.

Against the background of a much clearer understanding and agreement among DAC Members about the goals and roles of aid, two questions are becoming increasing central. First, how well are aid inputs focused on helping to achieve key policy objectives? Second, is aid going where it is most needed? Both questions will remain vital, even if and when the declining trend in aid volume is reversed. Moreover, all analyses of aid impact must remain rooted in the understanding that development results are always primarily achieved by developing countries and their own people, with external partners playing supportive and, ideally, catalytic roles.

Clear, agreed objectives for substantive development results were distilled in the DAC report *Shaping the 21st Century: The Contribution of Development Co-operation*. These are to guide the DAC Members' approach to a development partnerships strategy, bringing together bilateral and multilateral aid donors to support their partner countries in a collaborative effort to speed development progress. Broad agreement on a Working Set of Core Indicators (in February 1998) now provides an objective basis for tracking the overall success of these efforts. Work is also underway to improve the capacities of the DAC statistical reporting systems to monitor aid flows in relation to them. Meanwhile, the sections below on bilateral aid begin to examine the degree to which aid is focused on the objectives of the development partnerships strategy and the countries which the core indicators show are furthest away from them.[2] The bilateral discussion is followed by a shorter treatment of some current trends and issues in the multilateral system. This includes some initial discussion of the relationships between development goals and aid flows, particularly for the development banks, recognizing that some key changes underway in the UN agencies will merit much further examination at a later stage.

The discussion will focus on five key goals, selected as representing vital advances in human well-being and opportunity, and sought by the whole international community:

- **reduce the proportion of people living in extreme poverty by half;**
- **reduce mortality of children under five by two-thirds;**
- **ensure universal access to safe water;**
- **make safe and reliable family planning available to all;**
- **achieve universal primary education.**

2. Trends in bilateral aid targeted on the goals

The broad goals of the development partnerships strategy are global. Achieving them will largely depend on the progress in countries which are furthest away from them. The amount of aid to any particular country or sector is far from being the main determinant of progress, but aid targeted on countries most in need, focused on agreed development objectives, and provided in a context of improving local efforts and policies can make the difference between meeting and failing to meet agreed development goals.

Chart IV-1 presents DAC Members' bilateral aid in real terms in relation to five key goals. First, it illustrates the evolution of DAC Members' bilateral ODA to the countries with largest numbers of poor people. Second, it presents aid to education, health, population and water sectors to the countries that are furthest away from the goals, respectively, for primary education, under-five mortality, reproductive health services and access to safe water.

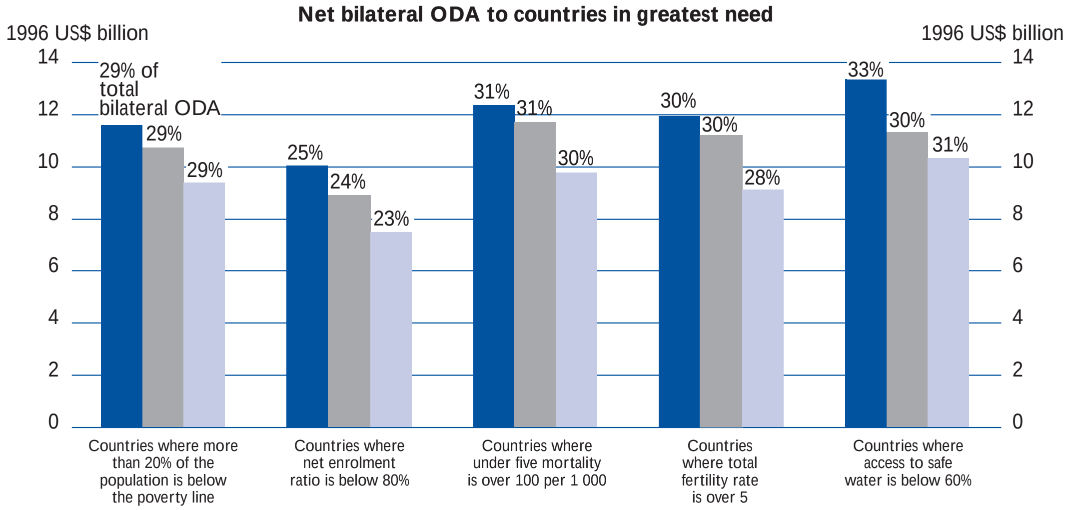
Three main points emerge: since the early 1990s, aid to countries with the poorest populations has declined not only in absolute terms, but also by slightly more than total aid, so that its share of the reduced total slipped from 28.8 per cent to 28.5 per cent. Total aid to countries particularly disadvantaged in respect of the four social development indicators has likewise declined, again more than proportionately. More positively, the aid these countries do receive is increasingly clearly targeted to the sectors where the improvements are most needed.

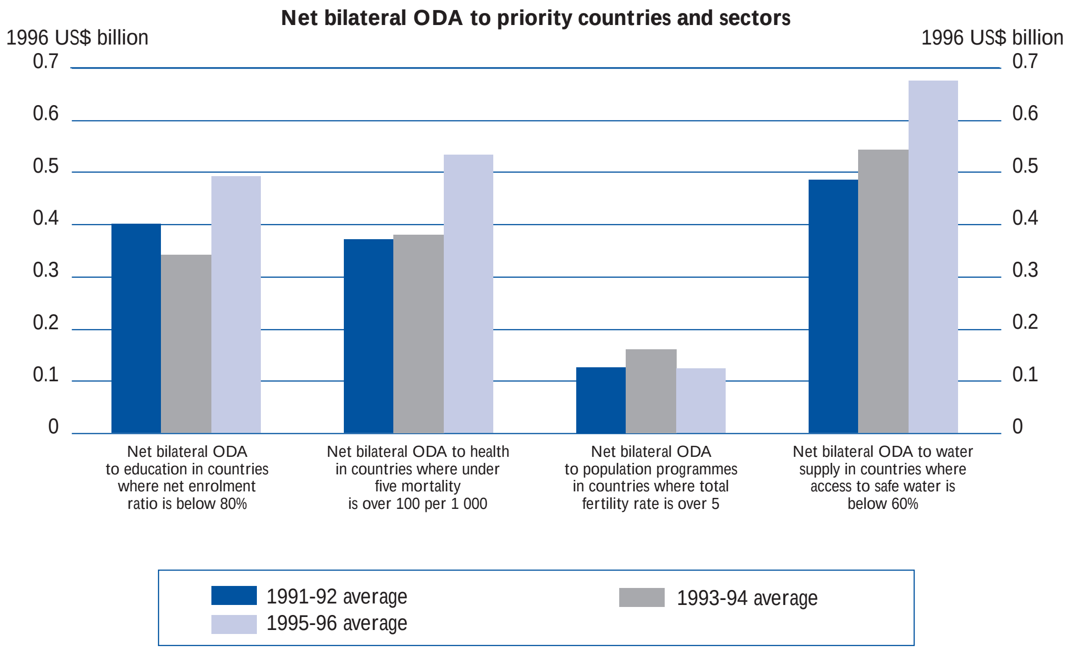
Aid targeted directly on the social sectors accounts for some 30 per cent of total bilateral aid. Aid to other sectors also has important roles to play in helping to achieve the goals and can be attuned to these purposes to a greater or lesser extent. The 35 per cent that goes to economic infrastructure and production is intended to promote economic activity and employment, which should benefit the whole population, including poor people. The 18 per cent provided as programme aid and debt relief releases public funds which can be spent to help to achieve key developmental goals, if that is how the freed-up resources are directed by national strategies and priorities. An important role for aid is to help to improve the financial and policy environment in recipient countries (see Chapter III for a discussion of the development finance agenda). Used effectively, such aid can help to generate and attract private investment to promote faster economic growth which, as the next section shows, is one requirement in the fight against extreme poverty.

The foregoing discussion, and further efforts to target aid to advancing key development goals needs to be meshed with the basic premise that, beyond some palliative benefits,

Chart IV-1. DAC Members' bilateral aid in relation to five key international goals

Net disbursements at 1996 prices and exchange rates, two-year averages





Source and coverage: See note 5.

aid produces sustainable results only in settings where it is used well. A recent World Bank study[3] has confirmed that, just like private investment, aid usually works only when the policy and political environment in the recipient country is sufficiently supportive. Other parts of this report focus on discussion of those pre-conditions, and some of the dilemmas involved in the basic mission of aid to succeed in countries where it is often slow and difficult to work. Since the necessary pre-conditions for results include good governance and opportunity for all members of society to participate in economic development, some further guidance may come from DAC's work with a cross section of development partners to select appropriate indicators to measure participation and good governance. That will be reported on in future editions of this Report. Meanwhile, the 1997 DAC Guidelines on Conflict, Peace and Development Co-operation, and continuing endeavours in this area, reflect the work of DAC Members and other actors to find ways to maximize the scope for effective long-term development assistance even in situations of potential, actual or diminishing conflict.[4] Chapter IV of the 1997 Report showed that the fall in aid flows to Africa in the 1990s was almost entirely explained by reductions to two countries in conflict, Sudan and Somalia, and two others where donors had serious doubt about governance, Zaire and Kenya. This concentration in aid reduction to Africa should be borne in mind when interpreting the aid allocation trends presented in this chapter.

3. Achieving a 50 per cent reduction in poverty

Economic growth is a necessary, if not a sufficient condition for reducing extreme poverty. The World Bank has assessed the attainability of the poverty reduction goal under alternative growth scenarios for 36 countries.[6] Its study first estimates the growth rate in average consumption per person that would be required to halve the poverty headcount ratio (*i.e.* the proportion of the population living on less that $1 a day at 1985 purchasing power parity) between 1990 and 2015. Then it compares these growth rates with various economic growth forecasts and, finally, it explores the influence of changes in economic and social policies, and in the distribution of income.

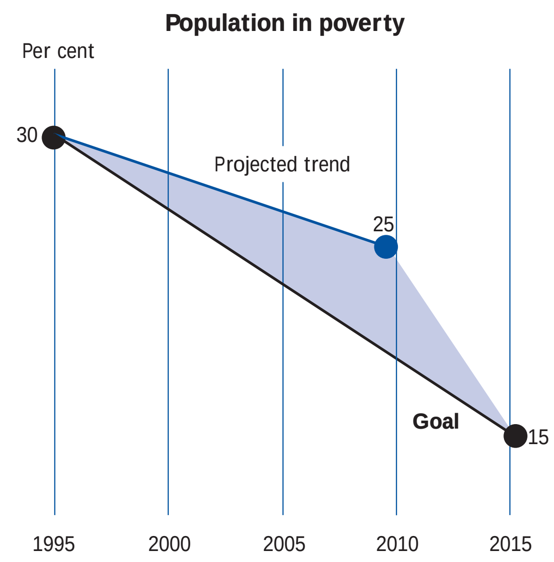
The study shows that some large countries' current growth rates would be easily sufficient for them to reduce poverty by half (for example, several Asian countries including China and India), whereas the majority of countries are not growing fast enough. Many countries, in particular in Sub-Saharan Africa, have negative per capita growth and can therefore be expected to experience increases in the incidence of poverty. The World Bank projections suggest that on the basis of present trends the global poverty reduction goal can almost certainly be achieved. However, if progress were to be assessed on the basis of the number of countries reaching the goal, more than half may fall short.

Recalling the limitations of projections entirely based on present growth, the study explores the potential influence of improved economic policies on growth. It suggests that whether or not poverty incidence will be halved in 25 years depends in part on how well economies are managed. With the current policy framework – which already represents an improvement over recent years – the poverty reduction goal would be reached by half of the countries, representing 86 per cent of the world's population. If policies are further improved, this figure increases to just over 90 per cent, and the number of countries achieving the goal rises to three-quarters. Finally, the study notes that while income distributions within countries tend to be stable, even a small shift can have a disproportionate effect on the numbers of people in extreme poverty. The World Bank's conclusion is that both growth and distribution matter for the pace of poverty decline – and the achievability of the goal. Appropriate policies, programme integrity and targeting are more important than quantity of input.

The 1997 *Human Development Report* (HDR) adopted a different approach and arrived at a less optimistic forecast. It stressed that growth, though essential for poverty reduction, is not enough. Distribution, government policies and public provision hugely affect the translation of a given level of aggregate consumption into poverty reduction. The HDR claimed that growth explains only about half of the rate of poverty reduction, and in many countries growth has failed to reduce poverty because its quality and structure have been insufficiently pro-poor. A pre-condition of pro-poor growth is to make poverty eradication a priority objective of the national development strategy. Other key elements are raising the productivity of small-scale agriculture, promoting micro-enterprises and the informal sector, emphasizing labour-intensive industrialisation, accelerating the expansion of human capabilities and establishing a pro-poor economic policy framework.

It should also be borne in mind that, although monitoring progress towards a goal of global poverty reduction requires the use of internationally comparable data on consumption poverty, at the country level poverty reduction efforts will focus on national poverty lines and data. These may

Chart IV-2. **Prospects for global poverty reduction**



Source: Trends projection by UN Human Development Report Office, adjusted for latest 1995 data.

indicate different priorities from those suggested by data based on international poverty lines, which cannot take account of differences in purchasing power between different regions, access to free public services, intra-household distribution of income, and other factors.

Targeting aid for poverty reduction

Tracing the links between aid inputs and the goal of reducing poverty in the developing world is far from simple. First, it must be reiterated that the most important contribution for development will be made by the people and the governments of the developing countries themselves. Aid can only support these efforts, and financial investment alone will not solve development problems – human and social capital are vital ingredients. Secondly, all aid should be aimed ultimately at benefiting the poor. But some interventions are more effective than others. Funding decisions need to take account not only of need, but of the potential for achieving results. It is in this context that DAC Members are increasingly concentrating their aid policies on poverty reduction and that statistics on aid allocations need to be examined and refined.

The traditional broad approach in analysing the poverty orientation of aid is to examine aid allocations to countries in different income groups. Income statistics for whole countries do not, however, reflect the distribution of income within the country. For example, Brazil is a large upper middle-income country and yet over 20 per cent of its population still lives in extreme poverty. Moreover, recent experience of the fragility of improvements for the poor in Asia underlines the danger in the international community prematurely reaching the conclusion that, in aggregate terms, a country has sufficient means to solve its own remaining problems of extreme poverty, while leaving room for debate about the balance of national and international responsibilities in responding. In advance of more precise information about aid targeted on poor people (see below), the international response to the objective of halving poverty in developing countries can at present best be measured by analysing aid flows to the countries with the largest shares of poor people.

World Bank data on the poverty headcount ratio (*i.e.* the percentage of population whose income/consumption falls below the poverty line) spotlight 26 countries where more than 20 per cent of population lives on less than one dollar per person per day.[7] The numbers of poor in these countries account for 75 per cent of the total population in extreme poverty in developing countries, but in 1996, they received only 29 per cent of DAC Members' bilateral ODA. Nor is the trend particularly encouraging. In real terms, aid to these countries decreased by 19 per cent between 1991-92 and 1995-96, compared to 16 per cent for all recipients combined. On a per capita basis, the fall in aid to this group of poor countries was 24 per cent, compared to 22 per cent for all recipients. These figures suggest that, if anything, recent years have seen a slight weakening of the concentration of overall aid on the countries with the highest rates of poverty.

Moreover, country allocations provide only a rough profile – targeting aid on countries with the largest poor populations is not in itself sufficient to ensure that aid will actually have the desired impacts in helping reduce poverty. This requires working with partners to identify projects and programmes targeted on the poor. To take account of these, the DAC is developing its reporting systems to help identify poverty-focused aid activities in future. A policy marker system, which aims at identifying aid activities that specifically address the objective of poverty reduction (as well as gender equality, environmental sustainability and participatory development/good governance), has been discussed in the DAC over the past two years and is now being implemented as a pilot exercise. Further work is planned to improve the marker definitions and develop data analysis techniques.

4. Targeting other key social development goals

Attempts at costing goals

While it is exceedingly difficult to try to draw quantitative linkages between the volume of aid input and the goal of reducing the overall numbers of poor people in the world, considerable work has been invested to try to cost the expenditures that would be required to achieve individual social development targets, and to assess the approximate proportion that might need to be met from aid funds.

The 20/20 Initiative, promoted by a number of UN agencies and bilateral donors, argues that ensuring the availability of basic social services – basic education (as distinct from secondary or tertiary education), basic health care, including reproductive health (as distinct from tertiary level services), and water supply through low-cost technologies – to all would be a major step towards attaining the internationally shared social goals. The 20/20 proposal is that the additional required resources could be generated if 20 per cent of ODA and 20 per cent of developing countries' budgets were earmarked for basic social services. In the case of ODA, this would amount to approximately $10 billion per annum (see Table IV-1). Obviously these percentage targets were intended as rallying benchmarks and not firm investment plans, since the investment needed in countries that have already attained near universal access to basic social services is less than in those that are far from this goal. Moreover, the mix of public and private funding and differences in the coverage and composition of national budgets limits the analytical value of such global averages.

Since the beginning of the 1990s, the share of aid allocated to the social sectors has steadily increased (from 20 per cent of total bilateral ODA in 1991 to 30 per cent in 1996).[8] This shift towards the social sectors partly reflects the increasing availability of private financing for other sectors such as economic infrastructure. But it also reflects important changes in aid policy. Most DAC Members have internalised the concept of supporting investment in basic social services in various forms, whether or not they agree with the specific targets of the 20/20 Initiative.

The statistics for 1995 and 1996 show that the total aid to basic education, basic health, population and water supply amounted to 10 per cent of bilateral ODA in 1995 and 11 per cent in 1996. Aid to basic education (primary and pre-school education and non-formal literacy and numeracy training for adults) represented some 12 per cent of total aid to education. At $1 billion, as shown in Table IV-1, the basic education aid investment was one-quarter of the estimated ODA requirements while aid to basic health represented 35 per cent of the suggested requirements. Aid to population policies/programmes and reproductive health, however, was 80 per cent of the estimated requirement. Aid to water supply is easily the largest of the four components amounting to 6 per cent of total bilateral ODA. It exceeded the resource target. The figures, however, relate to all water supply and sanitation activities including reticulated systems in urban areas that were not covered in the 20/20 costings.

Table IV-1.

Estimated annual resource requirements to meet key social development goals

$ billion

Sub-sector	Estimated resource requirements per year	Total ODA required	Annual ODA, average1995-96	*Of which* annual bilateral ODA, average 95-96
Primary schooling	90-91	4	1.0	0.6
Basic health care and nutrition	73-80	3.75	1.3	1.1
Reproductive health	18-20	1	0.8	0.7
Water supply	23-25	1.25	3.8	3.0
Total Basic Social Services	206-216	10	7.0	5.5
For reference:				
Total, excluding water supply		8.75	3.1	2.4

Source: Implementing the 20/20 Initiative, 1998 UNICEF and OECD/DAC Statistics. The total ODA requirement is just under 5 per cent of the total estimated costs.

ODA channelled through multilateral organisations, which accounts for approximately 30 per cent of DAC countries' annual ODA, was included in the 20/20 estimates of needs. Data on the sectoral allocation of multilateral aid, which are available only for the World Bank and the regional development banks (some 40 per cent of total multilateral aid), are included in "Annual ODA" in Table IV-1.[9] Data on the sectoral distribution of aid by the UN agencies are not available, although some agencies have made their own estimates on activities in the field of basic social services. (For example, UNICEF and UNFPA have estimated that 76 per cent and 83 per cent of their activities respectively were for basic social services.) While the exact percentage of total ODA to basic social services cannot yet be established, a compilation of the above broad estimates would suggest that it now falls in the range of 10 to 13 per cent, less if only low-cost rural and peri-urban water projects were included.

Reducing infant and child mortality[10]

Projections in the World Bank study already cited suggest that the goal of reducing under-five mortality by two-thirds is not likely to be attained by any of the countries studied. Projecting the past underlying trend of 1.5 per cent annual reduction, the study notes that child mortality will fall by a third rather than two-thirds. Taking account of projected economic growth, which is significantly linked to mortality declines, and effects of rising female education, under-five mortality in 2015 could be reduced by more than half, but it would still be 60 per cent above the strategy goal.

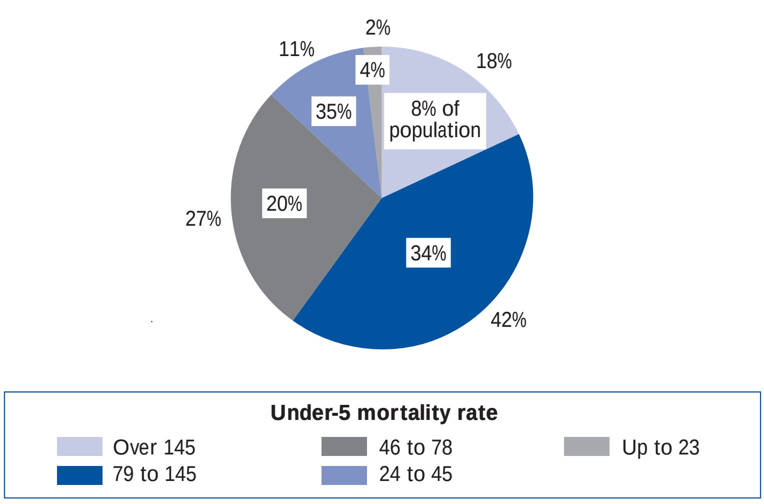
Part of the difficulty in achieving a global reduction of two-thirds in the infant and child mortality rate is that some developing countries already approach developed country levels of mortality and so the potential for further reduction is limited. At the same time, it should also be noted that, between 1970 and 1995, 23 developing countries were able to cut child mortality by two-thirds.[11] These examples give hope for other countries, and may help encourage and guide effective donor activities in the field of basic health. The World Bank study emphasizes the roles of institutional and policy reforms, rather than the quantum of expenditure, in reducing infant and child deaths. Scarce aid resources may therefore be best directed towards assisting in these reforms. Both policy and programme-level efforts in the fields of basic health care, access to safe water and to reproductive health care have a major role to play in reducing future child mortality levels.

Basic health care

Despite the often spectacular progress countries have made in reducing infant and child mortality in the last 40 years, there are still 46 countries where the under-five mortality rate exceeds 100 per 1000 live births (see endnote 2). Chart IV-1 shows that while DAC Members' total net ODA disbursements to this country group declined by 21 per cent in real terms between 1991-92 and 1995-96 (compared to the overall decline in total bilateral ODA of 16 per cent), aid to the health sector in these countries increased by nearly half during the same period to reach 7 per cent of their total aid in 1995-96. Most of this increase was in aid to basic health (basic health care programmes, basic health infrastructure, infectious disease control and basic nutrition) which at nearly $300 million in 1995-96 accounted for approximately half of total aid to the health sector in these countries.

Furthermore, aid to basic health is highly concentrated on countries most in need of assistance. Chart IV-3 below shows the breakdown of aid to basic health in 1995-96 for

Chart IV-3. **Bilateral ODA to basic health, 1995-96**



Note: Covers 143 developing countries grouped by under-5 mortality rate. The chart shows each group's share of total aid to basic health and share of total population.

five groups of countries ranked according to their under-five mortality rates. Over 80 per cent of DAC Members' aid to basic health goes to countries that have not yet reduced under-five mortality to the target 45 per 1 000 births, set at the UN Conference on Population and Development held in Cairo in 1994.

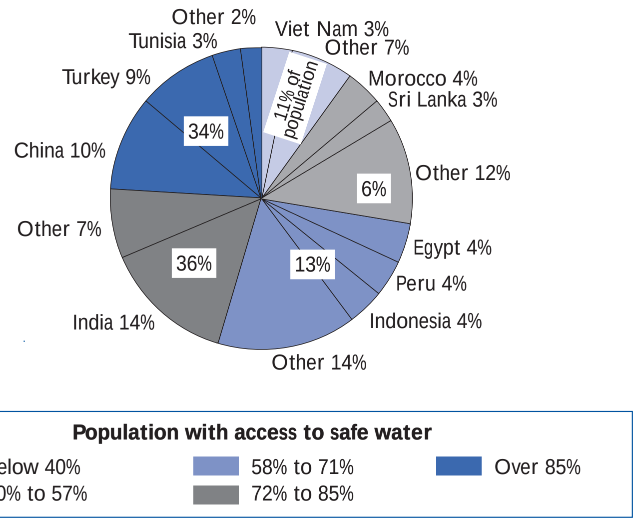
Improved access to safe water

Access to safe water has a major impact on the overall health situation in a country. Countries with high child mortality rates are often those where a large part of the population lacks access to safe water – in 38 out of the 46 countries where under-five child mortality exceeds 100 per 1 000 live births, less than 60 per cent of the population has access to safe water.

As in the case of aid to basic health, there is some evidence that DAC Members' bilateral aid to the countries where large populations do not have access to safe water is increasingly targeted to the water sector. Between 1991-92 and 1995-96, total aid allocations to this group of countries decreased by 23 per cent in real terms, while aid to water supply and sanitation increased by close to 40 per cent. In 1995-96, it represented 6.6 per cent of total aid allocations to this group of countries.

A closer analysis of total aid to the water sector shows that around a third was extended to countries where less than 60 per cent of the population had access to safe water (see Chart IV-4 below). Aid activities in the water sector are, in fact, highly concentrated in a relatively small number of recipient countries. In 1995-96, nearly two-thirds of total aid to the water sector – amounting to $1.6 billion – went to the following ten countries: China and Turkey (where above 90 per cent of the population already

Chart IV-4. **Bilateral ODA to water supply, 1995-96**



Note: Covers 110 developing countries grouped by access to safe water. The chart shows each group's share of total aid to water supply and share of total population.

has access to safe water), India and Tunisia (above 80 per cent), Egypt, Indonesia and Peru (above 60 per cent), and Morocco, Sri Lanka and Vietnam (below 60 per cent).

On this basis, is it therefore possible to say that aid to the water sector is targeted on countries in need of assistance? Yes and no. Ten per cent of the population of China and 20 per cent of the population of India amount to 310 million people without access to safe water who can certainly benefit from aid in this field. But there are many countries where a large part of population lacks this access that receive very little, if any, aid to the water sector.

The 20/20 Initiative argued that attaining universal access to safe water requires, above all, provision of these services in rural and peri-urban areas, and that the poorest groups of people can be reached using low-cost technologies. These are defined as hand pumps, gravity-fed systems, rainwater collection and latrines. They exclude most piped water systems, particularly in urban areas. As a result, the estimated requirement of annual aid to this sector was of the order of $2 billion. The rapid urbanisation observed in the developing world over recent years calls this approach into question. In densely populated areas, clean water and adequate hygiene generally requires reticulated water supply and sewerage systems, which are relatively high-cost.

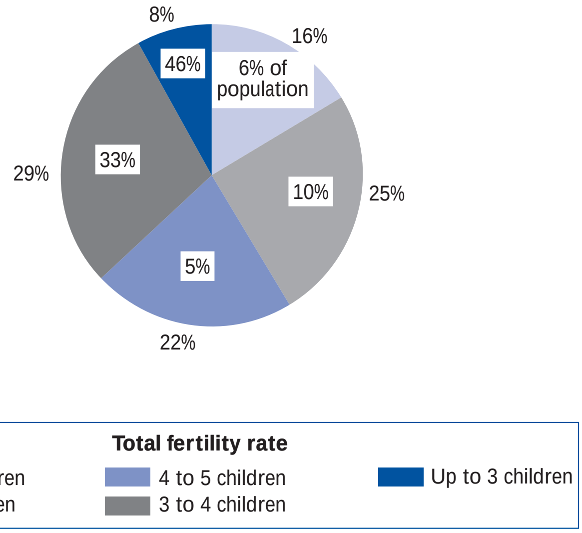
Donors have found it difficult or impracticable to apply the 20/20 definition of low-cost water supply and sanitation which is based on the cost of the services per beneficiary. Consequently, statistics cannot currently distinguish low-cost activities from the total aid to the water sector. Review of individual water projects reported shows, however, that a very small share of the total water supply can be expected to be of low-cost type in the sense of the 20/20 Initiative. Out of the total of 900 water supply and sanitation projects committed in 1995 and 1996, about 100 were larger than $10 million and these covered 75 per cent of the total value of water supply projects for those two years. The 30 largest projects (above $40 million each) covered half of the total aid to the water sector. The majority of these projects take place in large cities. This can be seen as a positive response to the rapid urbanisation of the developing world, but it also raises the question of how much aid in this sector is directed to the poorest in the rural areas of the developing countries.

Improving access to reproductive health services

Although the availability of reproductive health services is clearly one of the determinants of the overall health situation in a country, present data on access to these services are patchy and lack a consistent methodological base. We have therefore examined aid to reproductive health in countries where population pressure is greatest, *i.e.* where the total fertility rate is high. The group of countries where the total fertility rate exceeds 5 is to a large extent the same as the group of countries with an under-five mortality rate above 100 per 1000 live births. Chart IV-1 above shows that DAC Members' net ODA disbursements to this group have declined by 24 per cent, compared with the 16 per cent decline in total aid. Within this total, aid to population policies/programmes and reproductive health has been relatively static at around only 1.5 per cent of aid allocations.

Aid to population activities and reproductive health is, however, appropriately focused on countries with high fertility. Chart IV-5 below shows the recipient breakdown by ranking the countries according to their prevailing total fertility rates. Over two-thirds is allocated to countries where mothers have four or more children.

Chart IV-5. **Bilateral ODA to population programmes including reproductive health, 1995-96**



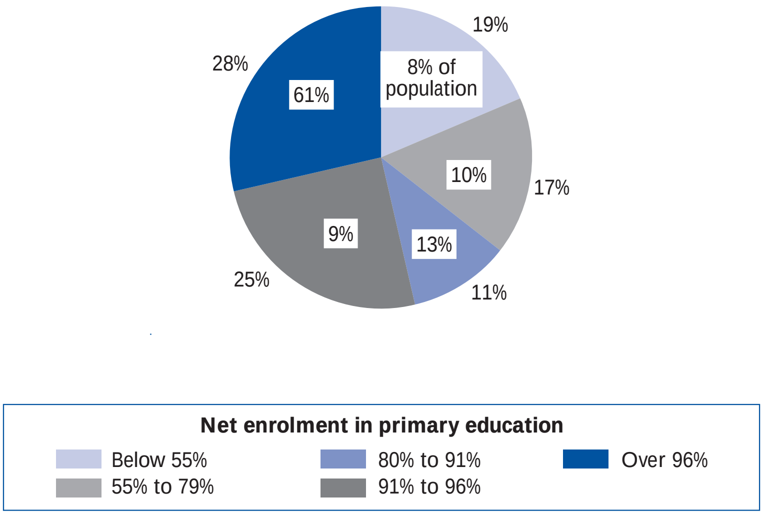
Note: Covers 144 developing countries grouped by total fertility rate. The chart shows each group's share of total aid to population activities and share of total population.

Basic education

Assistance to education has long been a major feature of donor programmes, currently accounting for some 10 per cent of total bilateral ODA. Chart IV-1 shows that aid to countries with less than 80 per cent of their children in primary school has declined by 25 per cent compared with the 16 per cent decline in total aid. At the same time, within this total of $7.5 billion in 1995-96, some 7 per cent ($490 million) was provided as assistance to education, up from 4 per cent in 1991-92.

Much of this aid, however, is for tertiary education, funding students and trainees from developing countries. Bilateral aid to basic education is estimated at some 12 per cent of aid to education, that is of the order of $600 million per year. Due to incomplete donor reporting, the geographical distribution of aid to basic education is not known. Chart IV-6 shows, instead, the distribution of aid to all levels of education to countries grouped by their net enrolment rate in primary education. Over half of this assistance goes to countries with the majority of their children in primary school. Just six countries – China, Indonesia, Israel, Korea, Thailand and Turkey – receive 40 per cent of the total. Of these only Thailand has less than 90 per cent of its children in primary school. In contrast, only about a third is targeted on countries with less than half of their children in primary school.

Chart IV-6. **Bilateral ODA to education, 1995-96**



Note: Covers 88 developing countries grouped by net enrolment in primary education. The chart shows each group's share of total aid to education and share of total population.

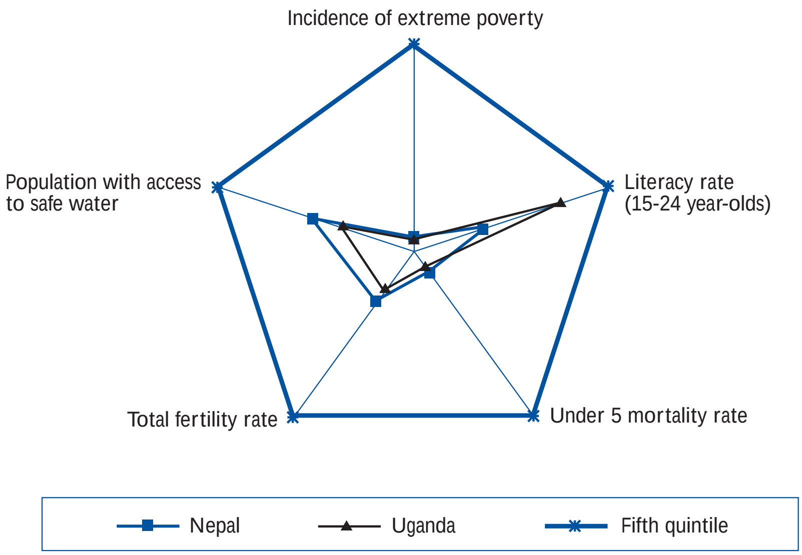
5. Aid targeting: Two country examples

The foregoing analysis of DAC Members' bilateral aid in relation to some of the key goals of the development partnerships strategy indicates that, generally speaking, there is little evidence so far of an increasing concentration of total aid on countries where it is in aggregate most needed. Aid to countries that are furthest away from the goals has in fact declined slightly more than overall aid allocations. But there have been some positive changes in the sectoral distribution: aid to these countries is increasingly being allocated to the sectors that are of importance to attain the agreed international goals. Even so, it is clear that there is room for further targeting in several areas.

Some of the very divergent patterns in the demand and supply of aid in relation to the goals can be illustrated by using two examples: Uganda and Nepal. In Uganda, 69 per cent of the population live on less than one dollar a day, the under-five mortality rate is 160 per 1000 live births, the total fertility rate is 6.7, and only 34 per cent of population has access to safe water. In Nepal, 50 per cent of population are below the international poverty line, under-five mortality is 131/1 000, the total fertility rate is 7.4 and 48 per cent of population has access to safe water. Chart IV-7 compares their situation with the 34 aid recipients with the highest standard of living based on a selection of indicators (the “fifth quintile”).

Most DAC Members are giving some aid to Uganda and Nepal, and neither is

Chart IV-7. **Five dimensions of development in Nepal and Uganda**

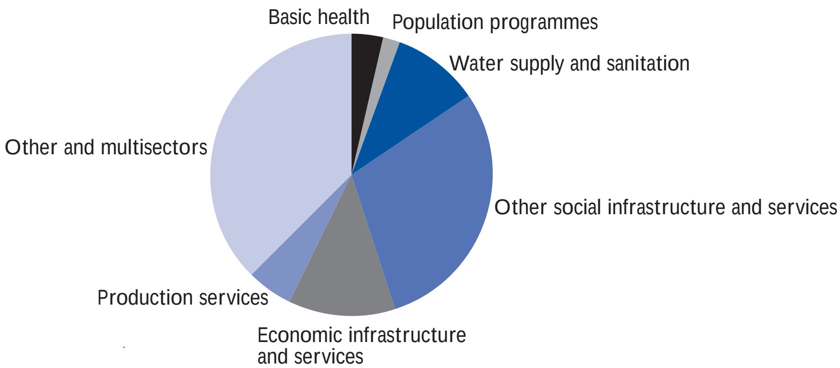


therefore dependent on one major donor. Charts IV-8 and IV-9 below show the sectoral breakdown of DAC Members' bilateral aid to Uganda and Nepal in 1995-96. (Members' reporting on aid activities in these two countries is nearly complete, in both cases above 80 per cent of total bilateral ODA commitments.)

Uganda

In Uganda (Chart IV-8), 45 per cent of aid was allocated to the social sectors. Aid to sectors of importance in achieving the key international goals (basic health, population and water supply[12]) represented 19 per cent of total bilateral ODA. But Uganda also received significant assistance in the form of health sector programmes focusing on institutional and policy reforms which, as noted above, are aimed at increasing the overall effectiveness and coverage of these services. A large share of aid to Uganda is extended in the form of programme aid. This included debt relief (by far the largest component), balance-of-payments support and structural adjustment. These activities can be regarded as ensuring the overall economic stability in the country, essential for any progress in social development. They also release national resources for priority development purposes.

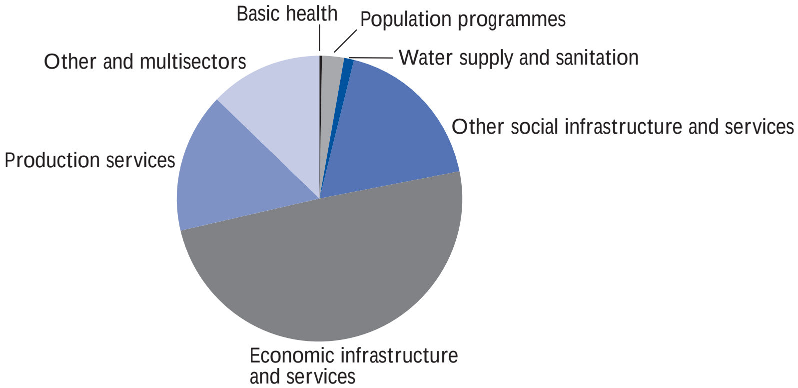
Chart IV-8. **Sectoral breakdown of bilateral ODA to Uganda, 1995-96**



Nepal

The case of Nepal (Chart IV-9), by contrast, raises some questions as to whether aid is well targeted in relation to the country's needs. Total aid to the social sectors accounted for only 22 per cent of the total bilateral ODA, with very small amounts being allocated to basic health, population and water supply. Donors' attention is clearly focused on upgrading economic infrastructure, in particular in the fields of energy and transport. These sectors are clearly important in the overall economic development of a country, but given the scale of challenges the country faces in its social development, there is reason to ask whether a greater share of aid should be targeted on these problems.

Chart IV-9. **Sectoral breakdown of bilateral ODA to Nepal, 1995-96**



Box IV-1.

Hanoi consensus links the 20/20 Initiative to the partnerships strategy

The 20/20 Initiative was endorsed by the World Summit for Social Development held in Copenhagen in 1995 as a possible basis for implementing its Programme of Action. The Oslo Consensus in 1996 set out strategies and modalities for its implementation. Progress was reviewed at a meeting on 27-29 October 1998 in Vietnam. The resulting Hanoi Consensus includes the following main points:

- Universal access to basic social services is a prerequisite for eradicating poverty and for achieving the global Conference goals for social development. The 20/20 Initiative was seen to "address the input dimension of the DAC Partnerships Strategy".
- Many countries will have difficulty meeting the goals within the agreed timeframe unless additional financial resources are allocated to basic social services and unless resources are used more efficiently.
- Adequate provision of basic social services requires not only financial resources but also a political commitment and institutional capacity to deliver the services. Developing countries should initiate concrete steps to expand the coverage and improve the quality of basic social services.
- The resource requirements and necessary policy reforms should appear "as a regular feature on the agenda of the appropriate fora for policy co-ordination, in particular Consultative Group and Round Table meetings".
- Flexible and country-specific approaches are needed. While at the country level the share needed will vary, donor countries and multilateral organisations should actively strive to spend, at the global level, at least 20 per cent of their ODA on basic social services.
- Non-governmental organisations should continue their advocacy and dialogue with donors to promote greater accountability and better targeting of basic social services on the poor.

Information on social sector expenditure and its outcome is essential to design and implement social policy reforms. To this effect, the Hanoi Consensus calls for:

- specific institutional mechanisms to co-ordinate and monitor this spending within the national budget on a regular basis;
- steps to make ODA spending in support of these services more transparent, *e.g.* through the Development Co-operation Reports of the UNDP, using data of the Creditor Reporting System supplemented with locally collected information;
- the DAC to improve reporting of aid to basic social services by considering the recommendations of the study *Opportunities and constraints for better donor reporting on basic social services* prepared for the Hanoi meeting;
- multilateral organisations to provide relevant data on their spending to the DAC; and
- the DAC to prepare a report on donor support for basic social services, using both data reported by its Members and the assessment of their efforts in Peer Reviews and present it to the preparatory meeting of WSSD+5.

Most DAC Members are working to support investment in basic social services, on a country-by-country basis. Efforts to improve the data available are underway with an update to the codes used to record aid to basic social services (due to be agreed in June 1999) and dialogue with multilateral organisations to improve their reporting of expenditure by sector. The DAC/OECD will produce statistics on donor support for basic social services for the five-year review of the Copenhagen Summit.

6. Multilateral trends and issues

This section presents a brief review of the multilateral development institutions' current aggregate spending patterns in relation to the broad development goals of the development partnerships strategy. It then looks at the allocation of development finance to recipient countries *by* the multilateral system, and the supply of ODA *to* the multilateral system by donor countries. Finally, it examines some major current financial and operational issues in the multilateral system that will affect the coherence of that system and its capacity to meet the challenges of the partnerships strategy.

The key points are:

- Despite declining aid resources overall, since 1991 multilateral funding for poor populations has been maintained in real terms, and there are some signs of retargeting to priority sectors related to key development goals.

- So far it has been possible, through the 1990s, for total multilateral disbursements to grow even while donor contributions to the system have contracted.

- An increasing shortage of concessional resources will have growing implications for multilateral assistance efforts and poverty reduction; MDBs may become more financially self-sufficient, but in the process give less attention to poverty reduction. The core priorities of UN development agencies may be diverted as they rely further on administering the programmes of others.

- Decentralisation of multilateral institutions (particularly the MDBs), reform of aid co-ordination groups and pressure for shared country assistance strategies will have major implications for all donors.

Multilateral spending and development goals

Chart IV-10 and Table IV-2 cast some light on how the multilateral aid agencies presently allocate their ODA resources in relation to five of the broadly accepted development goals:

- to reduce the proportion of people living in extreme poverty by half;

- to reduce mortality of children under five by two-thirds;

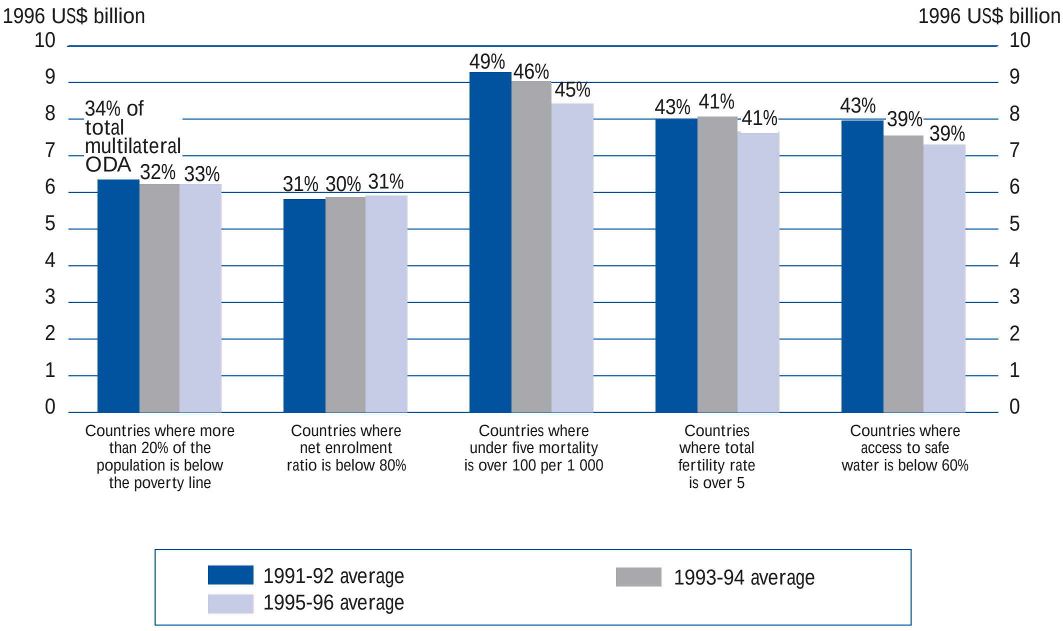
- to ensure universal access to safe water;

- to make safe and reliable family planning available to all;

- to achieve universal primary education.

In relation to these goals, Chart IV-10 presents information on aggregate net multilateral ODA over six years (1991-96). The share of multilateral ODA allocated to countries where more than 20 per cent of the population is below the poverty line has remained constant, at about 33 per cent of total flows. The share of countries where the net school enrolment ratio is below 80 per cent has also remained constant at 31 per cent. The changes over time in the shares of countries against other indicators (high under-five mortality, high fertility rate and low access to safe water) is more mixed, but countries with needs in these areas continue to receive about 40 per cent or more of net multilateral ODA.

Chart IV-10. **Net multilateral ODA to countries in greatest need**



Source and coverage: See note 5.

Table IV-2 looks at *commitments* of *all* resources (concessional and other) by those multilateral institutions which report to OECD on their aid to sectors which relate to the key development goals: spending on education, health, population policies and water supply. In total, the four priorities took up 17 per cent of collective commitments by the reporting institutions for the period 1995-1996, compared to 14 per cent in 1991-1992. Despite a 10 per cent decline in total official commitments in current terms by these same institutions over the same period, the four priority sectors experienced an increase of 12 per cent. In other words, larger shares of spending are going into sectors related to the widely accepted development priorities. Sectorally, the share of education has remained constant at 7 per cent, but an increase in the share of basic education has been reported. Spending in current terms on health, and particularly basic health, as well as on water supply, has increased substantially from 1991-1992 to 1995-1996, by 50 per cent and 31 per cent respectively. The relevant OECD database indicates a significant apparent decline in commitments by this group of multilaterals to programmes related to population policies but it should be noted that the reporting base here is very small. Grants by UNFPA, the UN's population assistance fund (which is not in the database), also increased substantially ($55 million annually) in 1995-96 over 1993-94.

Table IV-2.

Multilateral official commitments to developing countries[a]

At current prices and exchange rates

	1991-1992		1993-1994		1995-1996	
	US$ million	% of total	US$ million	% of total	US$ million	% of total
Total multilateral ODA and other official	35 633	100	29 920	100	32 175	100
Flows allocable by sector						
of which:						
Education	2 433	6.8	2 217	7.4	2 394	7.4
Health	612	1.7	924	3.1	920	2.9
Population policies	384	1.1	366	1.2	188	0.6
Water supply	1 611	4.5	1 777	5.9	2 104	6.5
Total sector specific	**5 040**	**14.1**	**5 285**	**17.7**	**5 607**	**17.4**
Coverage[b]	76%		74%		71%	

a) Official Commitments include: Official Development Assistance and Other Official Flows, except official export credits.
b) This table excludes commitments by UN agencies and European Community development institutions (except the European Development Fund). The coverage is the share of total multilateral commitments for those agencies that do report by sector: AsDB, AsDF, AfDB, AfDF, EDF, IBRD, IDA, IDB Special Funds, IFAD.
Source: *OECD.*

Trends in the volume of multilateral disbursements

Total multilateral flows (concessional and non-concessional) to developing countries and countries in transition remained relatively constant, on a net basis, over the three-year period 1993-95 exceeding $27 billion annually. After rising to $29 billion in 1996, total net disbursements increased dramatically in 1997 to almost $35 billion (Table IV-3). While the flow of concessional resources declined by $1.4 billion in 1997, non-concessional flows jumped by $7 billion (over 81 per cent) to almost $16 billion. This reflects the initial disbursements in the latter half of 1997, principally by the IMF and MDBs, to improve the situation of countries affected by the financial crises originating in South-East Asia.

Table IV-3.

Multilateral disbursements to developing and transition countries[a]

Net disbursements — current US$ million

	1990	1991	1992	1993	1994	1995	1996	1997
Concessional flows	13 972	17 788	18 449	17 523	20 579	20 555	20 487	19 122
To developing countries	13 537	16 200	17 596	16 787	19 265	19 222	18 922	17 534
To countries in transition	436	1 588	853	735	1 314	1 333	1 565	1 588
Non-concessional flows	10 777	7 713	5 890	10 111	6 669	7 084	8 686	15 761
To developing countries	10 147	6 852	3 742	7 378	3 810	4 342	5 470	10 895
To countries in transition	630	861	2 149	2 733	2 859	2 742	3 217	4 866
Total multilateral flows	24 749	25 501	24 339	27 634	27 248	27 638	29 174	34 883

a) Including disbursements from Arab Agencies.
Source: *OECD.*

About $20 billion in flows annually (or some three-quarters of the total) has been on *concessional* terms, and some 93 per cent has gone to developing countries on Part I of the DAC List. The major elements of *multilateral concessional flows* have been:

- multilateral development bank concessional lending ; averaging $7.5 billion (net) annually, almost all to Part I countries;

- funding from the United Nations system as a whole (almost all for Part I countries) which has been declining gradually from a peak of $6.2 billion in 1993 to $5.3 billion in 1996;

- concessional lending from the IMF (SAF/ESAF) which has fluctuated considerably but has averaged about $0.7 billion annually over the past seven years.

- European Commission concessional assistance, which has risen to $6.5 billion annually in the past two years, of which about 80 per cent goes to Part I countries.

Non-concessional multilateral flows, mainly from ordinary capital resources of the MDBs, to *developing* countries and *countries in transition* have exceeded $8 billion on a net basis for the last three years. There have been, however, some significant changes in the provision of non-concessional assistance to developing countries:

- Since 1991, the African Development Bank has disbursed less and less non-concessional money to developing country members on a net basis (reaching $300 million in 1996). This reflects changing financial policies and a reduction to only 13 countries which are eligible to receive funding from African Development Bank ordinary capital resources.

- For the World Bank, repayments from developing countries of non-concessional assistance have exceeded disbursements for four of the past five years.

- For the Asian Development Bank, disbursements have exceeded repayments of principal by about a billion dollars annually in recent years; total non-concessional disbursements were $2.6 billion in 1996.

- The Inter-American Development Bank (IDB) has become the largest *net* lender of non-concessional resources for Part I developing countries among the four major multilateral development banks. Over the past six years, disbursements have exceeded repayments of principal by $1.5 billion annually on average. Disbursements stood at almost $4 billion in 1996. IDB's expansion of non-concessional lending reflects the creditworthiness of its large borrowers, as well as a scarcity of concessional funds for the region.

- The International Finance Corporation became the biggest net supplier of non-concessional funding to developing countries in 1996 at over $3 billion.

- Multilateral *non-concessional* funding for *countries in transition* has risen from under $1 billion in 1991 to average about $3 billion annually in 1994-96. The World Bank is the largest net supplier at close to $2 billion annually, followed by the EBRD at about $1 billion.

Trends in the funding of multilateral organisations

Some important recent trends are emerging in the provision of funding *to* the multilateral system. In 1996, DAC Members' overall contributions to multilateral organisations fell to $16.8 billion, the lowest level since 1991. The share of multilateral development banks fell to 22 per cent, from a high of 25 per cent in 1992. Meanwhile, multilateral organisations, principally lending institutions, used their income to

Table IV-4.

Total DAC Members' contributions to multilateral organisations

Net disbursements — current US$ million

	1990	1991	1992	1993	1994	1995	1996
DAC contributions to Multilateral organisations	**15 824**	**15 982**	**20 251**	**17 697**	**18 400**	**18 783**	**16 516**
of which:							
To IFIs[a]	7 352	5 626	9 344	7 674	7 362	7 254	5 903
To UN Agencies[b]	4 047	4 364	4 736	4 121	4 287	4 270	4 374
To Other organisations[c]	4 425	5 403	5 470	5 309	6 158	6 687	6 007
Multilateral contributions to Multilateral organisations	**245**	**228**	**368**	**351**	**529**	**731**	**253**
Total contributions	**16 069**	**16 211**	**20 619**	**18 048**	**18 929**	**19 514**	**16 769**

a) International Financial Institutions include: IBRD, MIGA, IFC, IDA, IDB, IDB Special fund, IFAD, AfDB, AfDF, AsDB, AsDF and other regional banks.
b) UN agencies include: UNICEF, UNHCR, UNTA, UNDP, UNRWA, UNFPA, UNTA, WFP and other UN Agencies.
c) Other multilateral includes: CarDB, CABEI, CEC (EDF, EIB), IMF and others unspecified.
Source: *OECD.*

finance other multilateral initiatives on an average scale of about half a billion dollars a year over the last three years, equivalent to about 3 per cent of total contributions to multilateral organisations.

On average, as replenishments of concessional windows declined in size, funding support to multilateral development banks overall fell by about $1 billion annually from 1991-94 levels to $6.6 billion for 1995-96. This represents 11.5 per cent of total ODA by DAC donors, a drop of over 1 per cent from earlier levels. There has been a slight recovery in the past two years in levels of contributions to UN agencies, and in 1995/1996 they received $4.3 billion, or 7.5 per cent of ODA. Finally, there has been a continuing increase in the level of contributions to other multilateral institutions, particularly those of the European Union, (to almost $5 billion annually), and to a much lesser extent, the IMF (to about $0.5 billion annually). Together, these constituted 11 per cent of DAC Members' ODA (over $6 billion) for both 1995 and 1996.

Financial and operational issues

In the 1990s, the flow of all funds from the multilateral system as a whole to developing countries has held up better than ODA flows generally, and DAC Members' contributions to multilateral institutions. In 1996, multilateral disbursements amounted to $29.2 billion, while DAC Members' contributions to these institutions were $16.5 billion.

There are several reasons why it has been possible for outflows to exceed inflows over an extended period. In the whole multilateral system, there is an extended lag between the time donors are required to make binding commitments, and when these must be backed by multilateral disbursements. This is particularly true among the MDBs, where notes issued to back commitments made to particular replenishments may be encashed many years later. In addition, the nature of the MDBs allows them to leverage funds based on callable capital (not paid-in ODA contributions) and there has been a trend towards reducing the amount of paid-in capital required from donors to support future non-concessional lending. Finally, the long-term nature of forward commitments required means that when development assistance budget reductions are necessary in the short term, these are made initially in areas other than those covered by longer-term multilateral obligations.

The questions remain as to whether the gap between Members' contributions on the one hand, and multilateral disbursements on the other, can be maintained, and to what extent the overall figures may mask important changes in the direction and uses of aid. On the second point, the decline in concessional resources can be expected to have major repercussions in the availability of funding for poor countries and poor people if not reversed. The African Development Bank (AfDB), for example, is facing a difficult situation. Under the more stringent financial policies adopted for its last replenishment cycle, fewer African members are considered creditworthy for borrowing from ordinary capital resources at non-concessional rates of interest. This has increased the pressure on the AfDB's concessional window:

> "... resource availability has followed a reverse trend: under the ADFVI replenishment U.A. 2.44 billion were committed in new resources while the figure for ADFVII was U.A. 1.33. Thus, the concessionary resources are dwindling, while simultaneously, the number of regional member countries in the concessionary window is increasing".[13]

There are a number of other financial issues which donor governments, as the largest contributors to the UN and European development programmes, and as the largest shareholders in the international financial institutions, will have to face in assessing the evolution of their multilateral development policies.

MDB financial issues

For the multilateral development banks, a number of issues are linked to the falling concessional funds from bilateral donors. It has been noted that the multilateral system has become a significant contributor to new multilateral initiatives, of which the Heavily Indebted Poor Countries (HIPCs) debt initiative is the most significant. Though the annual amounts have varied widely, on average in the 1990s $400 million annually has been provided from internal multilateral sources, principally MDB net income. However, there is intense pressure on these resources:

- to augment concessional resources coming from donors (for example to help to fund the HIPC debt initiative – the World Bank alone had contributed US$850 million as of October 1998);

- to build up adequate reserves for the lending portfolio;

- to provide appropriate administration to maintain and improve loan quality (including through decentralisation);

- to provide new and improved non-lending services (technical assistance, capacity building, development policy research, and advice) to members;

- to pay for the costs of restructuring as staffs are reduced and/or new skills are sought;

- to reduce the lending rate.

None of these pressures is new. But they are exacerbated by a second factor. Until the recent financial crises, there was greater and greater access to financial markets for some countries at rates approximating those charged by the MDBs. Furthermore, private sector bank lending was much quicker and came with fewer conditions than official lending. This created conditions where calls on the MDBs' primary financial product – non-concessional loans – were declining just at a time when the demands on the net income resulting from this product were most intense. Ongoing reorganisations in several institutions also had a negative impact on new lending. However there are indications that one result of the international financial crisis may be a decision by some large borrowers, not only in Asia, to increase their demands for MDB borrowing. As institutional changes are absorbed, the MDBs should be in a better position to increase levels of activity.

Another consequence of the lack of concessional resources coupled with reduced willingness by donors to provide paid-in capital, has been a tendency among MDBs to lengthen the replenishment cycle for the major concessional funds and become less and less dependent on regular "top-ups" by donors. If such trends were to strengthen over time, the MDBs could begin to approach a situation where concessional resources available to certain MDBs would be minimal and non-concessional lending at relatively high levels could be maintained without future infusions of capital. Replenishment exercises have always provided important opportunities for MDBs to review their activities and align them with new priorities expressed by the broader donor and recipient communities. They provide an opportunity for a review of activities by stakeholders not continually involved in the day-to-day operations of the MDBs. The financial "freedom" from donors which might be associated with MDBs becoming more self-sufficient financially may pose challenging issues in respect of the governance of the system and its strategic policy orientations and directions.

As the current financial crises have unfolded, there has been general agreement on the importance of ensuring the IMF rapidly obtains new resources to replace those committed in responding to the crises to date. Recently, the Fund's largest shareholder agreed to pay its share. There has been much less discussion on the impact of the financial crises on the resource positions and operations of the multilateral development banks (MDBs), and the consequences for their shareholders, be they developing, transition or industrial economies.

The World Bank has seen its commitments increase by 50 per cent in the last year from $19.1 billion in the year ended 30 June 1997 to $28.6 billion in the year ended 30 June 1998. Of this, the Republic of Korea accounted for $5 billion. There has been a clear increase in demand from clients this year, particularly for technical assistance and emergency assistance loans. In East Asia and the Pacific alone, 13 adjustments and/or technical assistance and emergency operations were added to this year's programme, while 11 investment-type loans were dropped or put on hold.

The World Bank and the other multilateral development banks have traditionally emphasized projects and programmes with longer-term development objectives beyond simply providing immediate liquidity – such as human resources development, technical assistance, policy improvement, financial and infrastructure investment, poverty reduction, and protection and shoring-up of social safety nets. However, with an overall shortage of resources for official financing in the system, the World Bank and other development banks are being pressed to provide quick disbursing liquid support. While there is some capacity for the MDBs to do this in the short term, there is the danger that if this trend persists it will increase the riskiness of the MDBs' loan portfolios and drive up their cost of borrowing.

Obviously, not only the World Bank is affected. The Asian Development Bank, with a relatively more concentrated loan portfolio, has already faced major new pressures on lending. The massive nature of the support package necessary for Brazil will require a major new commitment from the Inter-American Development Bank, and any further requirements for similar support from other member countries could cause major distortions in Inter-American Development Bank's lending programme.

The financial viability of ongoing projects, particularly infrastructure projects, has also been directly affected by the financial crises. As revenues from certain types of infrastructure services contract, borrowing entities will find it increasingly difficult to repay, and will have to rely on government guarantees. In many cases, governments are in poor circumstances to honour repayment obligations. In projects where there has been major private participation by foreign investors in infrastructure, and where returns have been guaranteed in foreign currencies, devaluations jeopardise project viability. In many cases innovative restructuring of infrastructure projects is already underway.

As is discussed elsewhere in this chapter, the overall scarcity of concessional resources for development assistance has resulted in reduced replenishments of concessional funds for MDBs in recent years. The financial crisis will exacerbate the demand on these resources as new claimants will be added by the return of countries such as Indonesia to the ranks of eligible borrowers. In previous years, a number of countries have "graduated" to situations where their improved prospects – per capita income, creditworthiness, etc. – led them to rely on MDB funding from the "hard" loan windows – ordinary capital resources at near market rates. However, the social devastation and contraction in income brought about by the financial crises in many recently graduated countries will once again qualify as a legitimate demand on concessional resources. This may be at the expense of current major recipients of concessional resources in South Asia and Sub-Saharan Africa. Furthermore, there could be increased pressures for redistribution of concessional resources between and among the concessional funds of the MDBs.

The MDBs have shown some capacity to make changes and to adapt to the changed circumstances brought about by the current financial crisis by, for example, increasing emergency lending, restructuring projects and reallocating resources. In the end, however, widespread demands for concessional resources to reduce the social impacts of the crisis may lead to renewed demands on donors.

Financial issues in the UN system

The contraction in concessional funding has provided a different set of financial problems for the UN system. The United Nations development institutions have no independent capital base, their operations being funded by direct contributions from donors and by payments for administering programmes for others. As core funding has become more and more difficult to secure, UN organisations have become vulnerable to possible distortions in their programming through growing "subcontracting" by other donors with money to spend. This has resulted in a kind of "bilateralisation" of UN system programming as the UN institutions with administrative capability on the ground have been prepared to take on and administer the projects of others or accept funds in trust with varying complex administrative and reporting requirements in order to maintain a certain level of activity. UN organisations have responded by preparing projects in their domain but beyond their financial capabilities (*i.e.* UNICEF's "noted" projects) that they then seek to "sell" to interested donors – bilateral, multilateral, private, NGO. However, preparing such projects takes considerable effort, and they are not always funded in the end.

From the point of view of representatives of the governments who sit on the executive boards of the UN development institutions, it will be important to ensure that individual organisations maintain their ability to focus on their core mandates and objectives. In many cases, it is bilateral and multilateral country desks and decentralised offices of other aid organisations on the ground which provide both the greatest opportunity and the greatest threat. The commitment and progress of the UN Secretary-General's reform plan, concrete action to better co-ordinate development activities in the field through the UNDAF process (United Nations Development Assistance Framework) and the decision to broaden the base for the choice of UN resident co-ordinators to UN organisations other than UNDP are all positive developments in the UN system. They call for commensurate attention from funding governments to review the management of their multilateral programmes and to examine the interface with their bilateral programmes.

Operational issues

The World Bank, and the African, Asian and Inter-American Development Banks, have all had independent reviews of their operations in recent years which examined how they could increase their effectiveness and impact on sustainable development. For all the MDBs, *improving loan quality* was identified as a key issue. Each has put in place an action plan to achieve the desired results:

- The World Bank began a 30-month plan in 1997 to implement a Strategic Compact with its shareholders. The objective is to improve its effectiveness in delivering its regional programmes and reducing poverty. There is a concerted effort to shift resources to "frontline" activities (including development of real partnerships with borrowing countries, other aid agencies, private sector, NGOs; decentralisation; and new expertise in social sectors, institution building, banking and private sector development. A "scorecard" is being developed to help improve and monitor the quality of lending.

- The African Development Bank Group is in the midst of a major exercise to shape a new collective vision, refine development objectives and define its optimal operational niche. A Renewal Accord proposed by the President, an Action Plan on Project Quality, enhanced Country Strategy Papers and implementation of a second annual Portfolio Performance Review are all evidence of efforts towards operational improvement.

- By the end of 1998, the Asian Development Bank will complete implementation of the strategic priorities identified in its three-year medium-term strategic framework. The Bank undertook a full-scale review of its provision of technical assistance and in 1997 established three new field offices to improve project preparation and lending supervision.

- In its 1996 annual assessment of portfolio management, the Inter-American Development Bank found 86 per cent of projects to be on track and since then has implemented action plans for the other 14 per cent. It also implemented recommendations of a task force on strengthening country offices approved last year, and increased the number of professional staff in the field who were given greater authority.

With the exception of the African Development Bank, the MDBs have all taken steps – in some cases dramatic steps – towards *decentralisation* with a view to improve loan quality and the nature of their partnership with recipient countries.

One concrete example of this is the decentralisation of regional and country-specific *aid co-ordination meetings*, Consultative Groups (chaired by the World Bank or occasionally another MDB or the EU), Round Tables (chaired by UNDP) and other types of donor conferences. According to the World Bank, some 73 meetings of this type were held in 1997 and the first three months of 1998. Of these, 14 were held in the developing country concerned. Over 80 per cent continued to be held in OECD capitals, notably Paris and Geneva. Initial experience by World Bank staff suggests a number of benefits resulting from in-country aid co-ordination meetings including:

- participation by more, higher-level government officials;

- greater country ownership (particularly if the country also has ownership of preparatory work);

- involvement of local civil society and the private sector;

- greater local transparency and enhanced responsibility for commitments made;

- some donors deepening first-hand knowledge of the country/reality check.

Other interim approaches being examined include:

- rotating such meetings between donor and recipient capitals;

- more joint donor/government in-country preparatory work on specific issues prior to an overseas meeting;

- host country co-chairing (or eventually chairing) such meetings.

Experience to date also suggests that regular ongoing in-country donor co-ordination meetings with significant host government participation provide a good basis for sharing information, identifying catalytic opportunities and generally improving the quality of each donor's assistance. As the development partnerships strategy underlines, effective donor co-ordination requires the partner to take the lead.

Another common issue – not only for developing country partners – is the plethora of country assistance strategies among both multilateral and bilateral agencies. Many have pointed out the advantages that a common country development strategy could offer, ideally "owned" by the host country, and supported by all development institutions. Such common country development strategies in all likelihood would have to be developed *in country* through intensive, effective collaboration of the host government, multilateral and bilateral donors, civil society and the private sector, and this requires an appropriate presence by donors.

As more multilateral agencies continue in the direction of greater decentralisation to improve the quality of their delivery capacity on the ground and to meet partnerships objectives, the challenge for bilateral and multilateral agencies alike will be to find the resources needed to put sufficient staff in the field in order to be able to participate meaningfully.

7. Summary: First findings on goals and aid

Aid is increasingly targeted on social sectors relevant to key internationally agreed development goals. However, because total aid flows have fallen, aid expenditures remain substantially below the best available estimates of requirements for donors to help their partners meet these key international goals. Policy reform, better targeting of interventions, and programme effectiveness as well as aid volume are important in contributing to poverty reduction.

In relation to specific goals:

- In global terms, reducing the proportion of people in extreme poverty by half may be achieved if recent, relatively high levels of growth were to be sustained. But progress may be slowed by any sustained fall in growth in China and India, or if the distribution of income becomes more unequal. It is also important to get behind the global totals to ensure that many countries with smaller populations are able to improve their situations.

- In many developing countries which have already reduced their rates of infant and child mortality to levels approaching those of developed countries, a further cut of two-thirds will not be possible. However, aid to basic health in the poorest countries could still help reduce infant and child deaths substantially.

● Similarly, many poor countries where large sections of the population lack access to safe water, basic education, and family planning services, need more aid in these fields and are adopting policies and strengthening capacities to use additional resources effectively.

● Aid interventions need to be specifically adapted to the needs, strategies and priorities of each recipient country and its own society. The mechanistic application to individual countries of programmes, formulae or percentages worked out at the global level will work against the necessary ownership of development by the countries concerned and against the effectiveness of aid.

Notes

1. Details of individual DAC Members' aid performance are given in Chapter V.

2. It should be borne in mind that the period studied – 1991 to 1996 – predates publication of the Strategy in 1996 and so any consequent change in aid allocations is yet to show up in the statistics.

3. David Dollar and Lance Pritchett, *Assessing Aid. What works, what doesn't and why*, Policy Research Report, World Bank, 1998.

4. Countries most in need that are affected by conflict are indicated in the following table, using * to denote a country in current conflict and + to denote a country with rising tensions or in transition/post conflict (as of July 1998). The vision of partnership and shared development goals is difficult, if not impossible, to pursue in many of these countries, leaving an important role for humanitarian aid and working through civil society including non-governmental organisations. In the first half of the 1990s, cutbacks in bilateral ODA to countries in conflict (especially Congo Democratic Republic – formerly Zaire, Somalia and Sudan) have been offset by increases both in humanitarian aid to these and other countries and by reconstruction aid in countries such as Cambodia, Haiti and Uganda, so that overall the decline in aid to this group of countries has been rather less (at 11 per cent) than to all developing countries (16 per cent).

5. The blocks in Chart IV-1 and Chart IV-10 cover the countries shown in the following table. "n.a". means the indicator is not available; a blank means that, on that indicator, the country is below (above for education and water) the criteria for inclusion in the table.

Indicators:	**Population below $1 per day**	**Net enrolment ratio in primary education**	**Under-five mortality**	**Total fertility rate**	**Access to safe water**	***Memo: Net bilateral ODA in 1995-96 ($ million)***
Criteria for inclusion in table:	*Over 20% of population*	*Below 80% of school-age children*	*Over 100 per 1 000 live births*	*Over 5 births per woman*	*Below 60% of population*	
Data coverage:	33%	60%	98%	99%	75%	
Number of countries with data	48	88	143	144	110	
Number of countries in table	26	32	46	45	45	
5 in,dicators						
Ethiopia +	46	24	188	7.0	27	*488*
Zambia	85	77	180	5.9	43	*392*
4 indicators						
Afghanistan *	n.a.	29	237	6.9	10	*95*
Benin	n.a.	59	156	6.0	50	*169*
Burundi +	n.a.	52	162	6.5	58	*87*
Central African Rep. +	n.a.	54	160	5.1	18	*118*
Congo, Dem. Rep. *	n.a.	61	144	6.4	25	*111*
Guinea	26	37	220	5.7		*173*
Guinea-Bissau	88	n.a.	233	6.0	23	*100*
Iraq +	n.a.	79	145	5.4	44	*263*
Laos	n.a.	68	147	5.8	39	*153*
Lesotho	49	65	121		52	*55*
Madagascar	72	n.a.	127	5.8	29	*210*
Mali +	n.a.	25	192	6.8	37	*286*
Mauritania	31	60	158	5.2		*109*
Mozambique +	n.a.	40	190	6.2	32	*624*
Nepal	50	n.a.	131	5.1	48	*242*
Niger +	62	25	n.a.	7.4	53	*176*
Nigeria +	31	n.a.	176	5.5	39	*59*
Rwanda +	46	76	200	6.2	n.a.	*295*
Senegal	54	54		5.7	50	*389*
Tanzania		48	133	5.7	49	*587*
Uganda +	69	n.a.	160	6.7	34	*395*
3 indicators						
Angola +	n.a.	n.a.	209	6.9	32	*270*
Bhutan	n.a.	n.a.	175	5.9	21	*47*
Burkina Faso	n.a.	31	164	6.7		*258*
Chad +	n.a.	n.a.	197	5.7	24	*123*
Comoros	n.a.	53	143		48	*21*
Congo, Rep. *	n.a.	n.a.	144	6.0	47	*249*
Côte d'Ivoire		47	138	5.3		*581*
Djibouti +	n.a.	32	181	5.6	n.a.	*73*
Eritrea +	n.a.	31	196	6.0	n.a.	*110*
Gambia	n.a.	55	213	5.4		*21*
Ghana	n.a.	n.a.	116	5.1	56	*345*
Haiti +	n.a.	26	101		28	*334*
Liberia +	n.a.	n.a.	239	6.5	40	*72*
Malawi	n.a.		225	6.6	45	*240*
Oman	n.a.	71		7.0	56	*13*
Sierra Leone *	n.a.	n.a.	236	6.5	34	*63*
Yemen +	n.a.	n.a.	145	7.2	52	*119*

(continued on next page)

Indicators:	Population below $1 per day	Net enrolment ratio in primary education	Under five mortality	Total fertility rate	Access to safe water	*Memo: Net bilateral ODA in 1995-96 ($ million)*
Criteria for inclusion in table:	*Over 20% of population*	*Below 80% of school-age children*	*Over 100 per 1 000 live births*	*Over 5 births per woman*	*Below 60% of population*	
2 indicators						
Bangladesh	n.a.	62	115			*662*
Cambodia +	n.a.	n.a.	158		13	*287*
Cameroon	n.a.	n.a.		5.6	41	*311*
El Salvador +	n.a.	79			55	*234*
Equatorial Guinea	n.a.	n.a.	185	5.7	n.a.	*22*
Kenya	50	n.a.			53	*389*
Morocco		72			52	*370*
Myanmar +	n.a.	n.a.	119		38	*78*
Pakistan		n.a.	127	5.2		*332*
Saudi Arabia	n.a.	62		6.2		*13*
Somalia *	n.a.	n.a.	218	7.0	n.a.	*81*
Sudan *	n.a.	n.a.	109		50	*123*
Togo	n.a.		128	6.3		*107*
1 indicator						
Barbados	n.a.	78				*0*
Botswana	33					*61*
Brazil	24					*190*
China	22					*1 994*
Ecuador	30					*180*
Gabon	n.a.	n.a.	145			*125*
Guatemala +	53	n.a.				*149*
Honduras	47					*190*
India	53	n.a.				*1 003*
Maldives	n.a.	n.a.		5.5		*22*
Micronesia, Fed. States	n.a.	n.a.			22	*91*
Namibia	n.a.				57	*140*
Nicaragua +	44					*621*
Panama	26					*40*
Papua New Guinea	n.a.	n.a.			28	*332*
Paraguay	n.a.				8	*79*
Philippines	29					*722*
Yugoslavia, Fed. Rep. *	n.a.	69			n.a.	*78*
Solomon Islands	n.a.	n.a.		5.1	n.a.	*34*
South Africa	24					*316*
Sri Lanka *		n.a.			57	*309*
Vietnam	n.a.	n.a.			36	*497*
Zimbabwe	41	n.a.				*310*

6. *Are poverty and social goals for the 21st century attainable?* Lionel Demery and Michael Walton, World Bank, Washington, 1998.

7. *World Development Indicators 1998*, World Bank, Washington, pp. 64-66. The data cover 48 developing countries, including most large countries with high poverty rates, but excluding Bangladesh and a significant number of poor countries in Africa (see endnote 4).

8. The impact of this shift has of course been weakened by the fall in total ODA already discussed.

9. Multilateral and non-concessional flows are covered in more detail in a later section of this chapter.

10. The analysis of the recipient breakdown of aid to the social sectors targeted by the DAC goals draws on sectoral data from the Creditor Reporting System (CRS), the OECD's database on aid projects, and DAC aggregate reporting on the geographical and sectoral breakdown of technical co-operation. The CRS data cover over 80 per cent of DAC Members' total bilateral aid to the health and population sectors and over 90 per cent of aid to the water sector. Since commitments are lumpy, with large transactions having a major impact on figures for individual years, the share of aid allocated to a particular sector has been calculated as a two-year average.

11. The countries, in descending order of percentage decline in mortality over this period, were Algeria, Chile, Tunisia, Sri Lanka, Costa Rica, El Salvador, United Arab Emirates, Mauritius, Colombia, Jamaica, Iran, Cuba, Korea, Kuwait, Turkey, Jordan, Syria, Singapore, Egypt, Hong Kong (China), Ecuador, Israel, and Trinidad and Tobago. Source: *World Development Indicators, 1998* (CD-ROM), World Bank, Washington, 1998.

12. There is as yet insufficient data to distinguish aid to basic education within the total going to education in these charts.

13. "A Re-invigorated Bank: An Agenda for Moving Forward". African Development Bank, African Development Fund, Volume 1, The Main Report. April 1998, p. 3.

The world's largest economies have accounted for practically all of the real fall in ODA in recent years... Non-G7 countries now provide 28 per cent of DAC ODA - double their share in total DAC GNP. The top-level policy commitment of G7 DAC Members and the UK's subsequent rebuilding programme are therefore especially important.

Many DAC Members are now explicitly committed to concentrating their aid efforts on helping achieve the poverty-reduction and other goals distilled in the *Shaping the 21st Century* strategy... Simultaneously, efforts are underway to adapt organisational structures to work better in partnership with recipient countries, to improve aid effectiveness and to enhance policy coherence.

1. Some hopeful signs for aid after a period of decline

Over the past five years, fiscal consolidation programmes in the OECD area have reduced public deficits from 4 per cent of GDP to 1 per cent of GDP.[1] DAC Members' development co-operation budgets have fallen significantly faster than other government expenditures, so that the share of ODA in total government spending dropped from 0.8 per cent to 0.6 per cent over the same period.

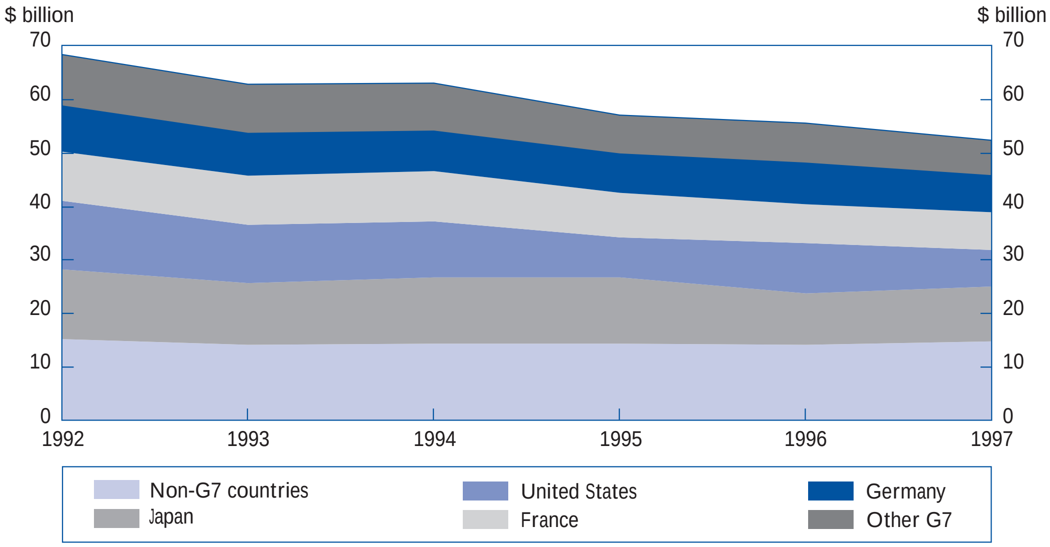
A continuation of the decline in ODA would be inconsistent both with DAC Members' improved budget situations, and with the development goals they have adopted. One encouraging sign of a possible turnaround was the commitment in May 1998 of the G8 summit leaders in Birmingham "to a real and effective partnership ... to reach the internationally agreed goals for economic and social development, as set out in the OECD's *21st Century* Strategy" and to "mobilise resources for development … in a spirit of burden-sharing". Since then, one G7 Member country, the United Kingdom, has made a firm commitment to raise ODA by more than 25 per cent in real terms over the next three years, and the coalition agreement of the new German Government (formed in October 1998) included a commitment to reverse the downward trend in German ODA and more steadfastly toward the UN's target for donor efforts of 0.7 of GNP.

The top-level policy commitment of G7 DAC Members and the UK's subsequent rebuilding programme are especially important since the world's largest economies have accounted for practically all of the real fall in ODA in recent years (see Chart V-1). This trend was still evident in 1997 (see Table V-1 and Chart V-2), the latest year for which figures are available. Canada and Japan were the only two G7 countries to show increases in the real level of their ODA in that year, and in both cases this was only due to their catching up on payments to multilateral agencies which had been delayed in 1996.

United States' ODA fell by $2.6 billion in 1997, although it should be noted that its 1996 data had included $2.2 billion to Israel, which was no longer on the list of ODA

Chart V-1. **Net ODA of G7 and non-G7 countries**

At 1996 prices and exchange rates

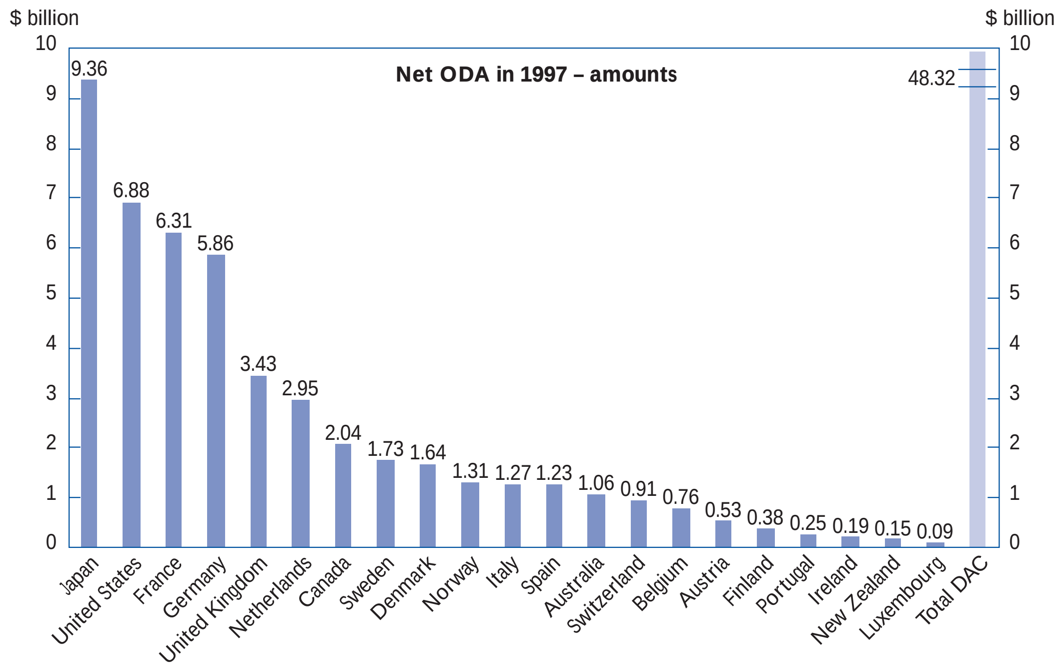


recipients in 1997.[2] ODA from France, Germany and the United Kingdom fell by between 0.4 and 11.8 per cent in real terms, consistent with recent trends. Italy reported a fall of 44 per cent, but this followed a substantial increase in 1996 due to an unusually high level of multilateral contributions.

While ODA from G7 countries fell by 29 per cent in real terms between 1992 and 1997, real ODA from countries outside this group was practically unchanged. Non-G7 countries now provide 28 per cent of DAC ODA – double their share in total DAC GNP. Four of these countries – Denmark, the Netherlands, Norway and Sweden – remain the only donors to exceed the UN target for ODA of 0.7 per cent of GNP. Aid from the smallest DAC Members – Ireland, Luxembourg and more recently New Zealand – has been growing strongly, in pursuit of clear targets they have set. Of the remaining DAC Members, Belgium, Finland, Portugal and Sweden have cut aid significantly in the past five years, whereas Australia, Austria, Spain and Switzerland are little changed in real terms.[3]

Near-term prospects for ODA levels are mixed. As noted above, the United Kingdom has taken a lead in announcing increases within the G7, and Canada has also raised its allocations recently, whereas Japan is trimming its programme by 10 per cent over three years. Outside the G7, Sweden has adopted an ambitious programme to raise ODA by 25 per cent by the year 2002. Finland has adopted a firm target of 0.4 per cent of its growing GNP for ODA by 2000. The experience of a number of donors has demonstrated that a firm political commitment to time-bound targets of this kind is of vital importance in rebuilding aid volume levels.

Chart V-2. **Net ODA in 1997**



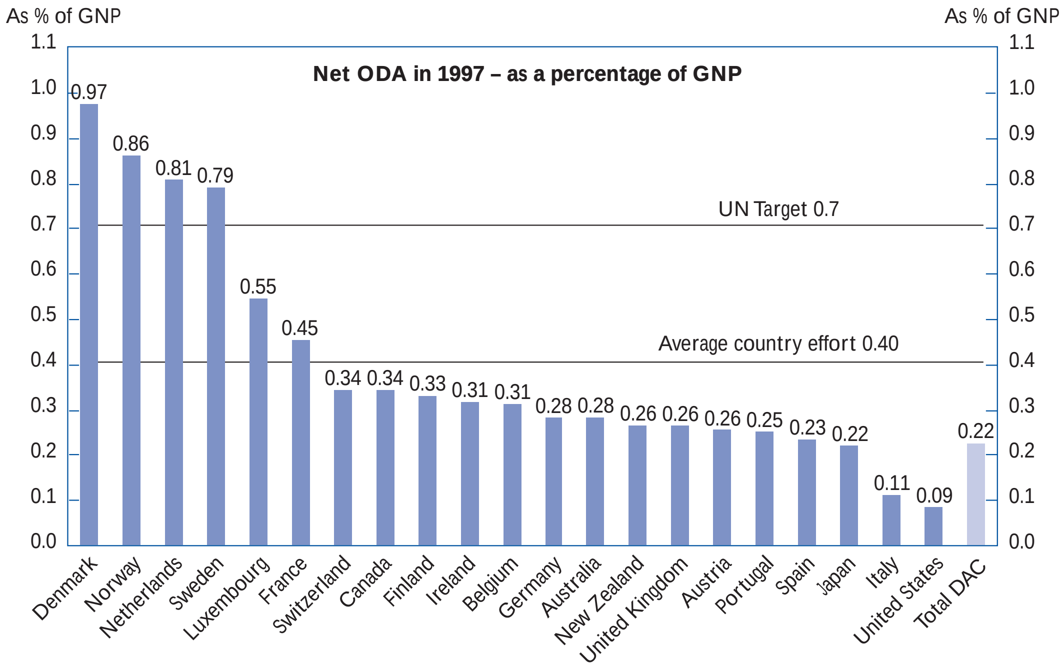


Table V-I.

Official development assistance flows in 1997

	1997		1996		Real per cent change 1996 to 1997[1]
	ODA $ m	ODA/GNP %	ODA $ m	ODA/GNP %	
Australia	**1 061**	**0.28**	1 074	0.28	**2.1**
Austria	**527**	**0.26**	557	0.24	**7.6**
Belgium	**764**	**0.31**	913	0.34	**–4.8**
Canada	**2 045**	**0.34**	1 795	0.32	**15.0**
Denmark	**1 637**	**0.97**[2]	1 772	1.04	**3.4**
Finland	**379**	**0.33**	408	0.34	**3.7**
France	**6 307**	**0.45**	7 451	0.48	**–4.4**
Germany	**5 857**	**0.28**	7 601	0.33	**–11.8**
Ireland	**187**	**0.31**	179	0.31	**8.9**
Italy	**1 266**	**0.11**	2 416	0.20	**–43.7**
Japan	**9 358**	**0.22**	9 439	0.20	**9.6**
Luxembourg	**95**	**0.55**	82	0.44	**30.2**
Netherlands	**2 947**	**0.81**	3 246	0.81	**2.7**
New Zealand	**154**	**0.26**	122	0.21	**29.9**
Norway	**1 306**	**0.86**	1 311	0.85	**5.9**
Portugal	**250**	**0.25**	218	0.21	**27.2**
Spain	**1 234**	**0.23**	1 251	0.22	**11.5**
Sweden	**1 731**	**0.79**	1 999	0.84	**–2.6**
Switzerland	**911**	**0.34**	1 026	0.34	**4.0**
United Kingdom	**3 433**	**0.26**	3 199	0.27	**–0.4**
United States	**6 878**	**0.09**	9 377	0.12	**–28.1**
TOTAL DAC	**48 324**	**0.22**	**55 438**	**0.25**	**–5.8**
Average country effort		**0.40**		0.40	
Memo. items (included in above):					
1. EU countries combined	**26 612**	**0.33**	31 293	0.37	**–6.2**
2. European Commission	**5 261**		5 455		**6.2**

1. Taking account of both inflation and exchange rate movements.
2. Denmark introduced the new system of national accounts, ENS 95, in 1997. This led to an upward revision of GNP which combined with other technical factors caused a downward adjustment of the final Danish ODA/GNP ratio to 0.97 per cent in 1997.

This chapter also includes information on DAC Members' contributions of official aid – *i.e.* assistance to recipients on Part II of the DAC List of Aid Recipients (see end of this volume). This has declined substantially since its peak of over $9 billion in 1995. The lion's share of aid to this group of countries is provided by just four donors: France, the European Commission, Germany, and the United States. Of these, only the United States showed an increase in 1997, and this was only because Israel transferred from the ODA to the OA part of the list in that year. Fluctuations in the levels of OA are difficult to predict as they depend largely on factors such as the timing and scale of debt relief operations.

2. Common threads in DAC Members' policy and practice

The individual country notes in this chapter show the results of the institutional reappraisal and renewal that have been taking place in the aid agencies of DAC Members in recent years. Many DAC Members are now explicitly committed to concentrating their aid efforts on helping achieve the poverty-reduction and other goals distilled in the development partnerships strategy. Gender equality, improving basic health and education, good governance and environmental sustainability have become high priorities in many DAC Members' development co-operation programmes. Simultaneously, efforts are underway to adapt organisational structures to work better in partnership with recipient countries, to improve aid effectiveness and to enhance policy coherence.

Some common threads running through the DAC Member notes and peer reviews in 1997-1998 are:

- **Adoption of a more strategic approach:** The general thrust of DAC Members' aid efforts is increasingly guided by an overall strategy for their development co-operation programme, reflecting the strong international consensus around a development partnerships strategy. Member countries' strategies typically specify a guiding principle or mission statement for the programme as a whole and particular areas or sectors where the programme will focus. In a number of cases, a target for aid volume effort is also included, with a milestone for its achievement and intermediary targets.

- **Major organisational changes:** Three tendencies emerge here. First, several Member countries are integrating development co-operation programmes into their Ministries of Foreign Affairs. The motivation is to make aid an integral part of foreign relations in the hope that it will improve overall coherence and co-ordination of a donor's relations with developing and in-transition countries. Second, aid implementation is in some cases being entrusted to independent executing agencies. Third, to respond to the demands of improved partnerships with recipient countries and better donor co-ordination in the field, several donors are decentralising responsibilities and strengthening their field presence in developing countries. In contrast, mainly because of budget constraints, other donors are having to scale down their presence in the field.

- **More flexible aid instruments:** Efforts are being made to move away from providing assistance in the form of a wide range of varied projects towards an approach where aid is provided through integrated sector programmes in the context of jointly negotiated, multi-year country programmes.

Some donors are shifting towards a greater use of bilateral grants, rather than loans, and towards a reduction in the tied-aid component of their programme.

- **Improving aid effectiveness:** In many aid agencies, reforms aimed at improving planning and evaluation systems are still underway. Efforts continue to strengthen reporting systems, project and programme design, to improve performance measurement and feedback on lessons learnt, to encourage a greater focus on results, and to increase transparency.

3. DAC Member notes

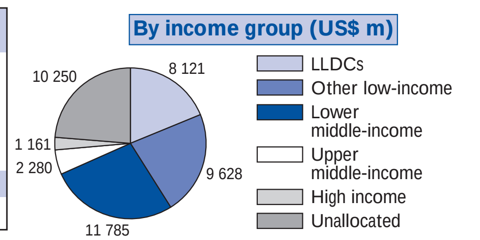
DAC Members are presented in the order of those which have undergone a peer review since the last Development Co-operation Report (Canada, Spain, United States, Germany, European Community, Finland), then in alphabetical order, beginning with Australia.

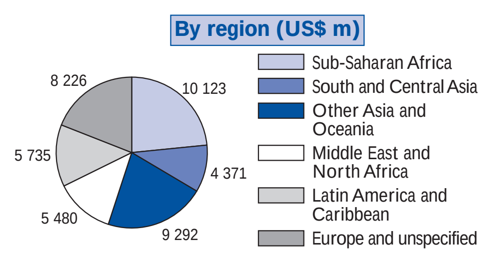
TOTAL DAC COUNTRIES

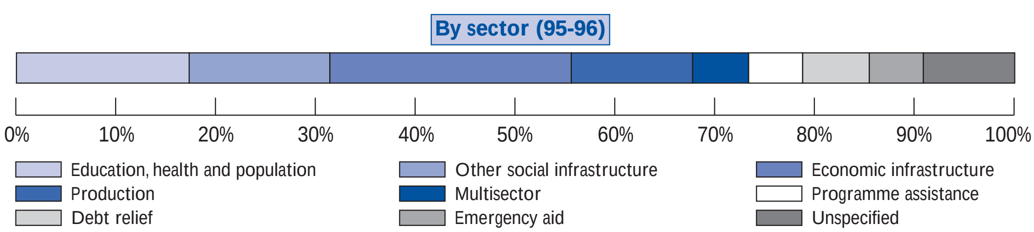
Gross bilateral ODA, 1996-97 average, unless otherwise shown

Net ODA	1996	1997	Change 1996/97
Current (US$ m)	55 438	48 324	-12.8%
Constant (1996 US$ m)	55 438	52 226	-5.8%
ODA/GNP	0.25%	0.22%	
Bilateral share	71%	67%	
Net Official Aid (OA)			
Current (US$ m)	5 694	5 056	-11.2%

Top ten recipients	(US$ m)
1 Israel (ODA/OA)	1 890
2 Indonesia	1 808
3 China	1 796
4 Egypt	1 794
5 India	1 616
6 Philippines	1 061
7 Thailand	921
8 Russia (OA)	793
9 Bangladesh	756
10 Poland (OA)	643







Source: OECD.

CANADA

After several years of substantial cuts in funding levels for Canadian aid, the 1998 Budget Plan provided the development programme with additional resources beyond previously-projected planning levels. The Minister of Finance announced when tabling the budget, "... ***this is a signal that, as its fiscal situation allows, and consistent with its other priorities, the government will, as stated in the 1996 budget, make progress towards the ODA target of 0.7 per cent of GDP*****".**

The Budget Plan tabled in Parliament on 24 February 1998 increased the International Assistance Envelope by C$ 50 million, as compared to the previously-announced level for 1998-1999, and allocated an additional C$ 90 million for 1997-1998. These extra resources will support new initiatives in the areas of health, youth, environment and governance. Canada will also contribute C$ 100 million over the following five years to help meet the goals of the treaty banning anti-personnel landmines.

In line with the Canadian Government's commitment to improve accountability for results, the Canadian International Development Agency (CIDA) presented its first *Performance Report* to Parliament in 1998, reporting performance against previously-presented plans for the period ending 31 March 1997. While fulfilment of the various requirements of results-based management is a continuing process and further refinements in reporting will inevitably occur, CIDA's *Performance Report* represents an important attempt by a Member of the DAC to sharpen its focus on results and increase transparency.

Total net ODA disbursements increased by 15 per cent in real terms in 1997, although bilateral aid actually declined.

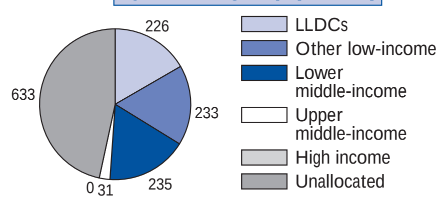
CANADA

Gross bilateral ODA, 1996-97 average, unless otherwise shown

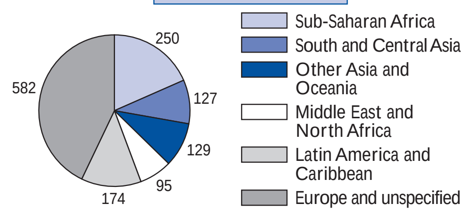
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	1 795	2 045	13.9%
Constant (1996 US$ m)	1 795	2 065	15.0%
In Canadian Dollars (million)	2 449	2 832	15.6%
ODA/GNP	0.32%	0.34%	
Bilateral share	76%	59%	
Net Official Aid (OA)			
Current (US$ m)	181	157	-13.3%

Top ten recipients	(US$ m)
1 Poland	128
2 Egypt	66
3 Bangladesh	45
4 India	37
5 China	37
6 Haiti	28
7 Peru	24
8 Indonesia	24
9 Pakistan	23
10 Rwanda	21

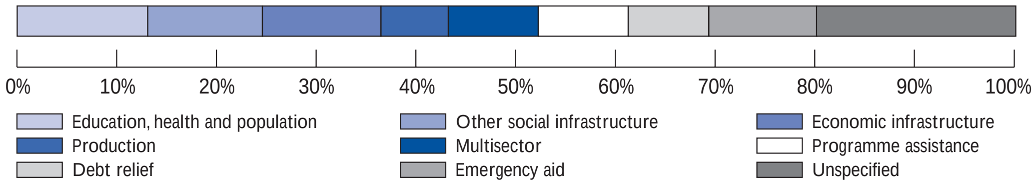
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

Box V-1. DAC Peer Review of Canada, 22 January 1998

The Canadian Government's foreign policy statement *Canada in the World* reaffirmed Canada's commitment to play an active role in international efforts towards global peace and prosperity and set out a range of ambitious goals for its development co-operation programme. At the peer review, the DAC expressed appreciation for Canada's special ability to help lead the international community towards action which pushes out the frontiers of international co-operation. Two recent examples of the energy and innovativeness of this commitment applied to the challenges of development co-operation are Canada's contribution to concluding the treaty to ban anti-personnel landmines and Canada's co-sponsoring of the Global Knowledge Conference in Toronto in June 1997.

The DAC noted, however, that the prominent role that Canada has set for itself had not been matched by commensurate levels of resources allocated for development co-operation in recent years. In the context of a fundamental fiscal adjustment to deal with an unsustainable domestic public debt burden, the International Assistance Envelope has been one of the most heavily cut items in the federal budget. For the 1998-1999 fiscal year, a reduction of C$ 150 million was expected, which would imply a total cut of C$ 767 million (29 per cent) between 1993-94 and 1998-99. The government's announcement of funding levels for international assistance in the 1998 Budget Plan was seen as a critical moment for the future of Canada's ODA programme, and for Canada's valued future role. A further decline would be a fundamental set-back to prospects for a recovery in Canada's ODA volume.

Reductions in ODA raised concerns about Canada's ability to meet expectations, both at home and internationally. A growing range of goals, together with Canada's involvement in a large array of issues and with a wide range of partners and multilateral organisations, brings into sharper focus the issue of the dispersion of Canadian efforts, a concern the DAC had already raised in previous peer reviews.

The DAC singled out a number of strong points in Canada's development co-operation programme:

- The priorities set for Canada's development assistance programme – basic human needs; gender equality; infrastructure services; human rights, democracy, good governance; private sector development; and the environment – which match closely with those contained in *Shaping the 21st Century: The Contribution of Development Co-operation.*

- Canada's emphasis on formulating coherent responses to current and future global challenges and the high degree of inter-departmental co-ordination taking place in policy formulation in trade and other important areas affecting development. Institutions such as the International Development Research Centre (IDRC), the International Centre for Human Rights and Democratic Development (ICHRDD) and the International Institute for Sustainable Development (IISD) provide a range of special development contributions over and beyond the purely governmental mechanisms.

- The steps being taken by CIDA to build the human rights and governance dimensions into its programme priorities and, in conjunction with the Department of Foreign Affairs and Trade, the creation of a new structure for rapid responses to conflict and emergency situations in developing countries, drawing on the expertise of non-governmental organisations.

- The comprehensive and thorough renewal process being undertaken by CIDA to equip it with the necessary human resources and institutional structures to tackle its ambitious mission. CIDA is among the pioneers in the DAC in adopting a theme-based approach, with a concentration on actual results rather than inputs.

Finally, the Committee raised questions regarding the re-centralisation of aid management by Canada following a major decentralisation initiative some years earlier. A number of other DAC Members are finding that the demands of improved field-based partnerships and donor co-ordination in developing countries, notably in complex areas such as poverty reduction and governance, call for a strengthened field presence.

SPAIN

The Spanish Government is making efforts to consolidate the political framework for development co-operation and improve the quality and transparency of its aid. A draft law on development co-operation was submitted to Parliament in the autumn of 1997 and new planning and evaluation systems for aid management are being introduced, including a multi-year indicative plan and country programmes. Despite budgetary constraints, some increase in the aid budget is envisaged. A major improvement in the composition of Spanish aid took place due to a significant increase in the grant aid programme and a decline of the tied Development Aid Fund loans.

The increase of the grant aid component was, to a considerable extent, the result of aid programmes carried out by autonomous regions, municipalities and other local bodies, some of which devote 0.7 per cent or more of their budgets to development assistance activities. This decentralised co-operation – which now exceeds 10 per cent of Spanish net ODA disbursements – is mainly implemented by NGOs and often related to basic needs. It reflects strong interest in development co-operation at the regional and local levels.

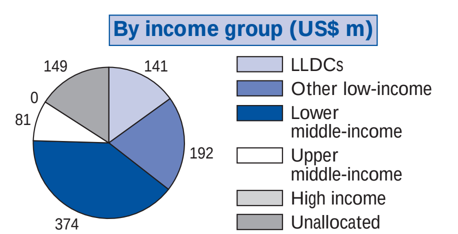
In 1997 Spanish ODA rose by 11 per cent in real terms. The rise occurred in multilateral contributions, mainly in favour of regional banks and funds and in the Spanish share of the European Commission's aid programmes. The aggregate of bilateral grants and loans declined in 1997. As a share of GNP Spanish ODA rose marginally to 0.23 per cent, but remained below the level reached in earlier years.

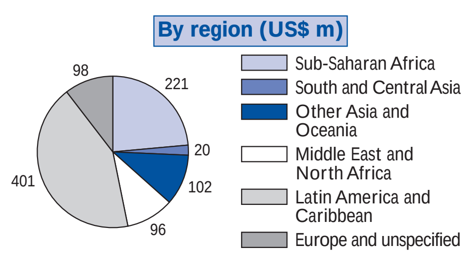
SPAIN

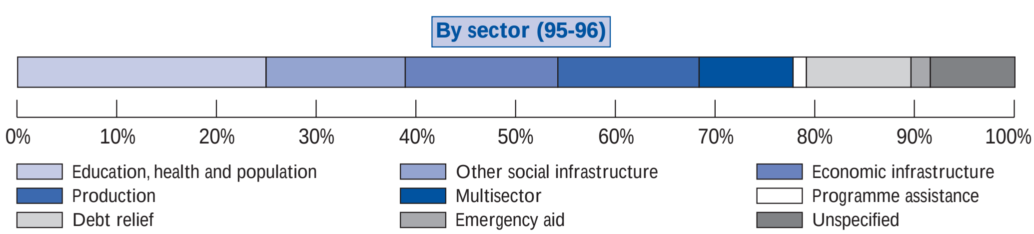
Gross bilateral ODA, 1996-97 average, unless otherwise shown

Net ODA	1996	1997	Change 1996/97
Current (US$ m)	1 251	1 234	-1.4%
Constant (1996 US$ m)	1 251	1 395	11.5%
In Pesetas (million)	158 545	180 729	14.0%
ODA/GNP	0.22%	0.23%	
Bilateral share	71%	62%	
Net Official Aid (OA)			
Current (US$ m)	98	3	-97.4%

Top ten recipients	(US$ m)
1 Argentina	57
2 Congo, Rep.	53
3 Angola	45
4 Indonesia	43
5 Ecuador	41
6 Madagascar	40
7 Columbia	37
8 China	37
9 Morocco	34
10 Peru	29







Source: OECD.

Box V-2. DAC Peer Review of Spain, 10 February 1998

Spain's aid programme is in a phase of adjustment and reform, involving its legislative foundations, its composition and its management tools. A number of improvements have been introduced in recent years, including:

- a more balanced composition of Spanish aid, notably between loans and grants;
- an improved management of loans as well as a shift in their sectoral and geographic distribution;
- an increase of government subsidies to NGOs;
- a reduction of the share of the better-off developing countries;
- a new planning system; and
- greater attention to evaluations.

The administration's annual plans, which were mainly a collection of ongoing and proposed projects, are being replaced by multi-year planning instruments which should enhance the capacity of the administration to better monitor their programmes. Simultaneously, new methodologies for project appraisal and evaluation have been established.

The share of tied aid loans – with a strong export promotion character, extended through the Development Aid Fund – declined from 1992 to 1996 from about half of Spanish ODA to around a quarter. At the same time, these loans were increasingly oriented towards social infrastructure whereas in the past they had mainly financed productive sectors in the more advanced developing countries. This re-orientation was to a large extent the consequence of the OECD agreement on the association of aid and export financing.

As a result of these changes, which correspond in large part to the recommendations made at the first DAC review of Spanish aid in 1994, Spain's development co-operation started to become more compatible with the strategic priorities agreed upon by DAC Members in *Shaping the 21st Century: The Contribution of Development Co-operation.*

Spanish development assistance enjoys considerable support in public opinion and among parliamentarians, an asset which should be fully utilised. Following the adoption of the development co-operation law in 1998, parliamentarians will be more involved in shaping the Spanish aid programme. This involvement should facilitate stronger co-ordination of the different parts of the programme and an increase in aid appropriations.

Spain makes a special contribution to development co-operation with Latin America and plays an important role in the areas of peace building and good governance in both Central America and Africa. The rising share of grants provided to NGOs by the government, autonomous regions and municipalities generates increased aid for poverty alleviation, environmental protection and the promotion of the status of women. It also facilitates participatory development and a greater concentration of Spanish aid on least developed and other low-income countries. NGOs now receive over $80 million per annum from the central government, including funds for relief aid. The rapid increase of aid from autonomous regions and municipalities is a particularly interesting new trend in the Spanish aid programme in recent years, which may provide interesting examples for other donor countries.

The DAC indicated its support for the measures to enhance the effectiveness of the Spanish aid programme and suggested that the Spanish authorities consider a number of further initiatives:

- a more rigorous application of development criteria in the identification and selection of loan-financed projects and a better co-ordination with the grant aid programme, with particular attention to highly-indebted countries;
- continued progress towards greater autonomy for the Spanish Agency for International Co-operation with respect to administrative constraints and staffing, to foster a more flexible and professional organisation;
- a study on aid tying as a basis for fuller understanding and debate on this issue in Spain;
- continued efforts to improve methods for administering grants to NGOs, using multi-year framework agreements and block grants.

UNITED STATES

In September 1997, USAID issued a Strategic Plan setting out a mission statement for the Agency and establishing six developmental goals to be pursued through the United States' bilateral foreign assistance programmes. USAID is implementing these goals by refining the application of the results-oriented, participatory approach it adopted in 1993.

USAID's mission statement focuses on contributing to the United States' national interest by supporting people in developing and transitional countries in their efforts to achieve enduring economic and social progress. Its six goals relate to: economic growth; governance; human capacity development; population; environment; and saving lives and reducing suffering.

USAID has incorporated components of the strategy outlined in *Shaping the 21st Century: The Contribution of Development Co-operation* into its field programmes. Field missions are advancing partnership goals through strategic development partnering among government, business and non-governmental actors. They are increasingly using the 21st Century goals to guide and inform their country strategies and to facilitate donor co-ordination. The growing importance of policy coherence is also being given recognition.

Delays in the approval of the United States' federal budget have affected ODA disbursements in recent years. Some 1995 disbursements were deferred to 1996, while 1997 capital subscriptions to multilateral development banks were held over to 1998. The transition of Israel to Part II of the DAC List of Aid Recipients on 1 January 1997 is another factor contributing to the substantial decline in the United States' total ODA in 1997. The United States had the lowest ODA/GNP ratio in the DAC, and it was the second largest donor of ODA. Official aid to Part II countries now represents some 30 per cent of United States' foreign assistance.

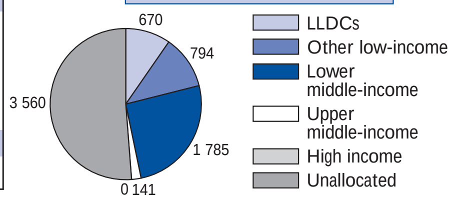
UNITED STATES

Gross bilateral ODA, 1996-97 average, unless otherwise shown

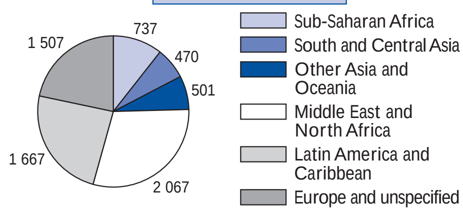
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	9 377	6 878	-26.7%
Constant (1996 US$ m)	9 377	6 744	-28.1%
ODA/GNP	0.12%	0.09%	
Bilateral share	74%	72%	
Net Official Aid (OA)			
Current (US$ m)	1 694	2 516	48.5%

Top ten recipients	(US$ m)
1 Israel (ODA/OA)	1 788
2 Egypt	679
3 Russia (OA)	345
4 Ukraine (OA)	164
5 Bosnia and Herzegovina	160
6 India	146
7 Peru	139
8 Bolivia	129
9 Jordan	91
10 South Africa	89

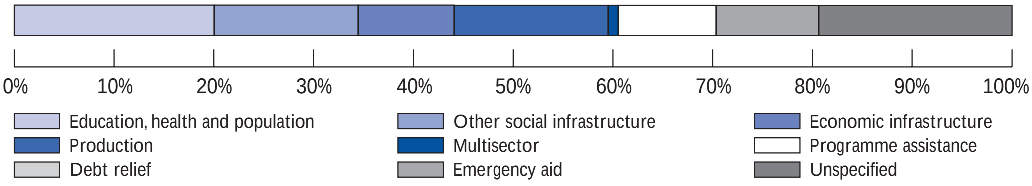
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

Box V-3. DAC Peer Review of the United States, 6 April 1998

After a period in which support declined and consensus weakened, the United States has in recent years seized opportunities to strengthen both political and public confidence in its foreign assistance programmes. An ambitious campaign for change has worked to link aid management reform to the establishment of clearer goals and stronger partnerships.

However, the overall trend of the United States' aid budget, in both total volume and when expressed as a share of GNP, has been downward over the last decade. The American public does not realise that the United States has by far the lowest level of effort among DAC Member countries, as represented by its ODA/GNP ratio. The Committee suggested that the United States, even more than other donors, needs fresh and effective ways of informing the American public on the performance and potential of its impressive foreign assistance and humanitarian programmes, and how they serve the interests and values of the United States.

At the Peer Review of the United States, the DAC noted a range of positive points related to the United States' programme:

- USAID's new Strategic Plan aims at clear results through its support of developing and transitional countries' efforts to achieve sustained economic and social progress. The Strategic Plan follows the broad lines of *Shaping the 21st Century: The Contribution of Development Co-operation* and, as the Plan has a ten-year horizon, the United States could generate milestone indicators that would show progress towards the longer-term goals set out in the development partnerships strategy.

- USAID has adopted a New Partnerships Initiative (NPI) designed to improve working methods in the field by encouraging strategic partnering for collective problem-solving at the community level. Private Voluntary Organisations (PVOs) and Non-Governmental Organisations (NGOs) represent a strong element in this partnership work.

- USAID is taking on work of particular interest to the DAC in the areas of democracy, participation, governance, conflict and disaster response, as well as its Transition Initiative set up to help the United States respond to the needs falling between relief and development.

- Comparatively, USAID is already a strong performer in integrating gender equality concerns into its work. The Committee looked forward to USAID sharing its analyses and the lessons learned in promoting gender equality, particularly in relation to the DAC benchmark goal that calls for the elimination of gender disparity in education by 2005.

USAID has cut back total agency staff and reduced the number of overseas missions and overseas staff. The DAC expressed concern that by reducing its presence abroad and its experienced, strong field staff, USAID was diminishing two of its most prized assets. Combined with a declining volume of aid resources, these cutbacks risk reducing the capacity of the United States to contribute to the advancement of internationally agreed development goals.

In the multilateral system, the United States exercises influence not only through its large financial contributions but also through its inputs in terms of policy and substance. The Committee noted that constructive United States leverage in its push to reform multilateral assistance programmes would be enhanced by increasing its capacity to deliver on its international financial commitments, especially to the UN system. Because of its international economic weight, the role of the United States can be particularly important in helping develop and promote pro-development policies and practices beyond the field of aid.

GERMANY

In 1997, Germany proceeded with its emphasis on poverty reduction and gender as important cross-cutting issues of development co-operation. In line with the development partnerships strategy, it attaches importance to the partnership principle. To increase the flexibility and cost effectiveness of German technical co-operation, the main implementing agency, GTZ, started to decentralise its activities and to call still further upon local expertise and personnel. Resident country directors have already received substantial autonomy in programming, management and procurement in order to create a client-oriented, service-based culture corresponding to the needs of its development partners. At the same time Germany still faces significant challenges in adapting a complex multi-institutional management structure to evolving needs for policy-based, co-ordinated programmes, and also in overcoming persistent pressures on the aid budget.

In 1997, the GTZ strengthened the mainstreaming of poverty and gender issues through the creation of a cross-departmental advisory team on poverty alleviation, gender and process management. Based on new ministerial guidelines for assessing poverty alleviation, from 1998 onward every project will be examined and classified with respect to its expected direct or indirect impact on poverty. At the same time, however, the volume of German aid commitments for basic education and health declined.

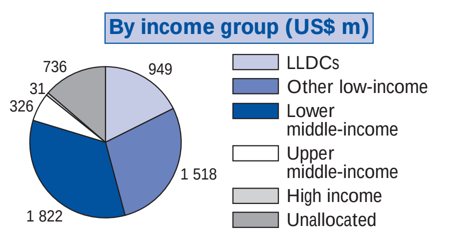
After a modest rise in 1996, German ODA resumed its downward trend in 1997. It declined by 12 per cent in real terms to $5.9 billion, corresponding to 0.28 per cent of GNP, which was the lowest ratio so far reported. In 1996 German ODA had amounted to 0.33 per cent of GNP. Official aid to Part II countries – which had peaked in 1995 at $4 515 million – also continued to decline to $660 million in 1997, its lowest level.

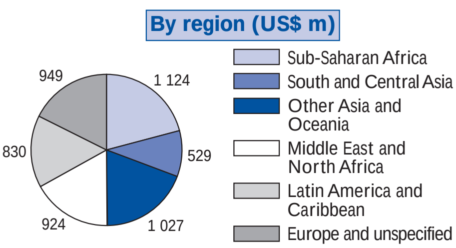
GERMANY

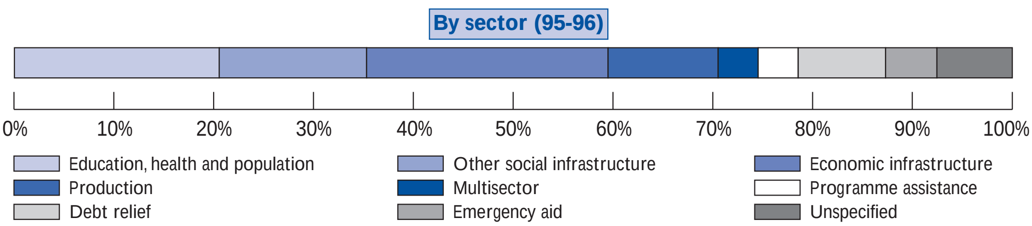
Gross bilateral ODA, 1996-97 average, unless otherwise shown

Net ODA	1996	1997	Change 1996/97
Current (US$ m)	7 601	5 857	-22.9%
Constant (1996 US$ m)	7 601	6 707	-11.8%
In Deutschemarks (million)	11 437	10 156	-11.2%
ODA/GNP	0.33%	0.28%	
Bilateral share	60%	62%	
Net Official Aid (OA)			
Current (US$ m)	1 329	660	-50.3%

Top ten recipients	(US$ m)
1 China	481
2 Egypt	435
3 Russia (OA)	283
4 Turkey	227
5 Nicaragua	216
6 Indonesia	214
7 India	212
8 Brazil	94
9 Philippines	91
10 Israel (ODA/OA)	90







Source: OECD.

Box V-4. DAC Peer Review of Germany, 9 June 1998

The German aid system is one of the largest in the world, and it is managed with impressive expertise and skill. Since the last review of Germany's development co-operation programme by the DAC in 1995, Germany has taken several measures to further improve the quality and effectiveness of its aid. These measures include:

- the reformulation of the concept for development policy to face the new challenges of development co-operation;
- the establishment of guidelines for the integration of poverty reduction and gender into all project and programme design;
- the conception and implementation of development-oriented emergency assistance programmes;
- a new approach to evaluation, with the BMZ now to concentrate on thematic evaluations of strategic policy themes, while evaluations of individual projects are left to the implementing agencies;
- decentralisation of the agency for implementing technical co-operation, the GTZ; and the establishment of field offices by the financial co-operation agency (KfW);
- more systematic relations with non-governmental organisations (NGOs) following the establishment of an NGO umbrella institution (VENRO).

The three basic objectives of German aid are poverty reduction, protection of the environment and natural resources, and education and training. Poverty reduction, gender responsiveness and the protection of the environment are raised as cross-cutting tasks, to permeate all German aid activities. The German concept of poverty reduction focuses on structural reform, self-help and economic efficiency, emphasizing the importance of participation. The German administration considers that private sector development is a key factor in poverty reduction, while at the same time the emphasis on private sector development is also related to strengthening Germany as an international business partner and to promoting jobs in Germany.

Germany developed a concept for development-oriented emergency assistance, including conflict resolution activities, such as the integration of ex-combatants. In implementing this concept attention is given to tackling the root causes of crises, which involves the promotion of good governance.

While appreciating these positive measures taken by Germany, the Committee noted that Germany faces major challenges in two areas:

- In line with the partnership principle central to the development partnerships strategy, sectoral programmes are increasingly designed by developing countries themselves, requiring – on the part of donors – strong field-level capabilities for engaging in policy discussion, and the use of flexible financial instruments. The German aid system, with its multi-institutional structure and its focus on the project approach, has difficulties in adapting to this shift in the way development co-operation is managed.
- Although Germany remains one of the largest sources of aid for developing countries, the volume of its aid has been falling significantly in recent years. As a share of GNP, ODA net disbursements fell from 0.42 per cent in 1990 to 0.28 per cent in 1997. This decline was related to general budget discipline associated with the Maastricht criteria. Assistance for the reform process in Central and Eastern Europe and the former Soviet Union, which had involved large amounts during the first half of the 1990s, also declined sharply in 1996 and 1997, as debt relief and certain special payments phased down. The declining budget allocation has been accompanied by rising contributions to the EC aid programme, for which Germany is the largest contributor. These combined trends have had negative repercussions for the size of the bilateral programme and for voluntary contributions to United Nations organisations.

The DAC expressed the hope that political leaders in Germany would forge a new public commitment to rebuilding aid levels in the near term, easing the squeeze in the bilateral programme and enabling Germany to play a role more commensurate with its importance in financing UN development agencies. The DAC also considered that a comprehensive review of the German aid system could help to enhance the capacity for policy and programme-based approaches to development co-operation.

EUROPEAN COMMUNITY

The member countries of the European Union (EU) channelled 18 per cent of their ODA programmes through the development co-operation instruments of the European Commission (EC) in 1997. In June 1998 the Council approved directives for the negotiation of a partnership agreement with the ACP States to succeed the present Lomé Convention, which expires in February 2000. Negotiations with the ACP countries started on 30 September 1998.

New guidelines were adopted in February 1998 to generalise the principles of reinforced co-ordination in all developing countries in which the EU has established co-operation relations. They stress the need for co-ordination activities to be carried out in close co-operation with the recipient country. The aim is to strengthen the country's own capacity to assume its responsibility for and ownership of its development strategies and programmes, and to reinforce the host government's lead role in general aid co-ordination.

The negotiating mandate for the fifth Lomé Convention is intended to help the ACP countries enter into Free Trade Areas (FTAs) and permit their economies to engage fully in globalised trade. It makes a clear distinction between the 48 ACP countries whose economies should be able, with some EU support, to participate in FTAs, and the remaining (often landlocked) least developed countries (LLDCs), which cannot. For the latter, GSPs will be set up with the assurance that LLDCs will enjoy a position in terms of EU-ACP trade equivalent to that which they have now.

With ODA disbursements of $5 261 million in 1997, the EC was the fifth largest donor among the 22 DAC Members and the second largest provider of official aid to countries on Part II of the DAC List of Aid Recipients. Community ODA continued to increase in real terms, up more than 6 per cent from 1996.

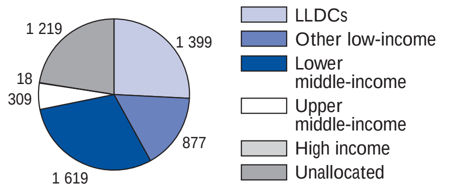
EC

Gross bilateral ODA, 1996-97 average, unless otherwise shown

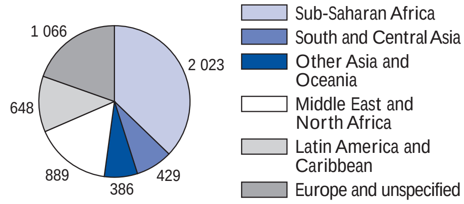
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	5 455	5 261	-3.6%
Constant (1996 US$ m)	5 455	5 790	6.2%
In ECUs (million)	4 297	4 642	8.0%
ODA/GNP	n.a.	n.a.	
Bilateral share	n.a.	n.a.	
Net Official Aid (OA)			
Current (US$ m)	1 434	1 441	0.4%

Top ten recipients	(US$ m)
1 Poland (OA)	258
2 Morocco	209
3 Egypt	162
4 Russia (OA)	142
5 Bosnia and Herzegovina	141
6 Tunisia	140
7 Ex-Yugoslavia Unspec.	132
8 Palestine/Adm. Ter.	125
9 Bulgaria (OA)	124
10 Romania (OA)	119

By income group (US$ m)



By region (US$ m)



Source: OECD.

Box V-5. DAC Peer Review of the European Community, 16 September 1998

The European Community aid programme has grown at an average annual rate of 3.3 per cent over the past five years, while the combined effort of DAC countries declined by 4.7 per cent annually. With net ODA disbursements amounting to $5.3 billion in 1997, the EC was the fifth-largest donor among the 22 DAC Members, and the second largest multilateral donor of concessional aid, after the International Development Association of the World Bank. The DAC noted that the divided framework for EC aid – it is provided under six distinct geographical programmes and through five administrative structures – results in a fragmented strategy, policy and implementation, and reduced efficiency and effectiveness.

DAC Members therefore saw the September 1998 creation of a Common Service, in charge of project implementation for all the External Relations Directorates-General as a step in the right direction, although it does raise some other concerns. Moreover additional benefits and synergies could be derived from a coherent, overarching policy statement on development co-operation. Meanwhile, the Quality Support Group set up in DG VIII and work on the Commission's Sound and Efficient Management for Year 2000 process (SEM 2000) were seen as supporting movement toward a more results-oriented management culture.

One of the most positive aspects of the EC's aid programme has been the sizeable level of assistance channelled through NGOs, which varies proportionately to the need for humanitarian assistance, but has fluctuated within the range of $800 million to $950 million in recent years. This should continue to develop through dialogue between partners, but it, too, needs a more results-oriented programme design.

Although the goal of poverty reduction is another important stated objective, and the Commission has taken steps to develop a new approach, it was felt that there was considerable potential to make it more operational, a key issue being to secure the commitment of partner governments of developing countries. On gender issues, which are closely connected to poverty reduction, the Committee recognised that the Commission had made major strides over the past decade, where previous reviews had noted weaknesses. The EC's peace-building and related activities were also commended.

In February 1998 the European Council adopted guidelines on aid co-ordination, based on lessons from experience, notably in six pilot countries. They stress the need for improved co-ordination adapted to each country and sector, working with partner countries, and linked to existing co-ordination mechanisms in-country. Co-ordination between the Commission, EU Member States and other donors has gradually improved, but there is a need to further strengthen staff skills in Delegations in recipient countries, with a view to enabling them to exercise stronger leadership in-country where it counts most.

The DAC again identified aid management as the weakest point of the Community's programmes, due, inter alia, to the preoccupation of the Commission with procedures, controls and administration, rather than results, as well as to the proliferation of budget lines and *ad hoc* regulations. The creation of the Common Service for implementation should help to harmonize and simplify procedures, although appropriate mechanisms would have to be put in place to avoid splitting the project cycle.

The Committee again raised the question of coherence between development policies and trade policy, since the EU's import policies towards developing countries are complex, stemming from important sectoral and country variations in policy. However, the Committee noted that the trend is towards greater liberalisation and simplification of the trade regime, as is shown by the negotiating mandate for a new Lomé Convention, which plans to establish a series of free-trade agreements with regional sub-groupings.

FINLAND

Finland's Cabinet Decision-in-principle (September 1996), the main point of reference for Finnish development co-operation, is being implemented. The overall policy aims at reducing poverty, assisting developing countries to solve environmental problems, and promoting social equality, democracy, and human rights. The entire Ministry for Foreign Affairs has been completely re-vamped as of August 1998 and the aid management system within the Ministry as well.

The Decision-in-principle provides that development co-operation is to be treated as an integral part of Finnish foreign policy and international relations. This approach is aimed at improved co-ordination and coherence. A general strategy statement of Finnish relations with developing countries was issued by the Ministry for Foreign Affairs on 15 October 1998.

Finland has ten primary concentration countries for its ODA grant programme (Tanzania, Zambia, Mozambique, Namibia, Viet Nam, Kenya, Nicaragua, Nepal, Egypt, and Ethiopia). The Decision-in-principle, while emphasizing long-term development co-operation, also calls for flexibility to allow for initiation of programmes in non-traditional countries. The Decision-in-principle established two ODA volume targets for Finland: for year 2000 the target is 0.4 per cent of GNP, while the long-term target is 0.7 per cent, to be reached when economic conditions permit. However, these funding targets are subject to regular information on the impact of assistance and the practical implementation of the programme. The active evaluation programme that Finland has developed over recent years will contribute to monitoring the implementation of the Decision-in-principle.

In 1997, total net Finnish ODA increased by nearly 4 per cent in real terms. However, despite this recovery in ODA, an 8 per cent expansion in GNP resulted in the ODA/GNP ratio slipping from 0.34 per cent in 1996 to 0.33 per cent in 1997.

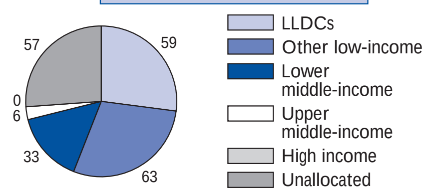
FINLAND

Gross bilateral ODA, 1996-97 average, unless otherwise shown

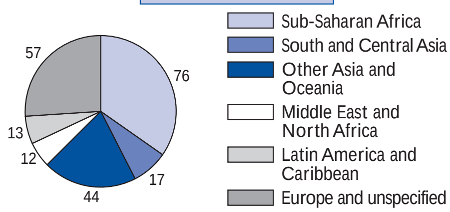
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	408	379	-7.2%
Constant (1996 US$ m)	408	423	3.7%
In Markka (million)	1 874	1 965	4.8%
ODA/GNP	0.34%	0.33%	
Bilateral share	53%	53%	
Net Official Aid (OA)			
Current (US$ m)	57	71	24.8%

Top ten recipients	(US$ m)
1 China	16
2 Russia (OA)	16
3 Bosnia and Herzegovina	12
4 Mozambique	10
5 Zambia	10
6 Tanzania	10
7 Viet Nam	9
8 Estonia (OA)	8
9 Namibia	8
10 Thailand	7

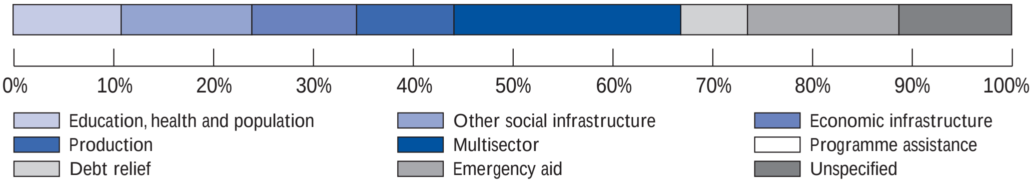
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

Box V-6. DAC Peer Review of Finland, 16 October 1998

Finland's Cabinet Decision-in-principle of September 1996 is the main point of reference for Finnish development co-operation, reflecting a broadly-based political consensus on objectives and directions. The Decision-in-principle includes a firm target of 0.4 per cent by the year 2000 for the ratio of Finland's ODA/GNP ratio. Finland's 1997 ratio was 0.33 per cent. Thus, the 0.4 per cent target for 2000 requires a corresponding commitment for this item in the Finnish budget and implies a rapidly expanding aid volume in the future.

A significant evolution in Finland's approach to its aid programme is the integration of development co-operation into a coherent foreign policy framework and the reorganisation of the aid administration within the Ministry for Foreign Affairs. The importance of ensuring that development objectives and expertise remain central elements in Finland's approach to allocating and implementing its aid was underlined. Maintaining a strong core staff and sectoral advisors in the Department for International Development Co-operation is an important aspect of this. Finland's diplomatic missions in development partner countries will require staff capable of pursing the partnership approach to aid.

An important change has taken place in the role of the Finnish NGO coalition (Service Centre for Development Co-operation (KEPA)), which was represented at the Peer Review for the first time. The KEPA volunteer programme has been phased out and KEPA is now working on fostering capacity-building partnerships with NGO's in developing countries and on mobilising Finnish public opinion on development issues.

These issues were examined by the DAC at its regular Peer Review of Finland's development co-operation policies and programmes. The Committee commended both the partnership orientation of Finland's policies, as set out in the Decision-in-principle, and the growing volume of Finnish aid. The expanding aid volume is a welcome reversal of the situation at the time of the last DAC Peer Review of Finland in 1995, when aid volume was in a deep decline. The other key issues addressed in the review were:

- Long-term partnerships with a selected number of primary orientation countries should continue to be the foundation of Finnish bilateral aid.

- The flexibility concept, included in the Decision-in-principle, has the potential to extend the geographic range and strengthen the overall effectiveness of Finland's aid through greater policy coherence. However, in the application of this principle care must be taken to maintain developmental quality and avoid too much dispersion of effort.

- Clear sectoral and cross-cutting policy guidance is needed as points of reference for all actors in the Finnish aid system.

- A greater degree of delegation to the field level would be desirable, with appropriate staffing, training and preparation of field offices (including consultants and local staff) to cope with the more complex management and co-ordination tasks involved in in-country development partnerships.

- The revised screening process for project and policy proposals will be an important part of the quality control system of Finnish aid.

AUSTRALIA

In November 1997, the Minister of Foreign Affairs released *Better Aid for a Better Future*, the government statement responding to the Simons Committee's independent review of Australia's overseas aid programme. Better Aid for a Better Future provides a clear objective for Australia's aid programme: *to advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development*. This objective is consistent with the course set in the government's 1997 White Paper on Foreign and Trade Policy.

Better Aid for a Better Future sets out six key principles to underpin Australia's aid. The programme is to be: focused on partnerships; responsive to urgent needs and development trends; practical; more targeted; identifiably Australian; and outward looking. The government's statement further specifies five priority sectors for Australia's programme: governance, health, education, rural development and infrastructure. It also confirms the programme's strong focus on Papua New Guinea, the Pacific and East Asia, while acknowledging there will continue to be selective involvement in South Asia, Africa and the Middle East.

The Australian aid agency, AusAID, was re-organised during 1998 with the aim of ensuring that Australia delivers a quality programme which is responsive, outward-looking and focused on outcomes. The new structure is designed to align the agency directly to the programme's new priorities, and to provide an enhanced focus on program quality and performance information.

Through its aid programme, Australia has been addressing two major development challenges in its region: the East Asian financial crises and the impact of "El Niño" weather patterns, including severe droughts in Indonesia and Papua New Guinea. The 1998-99 aid budget provides further funding to continue Australia's responses to these crises.

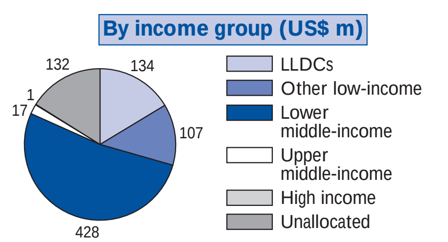
Australian ODA increased by 2 per cent in real terms to reach $1 061 million in 1997. This apparent rise was due to the non-alignment of Australia's financial year with the calendar year rather than an increase in aid expenditure over the period. Australia's ODA/GNP ratio remained at 0.28 per cent.

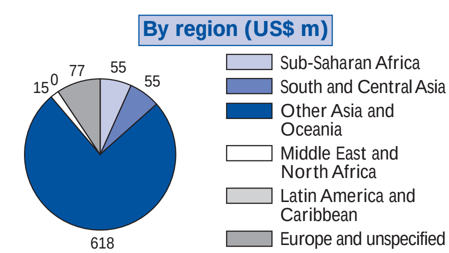
AUSTRALIA

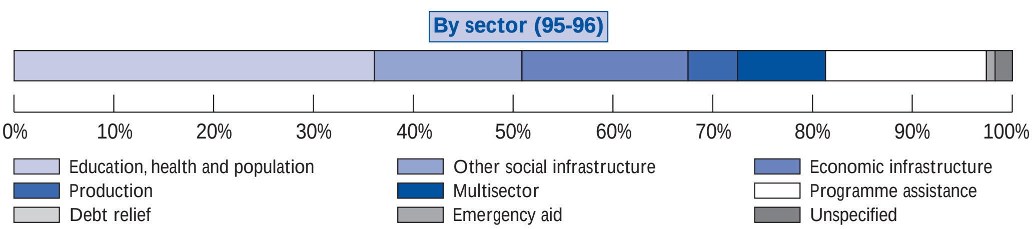
Gross bilateral ODA, 1996-97 average, unless otherwise shown

Net ODA	1996	1997	Change 1996/97
Current (US$ m)	1 074	1 061	-1.3%
Constant (1996 US$ m)	1 074	1 097	2.1%
In Australian Dollars (million)	1 372	1 429	4.2%
ODA/GNP	0.28%	0.28%	
Bilateral share	79%	73%	
Net Official Aid (OA)			
Current (US$ m)	10	0.1	-99.1%

Top ten recipients	(US$ m)
1 Papua New Guinea	236
2 Indonesia	82
3 Philippines	49
4 Viet Nam	44
5 China	29
6 Cambodia	26
7 Thailand	17
8 Bangladesh	16
9 India	15
10 Laos	13







Source: OECD.

AUSTRIA

During 1997 and 1998 the Austrian administration made efforts to improve the quality of its aid. Since 1997 all new grant-financed projects have been assessed with regard to their impact on the environment, and since 1998 on their impact on gender. At the request of Parliament, co-operation with Uganda over the last ten years has been evaluated. In Cape Verde, an evaluation of Austrian aid, carried out jointly with the recipient country, concluded that the co-operation was successful. Austria also began to move away from project aid towards sector programming and sector investment programmes.

To bring its programme more in line with DAC Recommendations, in 1997 Austria organised a workshop for its regional co-ordinators to discuss the DAC Statement on *Development Partnerships in the New Global Context*. It asked the co-ordinators to report on the attitude of the recipient country governments and on the implementation of the Statement in country programming.

After a sharp decline in 1996, Austria's ODA net disbursements rose 8 per cent in real terms in 1997 to $527 million. As a ratio of GNP they rose from 0.24 per cent in 1996 to 0.26 per cent in 1997, but remained well below the levels recorded in the first half of the 1990s. The increase resulted from a relatively large payment to IDA. Bilateral grants declined significantly, mainly because of the lower expenses claimed for refugees in Austria. Official aid for Part II countries continued to decline to $181 million in 1997, the lowest annual amount so far reported. Austria was, along with Denmark, the leading donor to these countries in relation to GNP.

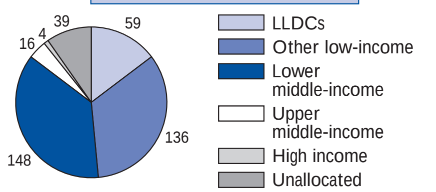
AUSTRIA

Gross bilateral ODA, 1996-97 average, unless otherwise shown

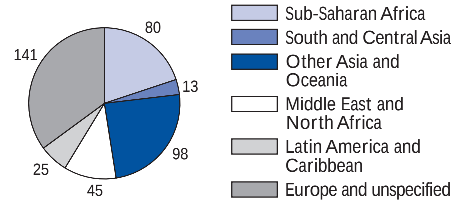
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	557	527	-5.4%
Constant (1996 US$ m)	557	599	7.6%
In Schillings (million)	5 893	6 430	9.1%
ODA/GNP	0.24%	0.26%	
Bilateral share	74%	58%	
Net Official Aid (OA)			
Current (US$ m)	226	181	-20.0%

Top ten recipients	(US$ m)
1 Poland (OA)	137
2 Bosnia and Herzegovina	71
3 Indonesia	61
4 Egypt	24
5 China	22
6 Ghana	15
7 Turkey	13
8 Uganda	13
9 Iran	9
10 Czech Republic (OA)	8

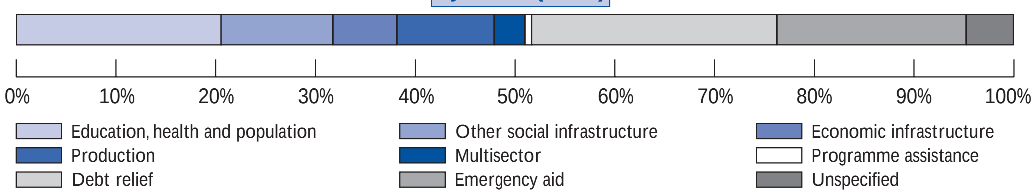
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

BELGIUM

In December 1997, the Belgian Government approved a new strategy, *Policy Plan for International Co-operation*, laying the foundations for a comprehensive reform of Belgium's aid policies and programmes. A bill on the broad lines of co-operation policy has been presented to Parliament, and a further bill establishing an independent executive agency in the form of a State-owned public service company, is to be voted on before the end of 1998. As part of the reform, the General Administration for Development Co-operation (AGCD) will become part of the Ministry of Foreign Affairs.

The main thrusts of Belgian co-operation policy are: *i)* concentration of bilateral and multilateral aid; *ii)* focus on the sectors of healthcare, education and training, agriculture and food security, basic infrastructure and social consolidation; and *iii)* a thematic focus on poverty alleviation, conflict prevention, gender equality, preservation of the environment and the social economy.

Following budgetary constraints and the difficulties implementing aid in Central Africa, Belgian aid has declined as a percentage of GNP, reaching 0.31 per cent in 1997. For 1999, Belgian aid will increase considerably in volume due to a substantial rise, of around one billion Belgian francs, of resources foreseen in appropriations for the co-operation budget.

Belgium also decided in 1997 to untie its grant aid programme administered by AGCD. Nevertheless, there are still diverging views within the government on the degree to which State-to-State loans and interest subsidies, which are administered by the Ministries of Finance and of Foreign Trade, should follow the new Belgian policy orientations with respect to aid procurement.

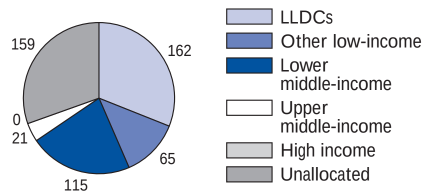
BELGIUM

Gross bilateral ODA, 1996-97 average, unless otherwise shown

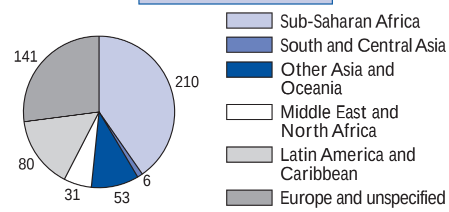
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	913	764	-16.4%
Constant (1996 US$ m)	913	869	-4.8%
In Belgian Francs (million)	28 289	27 311	-3.5%
ODA/GNP	0.34%	0.31%	
Bilateral share	58%	57%	
Net Official Aid (OA)			
Current (US$ m)	70	59	-15.3%

Top ten recipients	(US$ m)
1 Bolivia	33
2 Rwanda	26
3 Congo, Dem. Rep	23
4 Madagascar	13
5 Viet Nam	12
6 Côte d'Ivoire	11
7 Morocco	11
8 Tanzania	10
9 Benin	10
10 China	10

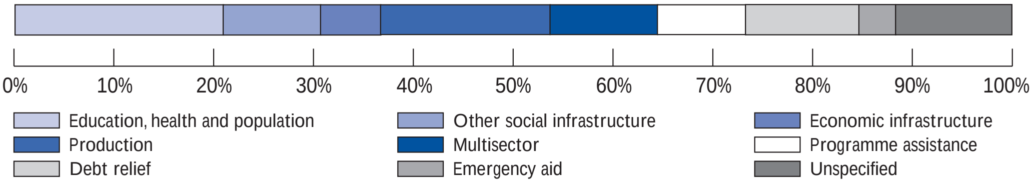
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

DENMARK

The basis of Denmark's development co-operation policy remains the 1994 *Towards the Year 2000* strategy. The strategy confirms the reduction of poverty as the basic objective of Danish ODA and lays down three cross-cutting themes to be pursued at all levels of the programme: women in development; environmental conservation; and democratisation and human rights. Denmark pursues poverty reduction by promoting economic growth and social development.

Danish bilateral aid, excluding ODA channelled through non-governmental organisations, is concentrated on 20 countries, for each of which Denmark has a specific strategy. A central concept in *Towards the Year 2000* in support of local "ownership" is a shift from project assistance to sector programmes. A mid-term evaluation of the strategy showed that while implementation is on track, the process towards building up sector programmes has been slower than expected.

Danish policy towards multilateral institutions, laid down in the 1996 *Plan of Action for Active Multilateralism*, results in contributions to individual organisations being determined by Denmark's appraisal of their overall efficiency and effectiveness. UNDP and IDA remain the largest recipients of Danish multilateral ODA.

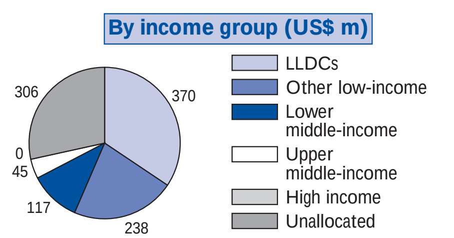
Towards the Year 2000 states that Danish ODA will be 1 per cent of GNP. The decline registered in Denmark's ODA/GNP ratio in 1997 was partially due to the adoption of a new system of national accounts which led to an upward revision in GNP. Nonetheless, Denmark recorded the best GNP performance in the DAC for the third consecutive year and continued to exceed the UN's 0.7 per cent target. In relation to GNP, Denmark was at the time the leading donor of official aid to countries on Part II of the DAC List, along with Austria.

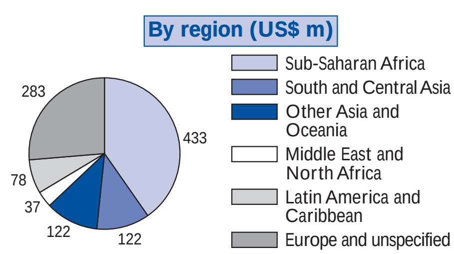
DENMARK

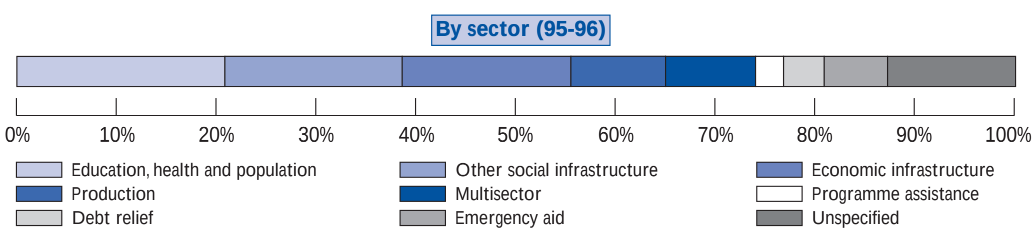
Gross bilateral ODA, 1996-97 average, unless otherwise shown

Net ODA	1996	1997	Change 1996/97
Current (US$ m)	1 772	1 637	-7.7%
Constant (1996 US$ m)	1 772	1 832	3.4%
In Danish Kroner (million)	10 277	10 808	5.2%
ODA/GNP	1.04%	0.97%	
Bilateral share	60%	62%	
Net Official Aid (OA)			
Current (US$ m)	120	133	11.4%

Top ten recipients	(US$ m)
1 Tanzania	76
2 Uganda	63
3 India	43
4 Ghana	41
5 Mozambique	38
6 Bangladesh	38
7 Viet Nam	34
8 South Africa	33
9 Egypt	32
10 Nicaragua	30







Source: OECD.

FRANCE

The Cabinet launched a reform of the French system of co-operation at its meeting on 4 February 1998. France wishes to maintain substantial development aid flows in order to take part in the strategy to reduce poverty, focusing in particular on the most disadvantaged groups and the low-income countries, while at the same time simplifying and strengthening the international co-operation system in order to make it more effective and more transparent.

A priority zone for solidarity has therefore been defined as the focal point for ODA and particularly for action by Agence Française de Développement (formerly Caisse Française de Développement), which is now the main operational agency for ODA projects and programmes. Africa, the ACP countries and the French-speaking countries will be given special attention within this zone.

As the system has been streamlined, there is no longer a Ministry of Co-operation, even if the Minister still exists as a Minister Delegate attached to the Ministry of Foreign Affairs, which now becomes one of the two major components of the system, the other being the Ministry of the Economy and Finance. In order to strengthen interministerial co-ordination, an Interministerial Committee for International Co-operation and Development (CICID) has been set up, the aim being to ensure consistency in the definition of geographical and sectoral priorities. An International Co-operation Board has also been created in order to involve the representatives of civil society in the framing of co-operation policy.

As regards the volume of ODA in real terms, France moved up from fourth place in 1996 to third in 1997, ahead of Germany. Although its ODA/GNP ratio has slipped to 0.45 per cent, France is still in first place in this respect among the G7 countries.

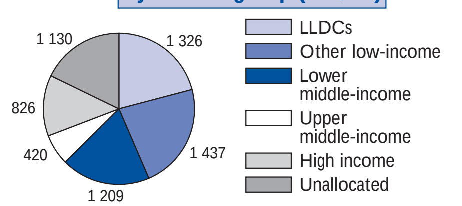
FRANCE

Gross bilateral ODA, 1996-97 average, unless otherwise shown

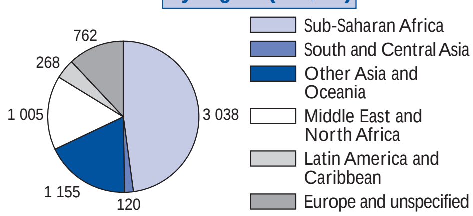
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	7 451	6 307	-15.4%
Constant (1996 US$ m)	7 451	7 124	-4.4%
In French Francs (million)	38 119	36 814	-3.4%
ODA/GNP	0.48%	0.45%	
Bilateral share	77%	76%	
Net Official Aid (OA)			
Current (US$ m)	711	308	-56.7%

Top ten recipients	(US$ m)
1 French Polynesia	421
2 New Caledonia	395
3 Côte d'Ivoire	375
4 Egypt	295
5 Cameroon	285
6 Morocco	284
7 Congo, Rep.	271
8 Madagascar	247
9 Senegal	208
10 Algeria	191

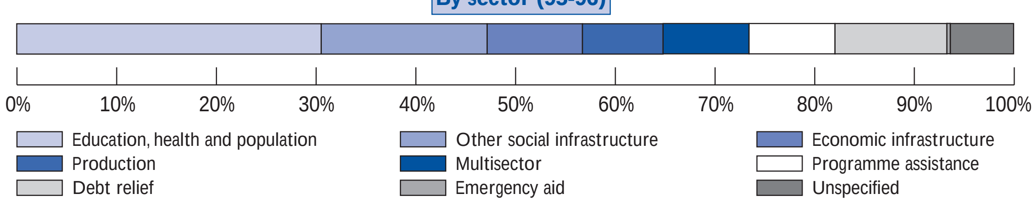
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

IRELAND

Ireland's development co-operation programme has been moving away from individual projects towards an increased thematic and sectoral approach in programme design and implementation. This move has involved strengthening organisational structures in the implementation and evaluation of programmes. The Irish Government is currently undertaking a review of managerial procedures involving project approval mechanisms as well as operational and evaluation procedures. In 1997, the capacity of the Evaluation and Audit Unit was reinforced and 31 evaluations were completed during that year, including a major country programme review in Ethiopia. Greater autonomy has been given to country programme offices.

Ireland is seeking to integrate the partnership strategy into its development co-operation programmes and a process of consultation on the partnership goal is taking place with the partner countries. Local ownership and a participatory approach are integral dimensions of all programmes. There has been a reorientation away from long-term external technical assistance towards an emphasis on local capacity building.

Irish aid is focused on six priority countries: Ethiopia, Lesotho, Mozambique, Tanzania, Uganda and Zambia. About 30 per cent of the total budget is allocated to basic social sectors – food, water, education and health. Support for programmes to strengthen governance and human rights is an essential element of the priority country programmes.

Ireland's aid programme has expanded substantially in recent years. Between 1991-92 and 1996-97 it increased by 20 per cent in real terms, the highest growth rate recorded among DAC countries for that period. However, despite a 9 per cent increase between 1996 and 1997, ODA expressed as a share of GNP remained unchanged at 0.31 per cent, due to a rapidly expanding economy.

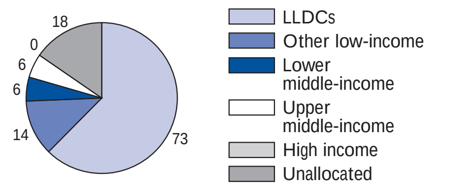
IRELAND

Gross bilateral ODA, 1996-97 average, unless otherwise shown

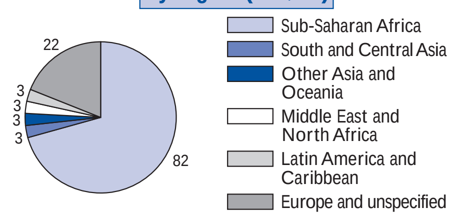
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	179	187	4.8%
Constant (1996 US$ m)	179	194	8.9%
In Irish Pounds (million)	112	124	10.7%
ODA/GNP	0.31%	0.31%	
Bilateral share	64%	64%	
Net Official Aid (OA)			
Current (US$ m)	1.2	0.7	-42.9%

Top ten recipients	(US$ m)
1 Ethiopia	15
2 Tanzania	11
3 Zambia	10
4 Lesotho	8
5 Uganda	7
6 Rwanda	5
7 South Africa	5
8 Mozambique	4
9 Bosnia and Herzegovina	4
10 Zimbabwe	2

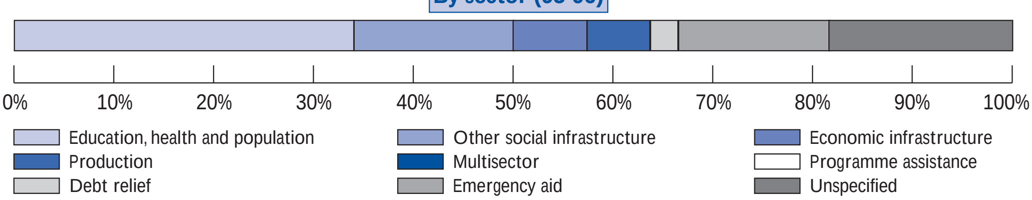
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

ITALY

Major reforms continue to re-orient Italy's development co-operation programme. The long-awaited *Reform Bill of Italian Development Co-operation* was tabled in Parliament in 1998, after its approval by the government at the end of 1997. The centre-piece of the reform is the establishment of a new public agency to take responsibility for implementing programmes planned and negotiated by the Ministry of Foreign Affairs.

Between 1996 and 1997, Italian ODA disbursements fell by 44 per cent in real terms to reach their lowest level in the 1990s. The size of this year-to-year drop can be partially explained by the fact that Italy's exceptionally high multilateral contributions in 1996, but the fact remains that its ODA/GNP performance fell in 1997 to just 0.11 per cent of GNP, half the DAC average. These decreases were the largest reported by a DAC country in 1997.

Successive reductions in the Italian aid budget have resulted in a rationalisation of resources and efforts to redirect available aid towards achieving the goals of *Shaping the 21st Century: The Contribution of Development Co-operation*, especially poverty reduction.

Efforts to rationalise aid resources have resulted in a greater focus of activities in priority countries. In Africa, this has meant a concentration on actions aimed at reducing poverty and boosting sustainable development. In southern Europe and the Middle East, the aim has been to rebuild institutional capacities and develop the private sector.

More than half of Italy's ODA now funds programmes and projects devoted to improving the living conditions of the poor. Italy contributes in particular through its experience and expertise in primary health care and social-sector activities. Poverty reduction has also been a central concern in the allocation of voluntary contributions to multilateral organisations.

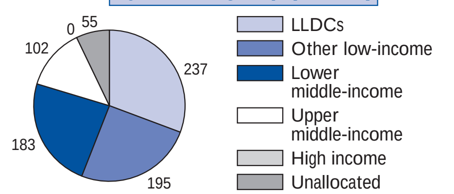
ITALY

Gross bilateral ODA, 1996-97 average, unless otherwise shown

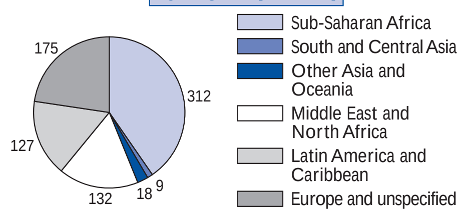
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	2 416	1 266	-47.6%
Constant (1996 US$ m)	2 416	1 361	-43.7%
In Lire (billion)	3 727	2 155	-42.2%
ODA/GNP	0.20%	0.11%	
Bilateral share	34%	36%	
Net Official Aid (OA)			
Current (US$ m)	294	241	-18.1%

Top ten recipients	(US$ m)
1 Malta	45
2 Uganda	41
3 Bosnia and Herzegovina	38
4 Ethiopia	36
5 Jordan	32
6 Albania	29
7 Nicaragua	28
8 Mozambique	28
9 Argentina	27
10 Congo, Rep.	27

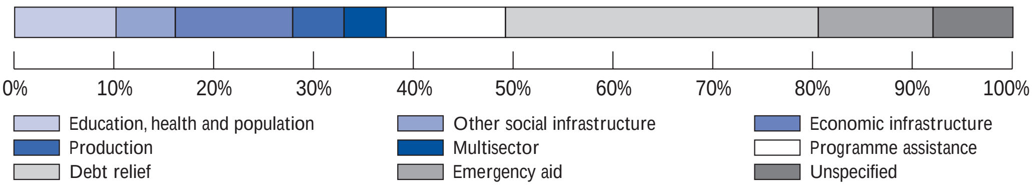
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

JAPAN

Japan continues to actively promote the implementation of the development partnerships strategy, efforts to create partnerships between donors and recipient countries, and to enhance donor co-ordination. Japan's commitment to facilitating co-operation with Africa (and co-operation between developing countries) was carried forward in 1998 with the Second Tokyo International Conference on African Development (TICAD II).

The policy basis of Japan's aid policy remains the 1992 ODA Charter. The main pillars of the Charter are: environmental sustainability; avoidance of military uses of aid; full attention to trends in military expenditures; and democratisation and human rights.

In 1997, Japan demonstrated its efforts to enhance its environmental ODA. In June, Japan announced its "Initiatives for Sustainable Development Towards the 21st Century (ISD)", a comprehensive set of environmental assistance policies with action programmes. In December, as an ISD follow-up, Japan announced its "Kyoto Initiative", an assistance policy for developing countries to combat global warming.

Japan's fiscal structural reform law, enacted in December 1997, stipulated that ODA will be reduced in each fiscal year over the following three years, beginning in 1998, with a total budget cut of not less than 10 per cent. In August 1998, the enforcement of this law was declared to be suspended for 1999, to stimulate economic recovery. Debate on ODA policy is currently taking place on how to achieve more effective and efficient ODA in this stringent fiscal environment.

In volume terms, Japan was again the largest DAC donor in 1997, disbursing $9.36 billion of net ODA. Although bilateral aid actually fell, total ODA rose as Japan caught up on payments to multilateral agencies which had dipped in 1996. The ODA/GNP ratio rose by 0.02 percentage points to 0.22 per cent, equalling the DAC average.

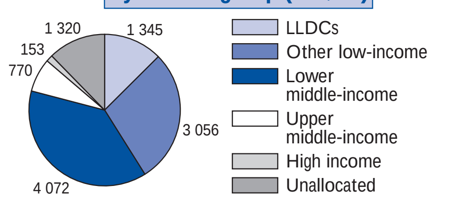
JAPAN

Gross bilateral ODA, 1996-97 average, unless otherwise shown

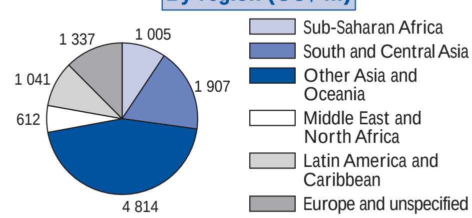
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	9 439	9 358	-0.9%
Constant (1996 US$ m)	9 439	10 347	9.6%
In Yen (billion)	1 027	1 132	10.3%
ODA/GNP	0.20%	0.22%	
Bilateral share	87%	70%	
Net Official Aid (OA)			
Current (US$ m)	184	84	-54.2%

Top ten recipients	(US$ m)
1 Indonesia	1 208
2 China	963
3 Thailand	760
4 India	741
5 Philippines	714
6 Malaysia	363
7 Pakistan	327
8 Bangladesh	297
9 Sri Lanka	211
10 Viet Nam	186

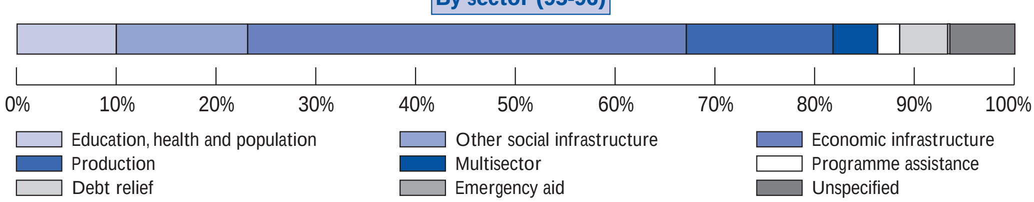
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

LUXEMBOURG

Luxembourg continued to expand its aid budget significantly with a view to reaching the 0.7 per cent of GNP target for its net aid by the year 2000. At the same time, efforts were made to improve the quality of the development programme. In order to increase aid quality along with aid quantity, Luxembourg focused increasingly on integrated programme approaches. The evaluation system was conceptually strengthened and a larger number of evaluations were carried out.

A framework convention has been developed to further define the relationship between the Development Co-operation Service in the Ministry of Foreign Affairs and Lux-Development, the main executing agency for bilateral project aid. Lux-Development, which had increased its staff, was now able to take over more responsibility. Cofinancing of NGO projects remained the second pillar of Luxembourg's bilateral aid, and the activities of five major NGOs are being audited.

In line with the objectives of the DAC Strategy for the 21st Century, a number of Luxembourg's projects are directed at primary and secondary education as well as health services in poor regions. The latter include maternity and child care. In Cape Verde, the main recipient country, Luxembourg's aid is concentrated on a remote island where it is in a position to contribute to the reduction of extreme poverty.

In 1997, Luxembourg's ODA grew by 30 per cent in real terms to $95 million. Its ODA/GNP performance rose from 0.44 per cent in 1996 to 0.55 per cent in 1997, the strongest progression among the DAC Members. Luxembourg now ranks fifth among DAC Member countries on this measure of national effort.

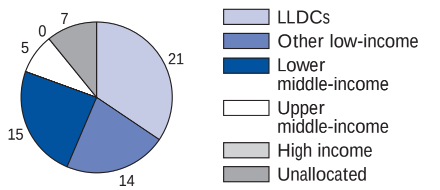
LUXEMBOURG

Gross bilateral ODA, 1996-97 average, unless otherwise shown

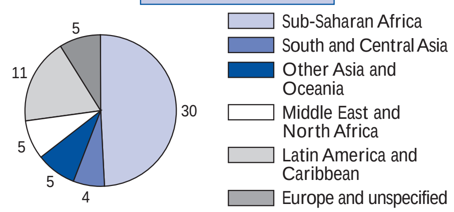
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	82	95	14.8%
Constant (1996 US$ m)	82	107	30.2%
In Lux. Francs (million)	2 549	3 380	32.6%
ODA/GNP	0.44%	0.55%	
Bilateral share	69%	70%	
Net Official Aid (OA)			
Current (US$ m)	2.1	2.4	16.1%

Top ten recipients	(US$ m)
1 Cape Verde	7
2 Namibia	3
3 Tunisia	3
4 Viet Nam	3
5 Nicaragua	3
6 Niger	3
7 Senegal	2
8 India	2
9 Rwanda	2
10 Chile	2

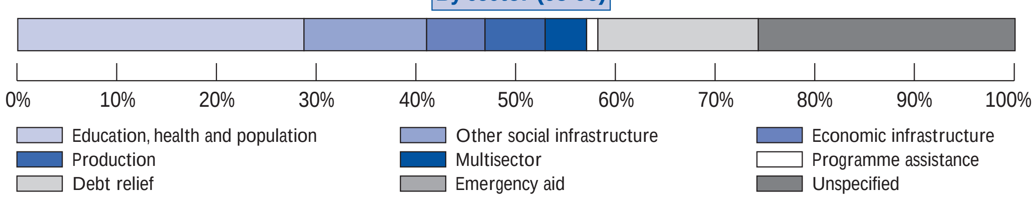
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

NETHERLANDS

The Netherlands used its presidency of the European Union during the first half of 1997 to press the issues of coherent policies towards developing countries on the international agenda. The Dutch Government pays special attention to coherence in its external relations and has restructured its aid administration as part of a major effort to improve overall coherence in all its foreign-policy related activities. The Dutch authorities have also continued to pay increased attention to conflict management and how it relates to development co-operation.

In line with various international commitments, the Dutch development co-operation programme has set itself five quantified spending guidelines: 20 per cent of the budget is reserved for aid to basic social services in developing countries; 4 per cent of the budget for reproductive health care; 0.1 per cent of GDP is put aside for environment; at least Gld 50 million (approximately $25 million) is designated to benefit tropical rain forests; and a minimum of 0.25 per cent of GDP is earmarked for least-developed countries. All these targets were reached in 1997, except for expenditure on environment-related aid, which amounted to 0.092 per cent of GDP. Budget classifications were changed in 1997 so that funds are now allocated by theme and no longer by country, to promote a better balance between an emphasis on individual recipient countries/regions and the pursuit of broad themes aimed at effective poverty eradication.

In 1997, the Netherlands' ODA/GNP ratio remained steady at 0.81 per cent for the third consecutive year, once again exceeding the UN's 0.7 per cent of GNP target. Although bilateral aid increased by 6 per cent in real terms, this was offset by a 5 per cent decrease in multilateral contributions.

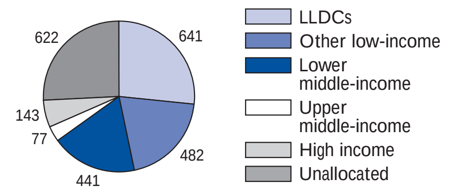
NETHERLANDS

Gross bilateral ODA, 1996-97 average, unless otherwise shown

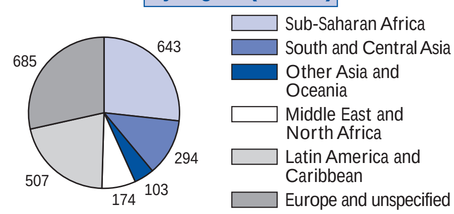
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	3 246	2 947	-9.2%
Constant (1996 US$ m)	3 246	3 335	2.7%
In Guilders (million)	5 474	5 749	5.0%
ODA/GNP	0.81%	0.81%	
Bilateral share	70%	72%	
Net Official Aid (OA)			
Current (US$ m)	13	7	-45.0%

Top ten recipients	(US$ m)
1 Netherlands Antilles	113
2 India	101
3 Bosnia and Herzegovina	86
4 Suriname	81
5 Bangladesh	65
6 Tanzania	64
7 Bolivia	58
8 Ethiopia	48
9 Yemen	47
10 Mozambique	44

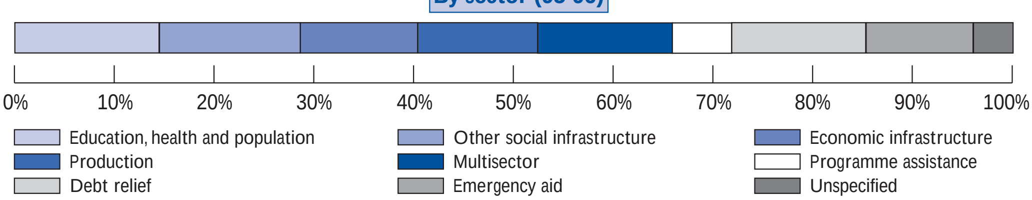
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

NEW ZEALAND

New Zealand's programme for official development assistance (NZODA) recognises that aid is a major instrument of foreign policy, helping to secure stability and harmony in the international community and in particular in the South Pacific region. The policy framework document for NZODA, *Investing in a Common Future*, was approved in 1996 and updated in 1998. The new version reiterates New Zealand's commitment to fostering peace and security, and to protecting the global environment.

Investing in a Common Future stresses the primary responsibility of developing countries for their own development. NZODA backs this up through a range of mechanisms: regular policy dialogue with recipients; country programmes, based on strategy papers and three-year rolling work programmes; and comprehensive evaluation and appraisal systems, to ensure quality control.

Funding to the South Pacific in the 1998-99 fiscal year will reach its highest level ever. The major regional programmes established in 1997 have been maintained. Additional funding has been allocated to support projects related to environmental issues, in recognition that these are critical to the future viability of small states with limited resources. Substantial additional resources are also being invested in the reconstruction of Bougainville island in Papua New Guinea, where NZODA will support the re-opening of schools, health services, agricultural development and other technical assistance.

New Zealand's total ODA grew strongly in 1997, increasing 30 per cent in real terms, the second largest percentage rise among DAC countries after Luxembourg. The increase in New Zealand's ODA/GNP ratio, which rose by 0.05 percentage points to 0.26 per cent in 1997, was also among the strongest progressions in the DAC.

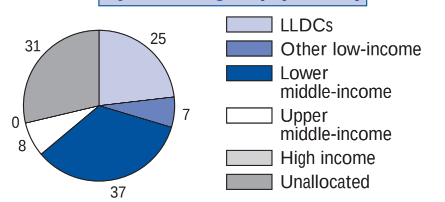
NEW ZEALAND

Gross bilateral ODA, 1996-97 average, unless otherwise shown

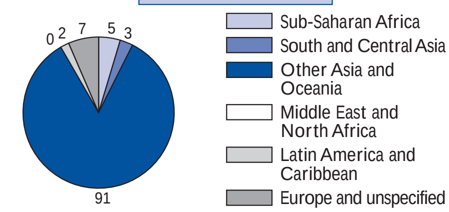
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	122	154	26.5%
Constant (1996 US$ m)	122	158	29.9%
In NZL Dollars (million)	177	233	31.7%
ODA/GNP	0.21%	0.26%	
Bilateral share	84%	73%	
Net Official Aid (OA)			
Current (US$ m)	0.01	0.04	300.0%

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

By income group (US$ m)



By region (US$ m)



Source: OECD.

NORWAY

Norway's strong commitment to the reduction of poverty in developing countries is reflected in the large size of its aid effort, as well as in the general orientation and quality of its development co-operation programme. As in other countries, however, there is now a more critical and demanding climate around development co-operation in Norway and a concern with uneven "burden-sharing".

Norway's aid strategy is regularly updated to respond to realities in developing countries. Increased emphasis is being placed on social and environmental issues, conflict resolution and democratic development. The focus on the poorest countries is also being strengthened, reversing a trend in recent years. Norway places a high priority on education and health, and on a vigorous follow-up to the 20/20 initiative to target aid and budgetary resources to basic services in these sectors.

In connection with the 1999 budget, Parliament adopted a debt-relief plan setting out how Norway can best contribute to an improvement in international debt mechanisms. Norway is also working actively to improve the trade-policy framework for developing countries. Norway sees a healthy private sector in developing countries as a prerequisite for the eradication of poverty and in 1998 elaborated an overall strategy for private-sector development. The main thrust of the strategy is that efforts must be based on the interests of developing countries, and not be steered by business interests in developed countries. As a consequence, Norway attaches great importance to the untying of aid.

Norwegian bilateral and multilateral aid both increased in real terms in 1997, by 3 and 13 per cent respectively, resulting in an overall increase in total ODA of 6 per cent. At 0.86 per cent, Norway's ODA/GNP ratio continued to exceed the UN's 0.7 per cent target.

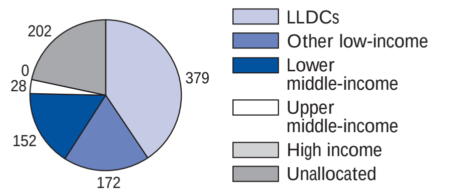
NORWAY

Gross bilateral ODA, 1996-97 average, unless otherwise shown

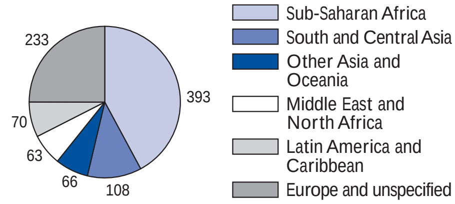
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	1 311	1 306	-0.4%
Constant (1996 US$ m)	1 311	1 388	5.9%
In Norwegian Kroner (million)	8 467	9 237	9.1%
ODA/GNP	0.85%	0.86%	
Bilateral share	72%	70%	
Net Official Aid (OA)			
Current (US$ m)	50	55	10.6%

Top ten recipients	(US$ m)
1 Mozambique	53
2 Tanzania	53
3 Palestine/Adm. Ter.	46
4 Bosnia and Herzgovina	44
5 Bangladesh	36
6 Zambia	34
7 Russia (OA)	30
8 Ethiopia	25
9 Angola	25
10 Uganda	25

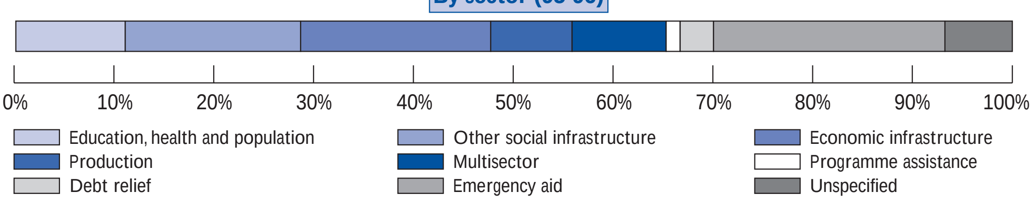
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

PORTUGAL

Following the adoption of the DAC Strategy *Shaping the 21st Century: The Contribution of Development Co-operation*, the Institute for Portuguese Co-operation established desks for gender, environment, participatory development and good governance, decentralised co-operation/NGOs, social development, human rights/democracy and poverty reduction. The Institute also distributed copies of the DAC Strategy to the Portuguese embassies in African countries and drew the attention of its main partner countries to the Strategy in the context of its joint commission meetings with them.

The Institute for Portuguese Co-operation is responsible only for a relatively small share of total Portuguese ODA. Portuguese ODA more generally still lacks an overall aid strategy with a medium-term approach, appropriate transparency and detailed aid programming, as well as a monitoring and evaluation system. However, in order to improve the organisation and coordination of its aid, Portugal will integrate from 1999 onwards the co-operation projects of the different ministries in a single budget. Portugal also evaluated a project in Guinea Bissau and is evaluating another one in Sao Tomé and Principe. Portugal's development co-operation programme remained concentrated on the Portuguese-speaking countries in Africa – Angola, Cape Verde, Guinea-Bissau, Mozambique and Sao Tomé and Principe. In 1998 it committed $92 million to permit Cape Verde to make its currency convertible.

Portugal's net ODA disbursements, which had declined substantially in 1996, increased in 1997 by 27 per cent in real terms. The increase occurred primarily in multilateral aid due to larger contributions to IDA, the regional development banks and funds, and larger EC aid programmes. After a decline of 0.04 percentage points in 1996, Portugal's ODA/GNP ratio regained in 1997 its 1995 level of 0.25 per cent.

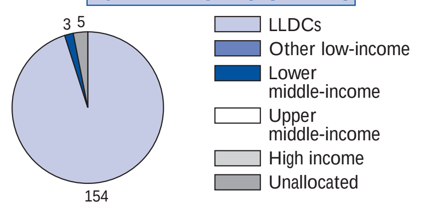
PORTUGAL

Gross bilateral ODA, 1996-97 average, unless otherwise shown

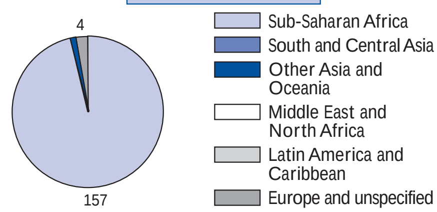
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	218	250	14.9%
Constant (1996 US$ m)	218	277	27.2%
In Escudos (million)	33 608	43 874	30.5%
ODA/GNP	0.21%	0.25%	
Bilateral share	72%	65%	
Net Official Aid (OA)			
Current (US$ m)	18.0	17.8	-0.9%

Top ten recipients	(US$ m)
1 Mozambique	72
2 Angola	31
3 Guinea-Bissau	23
4 Cape Verde	14
5 Sao Tome and Principe	13
6 Namibia	2
7 Brazil	1
8 Turkey	0.4
9 Timor	0.2
10 Zimbabwe	0.2

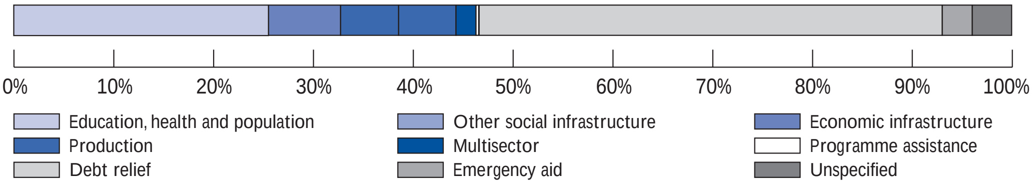
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

SWEDEN

Over recent years Sweden has carried out a concerted effort to elaborate its policies for international development. Since 1996, inter-connected Bills or White Papers have been sub-mitted to Parliament on: combating poverty; democracy and human rights in development co-operation; human rights in Sweden's foreign policy; a new Africa policy; gender equality; sus-tainable development; and co-operation with Central and Eastern European countries. A new Asia strategy will be presented in late 1998.

To put Sweden's new policy framework into practice, the Swedish International Development Co-operation Agency is in the process of implementing action plans in four areas: poverty reduction; sustainable development; gender equality; and democracy, human rights and conflict resolution. These plans place an emphasis on developing a partnership with recipient countries. More than 30 country and regional development co-operation strategies have so far been adopted.

Sweden also emphasizes a strengthened poverty focus in multilateral organisations and supports strengthened co-ordination of the UN aid organisations in the field. Sweden recently started a project, *Development Finance 2000*, which will analyse the actions needed to achieve a strong and effective multilateral system, financed on the basis of equitable burden sharing.

In 1997, Sweden experienced a general decline in real terms in its ODA volume. At 0.79 per cent, the ODA/GNP ratio declined by 0.05 percentage points from its 1996 level. However, Sweden was the fourth most generous donor in the DAC and its ODA/GNP performance remained above the 0.7 per cent UN target. Swedish official aid to countries on Part II of the DAC List in 1997 corresponded to 0.07 per cent of GNP, the third highest level among DAC donors.

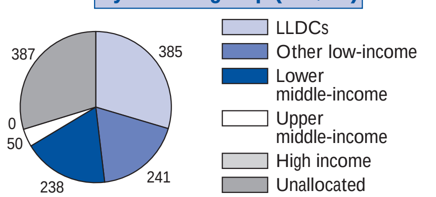
SWEDEN

Gross bilateral ODA, 1996-97 average, unless otherwise shown

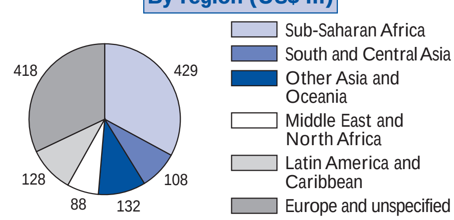
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	1 999	1 731	-13.4%
Constant (1996 US$ m)	1 999	1 946	-2.6%
In Swedish Kroner (million)	13 407	13 212	-1.5%
ODA/GNP	0.84%	0.79%	
Bilateral share	70%	70%	
Net Official Aid (OA)			
Current (US$ m)	178	148	-16.7%

Top ten recipients	(US$ m)
1 Tanzania	57
2 Mozambique	57
3 Viet Nam	41
4 Iraq	39
5 India	39
6 Ethopia	38
7 South Africa	37
8 Nicaragua	35
9 Angola	32
10 Uganda	32

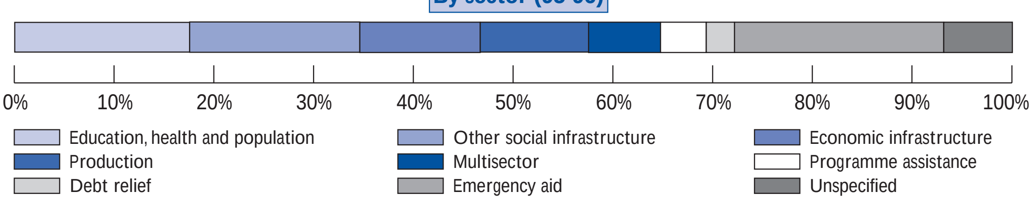
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

SWITZERLAND

Switzerland's development co-operation policy has increased its focus on improving governance and promoting investment – emphases which reflect the vision for development co-operation outlined in *Shaping the 21st Century: The Contribution of Development Co-operation*. To help achieve these policy goals, Switzerland has adopted guidelines on good governance and established a new investment corporation.

In the spirit of implementing the goals of the *Shaping the 21st Century* strategy, the Swiss Agency for Development Co-operation (SDC) has increased its emphasis on governance matters, adopting guidelines on *Promoting Human Rights in Development Co-operation*. In line with the objective of improving partnerships, SDC is also focusing more closely on donor co-ordination and has strengthened the role of donor co-ordination in its country programmes in recipient countries.

The Federal Office for Foreign Economic Affairs (FOFEA) has continued to promote investments and the transfer of environmental technology, as well as its economic-reform and debt-reduction activities. In 1998, FOFEA created an investment corporation – 51 per cent of whose capital is held by the private sector – with the objective of increasing investment flows to developing and transition countries.

In 1997, Swiss ODA rose by 4 per cent in real terms to a level of $911 million. Switzerland maintains its ODA/GNP target of 0.40 per cent, set out in the *North-South Guidelines*. Switzerland's ODA reached 0.34 per cent of GNP in 1997, its ratio remaining above the DAC average.

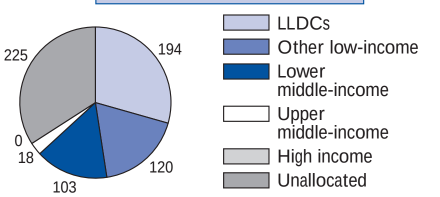
SWITZERLAND

Gross bilateral ODA, 1996-97 average, unless otherwise shown

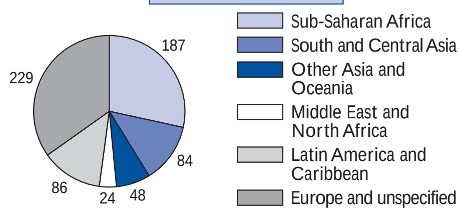
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	1 026	911	-11.3%
Constant (1996 US$ m)	1 026	1 067	4.0%
In Swiss Francs (million)	1 269	1 320	4.1%
ODA/GNP	0.34%	0.34%	
Bilateral share	70%	63%	
Net Official Aid (OA)			
Current (US$ m)	97	75	-23.0%

Top ten recipients	(US$ m)
1 India	24
2 Mozambique	23
3 Bolivia	21
4 Tanzania	20
5 Russia (OA)	16
6 Rwanda	15
7 Burkina Faso	14
8 Bosnia and Herzegovina	14
9 Nepal	13
10 Pakistan	12

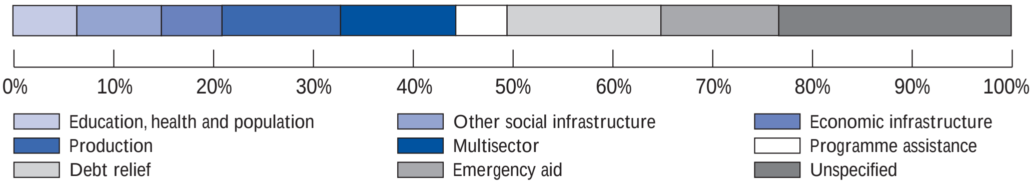
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

UNITED KINGDOM

The Department for International Development (DFID) was created by the new Labour Government in May 1997. Six months later, DFID published the first British White Paper on international development for twenty years. This made clear the government's commitment to the international development strategy and targets, in particular halving the proportion of people living in extreme poverty by 2015. The concept of partnership was recognised as central. The role of DFID within government was also redefined to emphasize working for coherence on all policies which affect developing countries, not just administering a development programme.

A major initial task of DFID has been to conduct a review of all its expenditure to ensure that resources are targeted at meeting the new policy agenda. It is also developing improved measures of performance. DFID recognises the importance of fully engaging the multilateral system in the international development strategy and has used all opportunities (including Britain's EU presidency in the first half of 1998) to work for greater consistency of approach. DFID has set up a new British Partnerships Unit to encourage public-private partnerships in support of development, particularly in developing countries.

British ODA continued its downward slide in 1997, falling to 0.26 per cent of GNP in 1997. However, the British Government had committed itself to reversing the decline in development assistance and in July 1998 announced a substantial increase in the budget for DFID. This should result in restoring an ODA/GNP ratio of about 0.30 per cent by 2001. These extra resources are intended to contribute to the achievement of the objectives set out in the White Paper. In particular, the UK will channel increased assistance towards partner countries which focus on poverty reduction and follow sound economic policies.

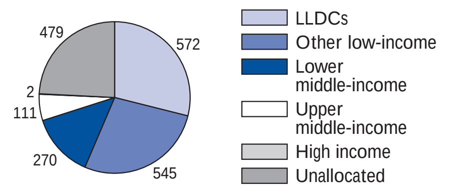
UNITED KINGDOM

Gross bilateral ODA, 1996-97 average, unless otherwise shown

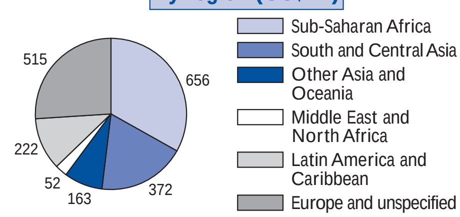
Net ODA	1996	1997	Change 1996/97
Current (US$ m)	3 199	3 433	7.3%
Constant (1996 US$ m)	3 199	3 187	-0.4%
In Pounds Sterling (million)	2 050	2 096	2.3%
ODA/GNP	0.27%	0.26%	
Bilateral share	56%	58%	
Net Official Aid (OA)			
Current (US$ m)	362	337	-7.0%

Top ten recipients	(US$ m)
1 India	176
2 Zambia	83
3 Guyana	82
4 Uganda	74
5 Bangladesh	72
6 Tanzania	68
7 Ex-Yugoslavia Unspec.	60
8 Malawi	57
9 Mozambique	55
10 Pakistan	54

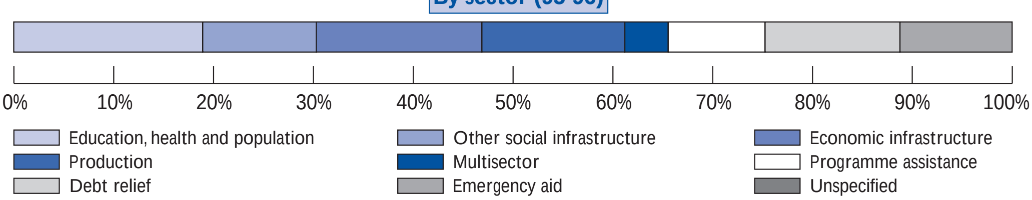
By income group (US$ m)



By region (US$ m)



By sector (95-96)



Source: OECD.

Notes

1. See *Economic Outlook* No. 64, OECD, 1998.

2. This and other changes to the DAC List of Aid Recipients in 1997 are shown in the Table at the end of this volume.

3. Allowance is made here for the fact that Switzerland's ODA was exceptionally high in 1992 because of one-off contributions it made on joining the World Bank.

Glossary of Key Terms and Concepts

(Cross-references are given in CAPITALS)

AID: The words "aid" and "assistance" in this publication refer only to flows which qualify as OFFICIAL DEVELOPMENT ASSISTANCE (ODA) or OFFICIAL AID.

AMORTIZATION: Repayments of principal on a loan. Does not include interest payments.

ASSOCIATED FINANCING: The combination of Official Development Assistance, whether grants or loans, with any other funding to form finance packages. Associated Financing packages are subject to the same criteria of concessionality, developmental relevance and recipient country eligibility as TIED AID CREDITS.

BILATERAL: See TOTAL RECEIPTS.

CLAIM: The entitlement of a creditor to repayment of a LOAN; by extension, the loan itself or the outstanding amount thereof.

COMMITMENT: A firm obligation, expressed in writing and backed by the necessary funds, undertaken by an official donor to provide specified assistance to a recipient country or a multilateral organisation. Bilateral commitments are recorded in the full amount of expected transfer, irrespective of the time required for the completion of disbursements. Commitments to multilateral organisations are reported as the sum of *i)* any disbursements in the year in question which have not previously been notified as commitments and *ii)* expected disbursements in the following year.

CONCESSIONALITY LEVEL: A measure of the "softness" of a credit reflecting the benefit to the borrower compared to a loan at market rate (*cf.* GRANT ELEMENT). Technically, it is calculated as the difference between the nominal value of a TIED AID CREDIT and the present value of the debt service as of the date of disbursement, calculated at a discount rate applicable to the currency of the transaction and expressed as a percentage of the nominal value.

DAC (DEVELOPMENT ASSISTANCE COMMITTEE): The committee of the OECD which deals with development co-operation matters. A description of its aims and a list of its Members are given at the front of this volume.

DAC LIST: See RECIPIENT COUNTRIES AND TERRITORIES.

DEBT REORGANISATION (also: RESTRUCTURING): Any action officially agreed between creditor and debtor that alters the terms previously established for repayment. This may include **forgiveness** (extinction of the loan), or **rescheduling** which can be implemented either by revising the repayment schedule or extending a new **refinancing** loan. See also Notes on Definitions and Measurement below.

DISBURSEMENT: The release of funds to, or the purchase of goods or services for a recipient; by extension, the amount thus spent. Disbursements record the actual international transfer of financial resources, or of goods or services valued at the cost to the donor. In the case of activities carried out in donor countries, such as training, administration or public awareness programmes, disbursement is taken to have occurred when the funds have been transferred to the service provider or the recipient. They may be recorded **gross** (the total amount disbursed over a given accounting period) or **net** (less any repayments of loan principal during the same period).

EXPORT CREDITS: Loans for the purpose of trade and which are not represented by a negotiable instrument. They may be extended by the official or the private sector. If extended by the private sector, they may be supported by official guarantees.

GRACE PERIOD: See GRANT ELEMENT.

GRANTS: Transfers made in cash, goods or services for which no repayment is required.

GRANT ELEMENT: Reflects the **financial terms** of a commitment: interest rate, MATURITY and **grace period** (interval to first repayment of capital). It measures the concessionality of a loan, expressed as the percentage by which the present value of the expected stream of repayments falls short of the repayments that would have been generated at a given reference rate of interest. The reference rate is 10 per cent in DAC statistics. Thus, the grant element is nil for a loan carrying an interest rate of 10 per cent; it is 100 per cent for a grant; and it lies between these two limits for a loan at less than 10 per cent interest. If the face value of a loan is multiplied by its grant element, the result is referred to as the **grant equivalent** of that loan (*cf.* CONCESSIONALITY LEVEL). (Note: the grant element concept is not applied to the market-based non-concessional operations of the multilateral development banks.)

GRANT-LIKE FLOW: A transaction in which the donor country retains formal title to repayment but has expressed its intention in the commitment to hold the proceeds of repayment in the borrowing country.

LOANS: Transfers for which repayment is required. Only loans with maturities of over one year are included in DAC statistics. Data on net loans include deductions for repayments of principal (but not payment of interest) on earlier loans. This means that when a loan has been fully repaid, its effect on total net flows over the life of the loan is zero.

LONG-TERM: Used of loans with an original or extended maturity of more than one year.

MATURITY: The date at which the final repayment of a loan is due; by extension, a measure of the scheduled life of the loan.

MULTILATERAL AGENCIES: In DAC statistics, those international institutions with governmental membership which conduct all or a significant part of their activities in favour of development and aid recipient countries. They include multilateral development banks (*e.g.* World Bank, regional development banks), United Nations agencies, and regional groupings (*e.g.* certain European Union and Arab agencies). A contribution by a DAC Member to such an agency is deemed to be multilateral if it is pooled with other contributions and disbursed at the discretion of the agency. Unless otherwise indicated, capital subscriptions to multilateral development banks are recorded on a **deposit** basis, *i.e.* in the amount and as at the date of lodgment of the relevant letter of credit or other negotiable instrument. Limited data are available on an encashment basis, *i.e.* at the date and in the amount of each drawing made by the agency on letters or other instruments.

NET FLOW: The total amount disbursed over a given accounting period, less repayments of loan principal during the same period, no account being taken of interest.

NET TRANSFER: Net flow minus payments of interest.

OFFICIAL AID: Flows which meet the conditions of eligibility for inclusion in OFFICIAL DEVELOPMENT ASSISTANCE, except that the recipients are on Part II of the DAC List of Aid Recipients (see RECIPIENT COUNTRIES AND TERRITORIES).

OFFICIAL DEVELOPMENT ASSISTANCE: Grants or loans to countries and territories on Part I of the DAC List of Aid Recipients (developing countries) which are:

- undertaken by the official sector;
- with promotion of economic development and welfare as the main objective;
- at concessional financial terms (if a loan, having a GRANT ELEMENT of at least 25 per cent).

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)* Other Official Flows which are considered developmental (including refinancing loans) which have too low a GRANT ELEMENT to qualify as ODA.

OFFSHORE BANKING CENTRES: Countries or territories whose financial institutions deal primarily with non-residents.

OTHER OFFICIAL FLOWS (OOF): Transactions by the official sector with countries on the List of Aid Recipients which do not meet the conditions for eligibility as Official Development Assistance or Official Aid, either because they are not primarily aimed at development, or because they have a grant element of less than 25 per cent.

PARTIALLY UNTIED AID: OFFICIAL DEVELOPMENT ASSISTANCE (or Official Aid) for which the associated goods and services must be procured in the donor country or among a restricted group of other countries, which must however include substantially all recipient countries. Partially untied aid is subject to the same disciplines as TIED AID CREDITS and ASSOCIATED FINANCING.

PRIVATE FLOWS: Consist of flows at market terms financed out of private sector resources (*i.e.* changes in holdings of private long-term assets held by residents of the reporting country) and private grants (*i.e.* grants by **non-government 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). In practice it is recorded as the change in the net worth of a subsidiary in a recipient country to the parent company, as shown in the books of the latter.

International Bank Lending: Net lending to countries on the List of Aid Recipients by commercial banks in the Bank of International Settlements reporting area, *i.e.* most OECD countries and most offshore financial centres (Bahamas, Bahrain, Cayman Islands, Hong Kong, Netherlands Antilles and Singapore), net of lending to banks in the same offshore financial centres. Loans from central monetary authorities are excluded. Guaranteed bank loans and bonds are included under OTHER PRIVATE or BOND LENDING (see below) in these presentations.

Bond Lending: Net completed international bonds issued by countries on the DAC List of Aid Recipients.

Other private: Mainly reported holdings of equities issued by aid recipient countries, and bank loans which in this context are included with guaranteed export credits.

In data presentations which focus on the outflow of funds from donors, private flows other than direct investment are restricted to credits with a maturity of greater than one year and are usually divided into:

Private export credits: See EXPORT CREDITS.

Multilateral portfolio investment: This covers the transactions of the private non-bank and bank sector in the securities issued by multilateral institutions.

Bilateral portfolio investment and other: Includes bank lending, and the purchase of shares, bonds and real estate.

RECIPIENT COUNTRIES AND TERRITORIES: The current DAC List of Aid Recipients is shown separately at the end of this publication. Some details about recent changes in the List are given in the Notes on Definitions and Measurement below. Part I of the List is presented in the following categories (the word "countries" includes territories):

- **LLDCs:** Least Developed Countries. Group established by the United Nations. To be classified as an LLDC, countries must fall below thresholds established for income, economic diversification and social development. The DAC List is updated immediately to reflect any change in the LLDC group.

- **Other LICs:** Other Low-Income Countries. Includes all non-LLDC countries with per capita GNP $765 or less in 1995 (World Bank Atlas basis).

- **LMICs:** Lower Middle-Income Countries, *i.e.* with GNP per capita (Atlas basis) between $766 and $3 035 in 1995. LLDCs which are also LMICs are not included.

- **UMICs:** Upper Middle-Income Countries, *i.e.* with GNP per capita (Atlas basis) between $3 036 and $9 385 in 1995.

- **HICs:** High-Income Countries, *i.e.* with GNP per capita (Atlas basis) more than $9 385 in 1995.

Part II of the List comprises "Countries in Transition". These comprise *i)* more advanced Central and Eastern European Countries and New Independent States of the former Soviet Union; and *ii)* more advanced developing countries. See also OFFICIAL AID.

SHORT-TERM: Used of loans with a maturity of one year or less.

TECHNICAL CO-OPERATION: Includes both *a)* grants to nationals of aid recipient countries receiving education or training at home or abroad, and *b)* payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries, (including the cost of associated equipment). Assistance of this kind provided specifically to facilitate the implementation of a capital project is included indistinguishably among bilateral project and programme expenditures, and is omitted from technical co-operation in statistics of aggregate flows.

TIED AID CREDITS: Official or officially supported LOANS, credits or ASSOCIATED FINANCING packages where procurement of the goods or services involved is limited to the donor country or to a group of countries which does not include substantially all developing countries (or CEEC/NIS countries in transition, *cf.* PARTIALLY UNTIED AID). Tied aid credits are subject to certain disciplines concerning their concessionality levels, the countries to which they may be directed, and their developmental relevance so as to avoid using aid funds on projects that would be commercially viable with market finance, and to ensure that recipient countries receive good value. Details are given in the **Development Co-operation Reports** for 1987 (pp. 177-181) and 1992 (pp. 10-11).

TOTAL RECEIPTS: The inflow of resources to aid recipient countries (see Table 1 of the Statistical Annex) includes, in addition to ODF, official and private EXPORT CREDITS , and long- and short-term private transactions (see PRIVATE FLOWS). Total receipts are measured net of AMORTIZATION payments and repatriation of capital by private investors. **Bilateral** flows are provided directly by a donor country to an aid recipient country. **Multilateral** flows are channelled via an international organisation active in development (*e.g.* World Bank, UNDP). In tables showing total receipts of recipient countries, the outflows of multilateral agencies to those countries is shown, not the contributions which the agencies received from donors.

UNDISBURSED: Describes amounts committed but not yet spent. See also COMMITMENT, DISBURSEMENT.

UNTIED AID: Official Development Assistance for which the associated goods and services may be fully and freely procured in substantially all countries.

VOLUME (real terms): The flow data in this publication are expressed in US dollars. To give a truer idea of the volume of flows over time, some data are presented in constant prices and exchange rates, with a reference year specified. This means that adjustment has been made to cover both inflation between the year in question and the reference year, and changes in the exchange rate between the currency concerned and the United States dollar over the same period. A table of combined conversion factors (deflators) is provided in the Statistical Annex (Table 47) which allows any figure in the Report in current United States dollars to be converted to dollars of the reference year ("constant prices").

Notes on Definitions and Measurement

The coverage of the data presented in this Report has changed in recent years. The main points are:

Changes in the ODA concept and the coverage of GNP

While the definition of Official Development Assistance has not changed for over 25 years, some changes in interpretation have tended to broaden the scope of the concept. The main ones are the recording of administrative costs as ODA (from 1979), the imputation as ODA of the share of subsidies to educational systems representing the cost of educating students from aid recipient countries (first specifically identified in 1984), and the inclusion of assistance provided by donor countries in the first year after the arrival of a refugee from an aid recipient country (eligible to be reported from the early 1980s but widely used only since 1991).

Precise quantification of the effects of these changes is difficult because changes in data collection methodology and coverage are often not directly apparent from Members' statistical returns. The amounts involved can, however, be substantial. For example, reporting by Canada in 1993 included for the first time a figure for Canada refugee support. The amount involved ($184m.) represented almost 8 per cent of total Canadian ODA. Aid flows reported by Australia in the late 1980s, it has been estimated, were some 12 per cent higher than had they been calculated according to the rules and procedures applying fifteen years earlier.[1]

The coverage of the GNP concept has also been expanding through the inclusion of new areas of economic activity and the improvement of collection methods. To avoid excessive revisions, ODA/GNP ratios used in this Report are generally only revised if there is a significant change in the GNP estimate for the current or immediately preceding year.

The new System of National Accounts (SNA) co-sponsored by the OECD and other major international organisations includes for the first time estimates of the output from domestic work and food grown for own consumption. The progressive introduction of the new SNA is tending to depress donors' ODA/GNP ratios. For example, Norway's ODA/GNP ratio in the years 1992-1994 averaged 1.06 per cent of GNP measured on the old SNA, but only 0.96 per cent of GNP on the new SNA (Norway moved to the new SNA in 1995).

Recipient country coverage

In the past ten years the following have been added to the list of ODA recipients at the dates shown: Albania (1989); the Black Communities of South Africa (1991 – now simply South Africa); Kazakstan, Kyrgyzstan (now the Kyrgyz Republic), Tajikistan, Turkmenistan and Uzbekistan (1992); Armenia, Georgia and Azerbaijan (1993), Palestinian Administered Areas (1994). Eritrea, formerly part of Ethiopia, has been recorded as a separate country from 1993. The former United States Trust Territory of the Pacific Islands has been progressively replaced by its independent successor states, viz. Federated States of Micronesia and Marshall Islands (1992); Northern Marianas and Palau Islands (1994).

Over the same period, the following countries and territories have been removed from the ODA recipient list: Portugal (1991);

French Guyana, Guadeloupe, Martinique, Réunion and St Pierre and Miquelon (1992), Greece (end of 1994).

From 1993, CEEC/NIS countries in transition have been included on Part II of a new List of Aid Recipients (the List is given at the end of this volume). Aid to countries on Part II of the List is recorded as "Official Aid", not as ODA. To avoid overlap, Part II of the new List does not include those CEEC/NIS countries which have been classified as ODA recipients.

From 1996, the following High-Income Countries were transferred from Part I to Part II of the List: Bahamas, Brunei, Kuwait, Qatar, Singapore and United Arab Emirates.

From 1997, seven further High-Income Countries were transferred to Part II: Bermuda, Cayman Islands, Chinese Taipei, Cyprus, Falkland Islands, Hong Kong (China), and Israel.

Also from 1997, Moldova was transferred from Part II to Part I of the list.

Data on total aid to Part I countries (ODA) and total aid to Part II countries (OA) follow the recipient list for the year in question. However, when a country is added to or removed from an income group in Part I, totals for the groups affected are adjusted retroactively to maximise comparability over time with reference to the current list.

Donor country coverage

Spain and Portugal joined the DAC in 1991 and Luxembourg in 1992. Their assistance is now counted within the DAC total. ODA flows from these countries before they joined the DAC have been added to earlier years' data where available. The accession of new Members has added to total DAC ODA, but has usually reduced the overall ODA/GNP ratio, since their programmes are often smaller in relation to GNP than those of the longer-established donors.

Treatment of debt forgiveness

The treatment of the **forgiveness of loans not originally reported as ODA** has varied over recent years. Up to and including 1992, where forgiveness of non-ODA debt met the tests of ODA it was reportable as ODA. From 1990 to 1992 inclusive it remained reportable as part of a country's ODA, but was excluded from the DAC total. From 1993, forgiveness of debt originally intended for military purposes has been reportable as "Other Official Flows", whereas forgiveness of other non-ODA loans (mainly **export credits**) recorded as ODA is included both in country data and in total DAC ODA in the same way as it was until 1989.

The effect of these decisions on ODA figures can be summarised as follows:

a) **Countries' ODA:** Forgiveness of all non-ODA debt reportable as ODA through 1992. From 1993, forgiveness of military debt may only be reported as OOF.

b) **DAC total ODA:** Equals the total of countries' reported ODA, except for the exclusion of the following:

1990: $1.2 billion of forgiven United States military debt and $334 million of various countries' forgiven claims in respect of export credit and structural adjustment lending.

1991: $1.9 billion of forgiven United States military debt and $28 million of various countries' forgiven export credit debt.

1992: $894 million of forgiven United States military debt and $975 million of various countries' forgiven export credit debt.

The **forgiveness of outstanding loan principal originally reported as ODA** does not give rise to a new net disbursement of ODA. Statistically, the benefit is reflected in the fact that because the cancelled repayments will not take place, net ODA disbursements will not be reduced.

All data in this publication refer to calendar years, unless otherwise stated.

Note

1. S. Scott, "Some Aspects of the 1988/89 Aid Budget", in *Quarterly Aid Round-up*, No. 6, AIDAB, Canberra, 1989, pp. 11-18.

Statistical Annex

Basic Resource Flows

Aid Performance by DAC Members

Detailed Data on Financial Flows from DAC Countries

Multilateral Aid

Sectoral Allocation of ODA

Terms and Conditions

Geographical Distribution of ODA

Aid by Non-DAC Donors

Key Reference Indicators for Developing Countries

Key Reference Indicators for DAC Countries

Aid and Other Resource Flows to Part II Countries

For more information on DAC statistics, please refer to our

WORLD WIDE WEB SITE

http://www.oecd.org/dac
See "Statistics"

Note: This report incorporates data submitted up to November 20th 1998. 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 1997 (for a complete list of countries, please refer to the end of this volume).

Signs Used

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

Slight discrepencies in totals are due to rounding.

More detailed information on the source and destination of aid and resource flows, including firm data received after this annex was prepared, is contained in the statistical report on the *Geographical Distribution of Financial Flows to Aid Recipients 1993-1997*, to be published shortly.

	1990
I. OFFICIAL DEVELOPMENT FINANCE (ODF)	76.5
1. Official development assistance (ODA) (a)	50.6
of which: Bilateral	37.2
Multilateral	13.4
2. Official Aid (OA)	2.3
of which: Bilateral	1.9
Multilateral	0.4
3. Other ODF	23.7
of which: Bilateral	12.9
Multilateral	10.8
II. TOTAL EXPORT CREDITS	9.5
of which: Short-term	4.5
III. PRIVATE FLOWS	43.6
1. Direct investment (DAC)	26.9
of which: to offshore centres	7.1
2. International bank lending (b)	6.1
of which: Short-term	7.0
3. Total bond lending	0.5
4. Other (including equities) (c)	5.1
5. Grants by non-governmental organisations	5.1
TOTAL NET RESOURCE FLOWS (I+II+III)	**129.6**
Memorandum items (not included):	
Interest paid by aid recipients (d)	-73.1
Net Use of IMF Credit (GRA) (e)	-2.2
Non-DAC donors (ODA)	7.9
For reference	
Total DAC net ODA (a) (f)	53.0
of which: Bilateral Grants	32.3

Table 1

Total Net Resource Flows from DAC Member Countries and Multilateral Agencies to Aid Recipients

Current $ billion 1991	1992	1993	1994	1995	1996	1997 (p)	Per cent of total 1990	1993	1997 (p)
84.8	78.6	83.4	86.2	89.3	78.1	76.8	59.0	51.4	23.6
57.4	58.6	56.0	60.3	59.8	57.9	49.8	39.0	34.5	15.3
41.3	41.3	39.4	41.3	40.6	39.1	32.3	28.7	24.2	10.0
16.1	17.3	16.6	19.0	19.2	18.9	17.5	10.4	10.2	5.3
6.6	6.1	6.0	6.9	8.4	5.6	5.3	1.8	3.7	1.6
5.0	5.2	5.2	5.5	7.1	4.0	3.7	1.4	3.2	1.2
1.6	0.9	0.7	1.3	1.3	1.6	1.6	0.3	0.5	0.5
20.8	14.0	21.5	19.0	21.1	14.5	21.7	18.2	13.2	6.7
13.1	8.0	11.4	12.4	14.0	5.8	5.9	9.9	7.0	1.8
7.7	5.9	10.1	6.7	7.1	8.7	15.8	8.3	6.2	4.9
0.6	1.0	-3.0	6.3	5.6	4.0	-4.4	7.3	-1.8	-1.4
-0.8	0.5	-1.5	0.2	0.8	0.5	0.6	3.5	-0.9	0.2
50.8	77.3	81.9	126.6	168.3	282.6	252.1	33.6	50.5	77.7
23.2	27.8	38.4	48.5	52.3	63.5	107.8	20.7	23.7	33.2
6.5	9.5	9.4	10.8	6.3	16.7	20.9	5.5	5.8	6.5
10.7	34.6	4.8	32.1	76.9	86.0	20.0	4.7	3.0	6.2
12.0	25.0	7.0	44.0	40.0	40.0	15.0	5.4	4.3	4.6
4.9	7.5	28.7	32.0	30.0	93.8	91.2	0.4	17.7	28.1
6.6	1.4	4.3	8.0	3.1	33.8	28.5	3.9	2.6	8.8
5.4	6.0	5.7	6.0	6.0	5.6	4.6	3.9	3.5	1.4
136.2	**156.9**	**162.3**	**219.1**	**263.2**	**364.7**	**324.5**	**100.0**	**100.0**	**100.0**
-68.8	-70.4	-62.2	-83.1	-94.2	-98.4	-104.0			
0.1	-0.9	1.3	-1.4	11.6	-2.9	14.4			
3.7	1.4	1.5	1.3	0.8	0.9	0.2			
56.7	60.8	56.5	59.2	58.9	55.4	48.3			
36.5	34.8	33.4	35.2	36.2	36.5	31.2			

p: Provisional.
a) Excluding forgiveness of non-ODA debt for the years 1990 to 1992.
b) Excluding bond lending by banks (item III.3.), and guaranteed financial credits (included in II).
c) Incomplete reporting from several DAC countries (including France, the United Kingdom and the United States). Includes Japan from 1996.
d) Excluding dividends.
e) Non-concessional flows from the IMF General Resources Account (GRA).
f) Comprises bilateral ODA as above plus contributions **to** multilateral organisations in place of ODA disbursements **from** multilateral organisations shown above.

The Total Net Flow of Financial

	1981-82 average	1986-87 average
I. Official Development Assistance	25 820	38 221
1. Bilateral grants and grant-like flows	12 326	21 127
of which: Technical co-operation	4 907	7 818
Developmental food aid (a)	733	1 500
Emergency & distress relief (a)	286	670
Debt forgiveness	147	247
Administrative costs	820	1 337
2. Bilateral loans	5 088	5 922
3. Contributions to multilateral institutions	8 406	11 172
of which: UN (b)	2 250	2 868
EC (b)	1 517	1 803
IDA (b)	2 604	3 895
Regional development banks (b)	1 045	1 662
II. Other Official Flows	6 899	1 790
1. Bilateral	6 842	1 935
2. Multilateral	57	- 145
III. Private Flows at market terms	52 186	21 618
1. Direct investment	13 174	15 319
2. Bilateral portfolio investment	22 431	6 936
3. Multilateral portfolio investment	4 507	3 353
4. Export credits	12 074	-3 990
IV. Net grants by NGOs	2 161	3 674
TOTAL NET FLOWS	**87 066**	**65 302**
Total net flows at 1996 prices and exchange rates (c)	**173 100**	**100 827**

Table 2

Resources from DAC Countries to Developing Countries and Multilateral Organisations by Type of Flow

Net disbursements at current prices and exchange rates

$ million					Per cent of total						
1993	1994	1995	1996	1997	1981-82 average	1986-87 average	1993	1994	1995	1996	1997
56 486	59 152	58 926	55 438	48 324	30	59	42	36	36	28	26
33 416	35 185	36 184	36 506	31 197	14	32	25	21	22	19	17
12 973	12 850	14 298	14 124	12 876	6	12	10	8	9	7	7
1 663	1 802	1 346	813	1 046	1	2	1	1	1	0	1
3 250	3 468	3 062	2 692	2 150	0	1	2	2	2	1	1
2 701	3 452	3 724	3 398	3 122	0	0	2	2	2	2	2
2 543	2 600	2 889	2 856	2 719	1	2	2	2	2	1	1
5 943	6 115	4 444	2 585	1 147	6	9	4	4	3	1	1
17 127	17 852	18 299	16 347	15 981	10	17	13	11	11	8	9
4 119	4 291	4 267	4 372	3 921	3	4	3	3	3	2	2
4 089	4 709	5 370	4 600	4 748	2	3	3	3	3	2	3
4 970	4 607	5 405	3 986	4 060	3	6	4	3	3	2	2
2 497	2 598	1 301	1 578	1 549	1	3	2	2	1	1	1
7 918	10 456	9 872	5 562	6 113	8	3	6	6	6	3	3
7 275	8 613	9 084	6 089	6 061	8	3	5	5	6	3	3
643	1 843	788	- 527	51	0	0	0	1	0	0	0
65 316	90 238	89 824	128 939	128 525	60	33	48	54	55	66	69
38 432	48 459	51 825	59 630	79 434	15	23	28	29	31	31	42
30 228	37 384	33 217	68 963	50 636	26	11	22	23	20	35	27
-1 326	-3 018	- 790	- 948	-6 117	5	5	-1	-2	0	0	-3
-2 017	7 413	5 572	1 295	4 573	14	-6	-1	4	3	1	2
5 692	6 046	5 973	5 568	4 628	2	6	4	4	4	3	2
135 413	**165 893**	**164 596**	**195 507**	**187 590**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
151 080	**177 501**	**160 628**	**195 507**	**201 927**							

a) Emergency food aid included with developmental food aid up to and including 1995.
b) Grants and capital subscriptions. Does not include concessional lending to multilateral agencies.
c) Deflated by the total DAC deflator.

The Total Net Flow

	1981-82 average	1986-87 average	1993	1994
				$ million
Australia	1 026	986	2 082	2 136
Austria	224	191	714	1 029
Belgium	1 746	- 559	736	2 177
Canada	3 842	2 233	5 283	5 637
Denmark	887	662	1 397	1 319
Finland	207	507	336	552
France	11 255	7 468	10 902	12 717
Germany	7 523	8 366	15 366	23 948
Ireland	37	96	128	198
Italy	4 340	2 292	2 377	3 421
Japan	10 554	16 381	15 877	28 487
Luxembourg	5	14	54	64
Netherlands	2 360	3 016	5 563	4 654
New Zealand	104	115	112	126
Norway	749	823	1 221	1 479
Portugal	5	31	242	269
Spain	546	- 95	1 374	3 532
Sweden	1 591	1 731	2 486	2 369
Switzerland	2 736	- 71	3 589	77
United Kingdom	9 063	5 088	7 337	11 964
United States	28 267	16 026	58 235	59 738
TOTAL DAC	**87 066**	**65 303**	**135 413**	**165 893**
of which:				
EU Members	39 789	28 809	49 014	68 213

Table 3

of Financial Resources from DAC Countries to Developing Countries and Multilateral Organisations

Net disbursements at current prices and exchange rates

			Per cent of GNP						
1995	1996	1997	1981-82 average	1986-87 average	1993	1994	1995	1996	1997
2 536	1 370	1 309	0.65	0.57	0.76	0.67	0.76	0.36	0.35
906	1 878	1 661	0.34	0.18	0.39	0.52	0.39	0.82	0.80
- 234	5 595	-11 475	1.90	-0.43	0.35	0.95	-0.09	2.10	-4.66
5 138	6 740	10 006	1.36	0.59	0.99	1.07	0.94	1.19	1.67
1 799	1 949	1 928	1.62	0.75	1.08	0.94	1.07	1.15	1.15
604	1 147	425	0.42	0.66	0.43	0.59	0.50	0.96	0.37
12 477	17 486	14 023	2.01	0.93	0.87	0.96	0.81	1.14	1.00
21 197	20 815	19 740	1.12	0.83	0.81	1.18	0.88	0.89	0.95
247	371	323	0.21	0.39	0.32	0.46	0.46	0.64	0.54
2 800	4 713	8 116	1.07	0.34	0.24	0.34	0.26	0.39	0.71
42 295	38 088	29 509	0.96	0.75	0.38	0.62	0.82	0.82	0.70
72	89	100	0.11	0.19	0.39	0.43	0.40	0.47	0.58
6 795	9 514	8 064	1.70	1.56	1.80	1.41	1.71	2.38	2.21
166	147	182	0.44	0.39	0.28	0.27	0.31	0.25	0.31
1 670	1 668	1 647	1.37	1.10	1.22	1.37	1.16	1.08	1.08
395	944	1 337	0.02	0.10	0.28	0.31	0.38	0.89	1.33
2 025	4 259	7 411	0.30	-0.04	0.29	0.75	0.37	0.74	1.39
2 224	2 003	2 092	1.53	1.22	1.38	1.26	1.00	0.84	0.96
1 118	-1 471	-3 457	2.74	-0.04	1.48	0.03	0.35	-0.48	-1.31
13 382	22 470	19 659	1.81	0.82	0.78	1.15	1.19	1.93	1.50
46 984	55 731	74 991	0.93	0.37	0.89	0.86	0.65	0.73	0.93
164 596	**195 507**	**187 590**	**1.14**	**0.57**	**0.72**	**0.83**	**0.75**	**0.88**	**0.86**
64 688	93 233	73 402	1.39	0.69	0.72	0.95	0.78	1.11	0.92

Net Official

	1981-82 average	1986-87 average	1993	1994
				$ million
Australia	766	690	953	1 091
Austria	228	199	544	655
Belgium	537	617	810	727
Canada	1 193	1 790	2 400	2 250
Denmark	409	777	1 340	1 446
Finland	140	373	355	290
France	3 007	4 646	7 915	8 466
Germany	3 166	4 111	6 954	6 818
Ireland	37	57	81	109
Italy	738	2 509	3 043	2 705
Japan	3 097	6 488	11 259	13 239
Luxembourg	5	13	50	59
Netherlands	1 491	1 917	2 525	2 517
New Zealand	66	81	98	110
Norway	513	844	1 014	1 137
Portugal	5	31	235	303
Spain	237	217	1 304	1 305
Sweden	953	1 232	1 769	1 819
Switzerland	245	484	793	982
United Kingdom	1 996	1 804	2 920	3 197
United States	6 992	9 340	10 123	9 927
TOTAL DAC	**25 820**	**38 221**	**56 486**	**59 152**
of which:				
EU Members	12 948	18 504	29 845	30 416
Memo:				
Average country effort				

Table 4

Development Assistance from DAC Countries to Developing Countries and Multilateral Organisations

Net disbursements at current prices and exchange rates

1995	1996	1997	1981-82 average	1986-87 average	Per cent of GNP 1993	1994	1995	1996	1997
1 194	1 074	1 061	0.49	0.40	0.35	0.34	0.36	0.28	0.28
767	557	527	0.34	0.19	0.30	0.33	0.33	0.24	0.26
1 034	913	764	0.58	0.48	0.39	0.32	0.38	0.34	0.31
2 067	1 795	2 045	0.42	0.48	0.45	0.43	0.38	0.32	0.34
1 623	1 772	1 637	0.75	0.88	1.03	1.03	0.96	1.04	0.97
388	408	379	0.28	0.48	0.45	0.31	0.32	0.34	0.33
8 443	7 451	6 307	0.54	0.58	0.63	0.64	0.55	0.48	0.45
7 524	7 601	5 857	0.47	0.41	0.36	0.34	0.31	0.33	0.28
153	179	187	0.21	0.23	0.20	0.25	0.29	0.31	0.31
1 623	2 416	1 266	0.18	0.37	0.31	0.27	0.15	0.20	0.11
14 489	9 439	9 358	0.28	0.30	0.27	0.29	0.28	0.20	0.22
65	82	95	0.11	0.17	0.35	0.40	0.36	0.44	0.55
3 226	3 246	2 947	1.07	0.99	0.82	0.76	0.81	0.81	0.81
123	122	154	0.28	0.28	0.25	0.24	0.23	0.21	0.26
1 244	1 311	1 306	0.94	1.13	1.01	1.05	0.87	0.85	0.86
258	218	250	0.02	0.10	0.28	0.34	0.25	0.21	0.25
1 348	1 251	1 234	0.13	0.08	0.28	0.28	0.24	0.22	0.23
1 704	1 999	1 731	0.92	0.87	0.99	0.96	0.77	0.84	0.79
1 084	1 026	911	0.24	0.30	0.33	0.36	0.34	0.34	0.34
3 202	3 199	3 433	0.40	0.29	0.31	0.31	0.29	0.27	0.26
7 367	9 377	6 878	0.23	0.21	0.15	0.14	0.10	0.12	0.09
58 926	**55 438**	**48 324**	**0.34**	**0.33**	**0.30**	**0.30**	**0.27**	**0.25**	**0.22**
31 358	31 293	26 612	0.45	0.44	0.44	0.42	0.38	0.37	0.33
			0.42	0.44	0.45	0.45	0.41	0.40	0.40

The Net

	1981-82 average	1986-87 average	1993	1994
				$ million
Australia	182	268	874	800
Austria	6	- 104	111	273
Belgium	1 075	-1 387	- 287	665
Canada	2 115	249	2 273	2 373
Denmark	289	- 28	24	- 92
Finland	55	104	- 27	192
France	7 950	1 483	2 455	3 837
Germany	3 371	2 367	5 712	12 609
Ireland	..	16	22	37
Italy	3 021	-1 267	-1 660	- 31
Japan	4 463	11 073	618	11 807
Luxembourg	..	..	..	..
Netherlands	754	938	2 668	1 823
New Zealand	31	26	..	..
Norway	152	- 84	73	217
Portugal	..	..	- 17	- 462
Spain	309	- 339	..	2 315
Sweden	389	209	584	419
Switzerland	2 430	- 627	2 651	-1 072
United Kingdom	6 717	2 785	3 837	8 199
United States	18 879	5 934	45 405	46 330
TOTAL DAC	**52 186**	**21 618**	**65 316**	**90 238**
of which:				
EU Members	23 935	4 778	13 422	29 784

Table 5

Flow of Private Capital[a] from DAC Countries to Developing Countries and Multilateral Organisations

Net disbursements at current prices and exchange rates

			Per cent of GNP						
1995	1996	1997	1981-82 average	1986-87 average	1993	1994	1995	1996	1997
1 281	..	..	0.12	0.15	0.32	0.25	0.38	..	..
6	938	952	0.01	- 0.10	0.06	0.14	0.00	0.41	0.46
-1 554	4 528	-12 277	1.17	- 1.07	- 0.14	0.29	- 0.58	1.70	- 4.99
2 481	4 153	6 732	0.75	0.07	0.43	0.45	0.45	0.73	1.13
- 7	188	118	0.53	- 0.03	0.02	- 0.07	- 0.00	0.11	0.07
8	495	- 23	0.11	0.13	- 0.03	0.20	0.01	0.41	- 0.02
3 710	10 318	7 623	1.42	0.18	0.20	0.29	0.24	0.67	0.54
11 683	11 975	13 417	0.50	0.23	0.30	0.62	0.49	0.51	0.64
48	125	80	..	0.07	0.05	0.09	0.09	0.21	0.13
120	289	5 848	0.74	- 0.19	- 0.17	- 0.00	0.01	0.02	0.51
22 046	27 469	15 953	0.40	0.51	0.01	0.26	0.43	0.59	0.38
..	..	..	..	..	..	..	..	..	..
3 123	5 858	5 577	0.54	0.48	0.86	0.55	0.79	1.47	1.53
26	9	13	0.13	0.09	..	..	0.05	0.02	0.02
334	278	221	0.28	- 0.11	0.07	0.20	0.23	0.18	0.15
126	593	1 000	..	..	- 0.02	- 0.53	0.12	0.56	0.99
942	2 885	6 054	0.17	- 0.13	..	0.49	0.17	0.50	1.14
480	- 17	333	0.37	0.15	0.33	0.22	0.22	- 0.01	0.15
- 151	-2 679	-4 427	2.43	- 0.39	1.10	- 0.40	- 0.05	- 0.88	- 1.67
9 482	18 808	16 025	1.34	0.45	0.41	0.79	0.85	1.61	1.23
35 642	42 726	65 308	0.62	0.14	0.69	0.67	0.49	0.56	0.81
89 824	**128 939**	**128 525**	**0.68**	**0.19**	**0.35**	**0.45**	**0.41**	**0.58**	**0.59**
28 166	56 982	44 726	0.83	0.11	0.20	0.41	0.34	0.68	0.56

a) Excluding grants by NGOs.

Table 6a

ODA Performance of DAC Countries in 1997 and Recent Years

	$ million			Per cent of GNP					
	1996 actual [a]	1997 actual [a]	1997 volume [b]	1982-86 average	1987-91 average	1996-97 average	1995	1996	1997
Australia	1 074	1 061	1 097	0.49	0.38	0.28	0.36	0.28	0.28
Austria	557	527	599	0.29	0.25	0.25	0.33	0.24	0.26
Belgium	913	764	869	0.55	0.44	0.33	0.38	0.34	0.31
Canada	1 795	2 045	2 065	0.47	0.46	0.33	0.38	0.32	0.34
Denmark	1 772	1 637	1 832	0.81	0.92	1.01	0.96	1.04	0.97
Finland	408	379	423	0.37	0.65	0.34	0.32	0.34	0.33
France	7 451	6 307	7 124	0.58	0.60	0.47	0.55	0.48	0.45
Germany	7 601	5 857	6 707	0.46	0.41	0.30	0.31	0.33	0.28
Ireland	179	187	194	0.24	0.18	0.31	0.29	0.31	0.31
Italy	2 416	1 266	1 361	0.28	0.35	0.16	0.15	0.20	0.11
Japan	9 439	9 358	10 347	0.30	0.31	0.21	0.28	0.20	0.22
Luxembourg	82	95	107	0.14	0.23	0.49	0.36	0.44	0.55
Netherlands	3 246	2 947	3 335	0.99	0.93	0.81	0.81	0.81	0.81
New Zealand	122	154	158	0.27	0.24	0.24	0.23	0.21	0.26
Norway	1 311	1 306	1 388	1.07	1.12	0.85	0.87	0.85	0.86
Portugal	218	250	277	0.05	0.23	0.23	0.25	0.21	0.25
Spain	1 251	1 234	1 395	0.09	0.16	0.22	0.24	0.22	0.23
Sweden	1 999	1 731	1 946	0.87	0.90	0.81	0.77	0.84	0.79
Switzerland	1 026	911	1 067	0.29	0.32	0.34	0.34	0.34	0.34
United Kingdom	3 199	3 433	3 187	0.34	0.30	0.27	0.29	0.27	0.26
United States	9 377	6 878	6 744	0.24	0.19	0.10	0.10	0.12	0.09
TOTAL DAC	**55 438**	**48 324**	**52 226**	**0.34**	**0.33**	**0.24**	**0.27**	**0.25**	**0.22**
of which:									
EU Members	31 293	26 612	29 358	0.45	0.45	0.35	0.38	0.37	0.33

a) At current prices and exchange rates.
b) At 1996 prices and exchange rates.

Per cent change 1996-97 In national currency	In $	In volume terms [b]	Annual average % change in volume [b] 1991/92-1996/97
4.2	-1.3	2.1	-1.2
9.1	-5.4	7.6	-2.8
-3.5	-16.4	-4.8	-2.7
15.6	13.9	15.0	-4.0
5.2	-7.7	3.4	3.7
4.8	-7.2	3.7	-11.9
-3.4	-15.4	-4.4	-4.2
-11.2	-22.9	-11.8	-3.9
10.7	4.8	8.9	20.1
-42.2	-47.6	-43.7	-12.3
10.3	-0.9	9.6	-5.8
32.6	14.8	30.2	15.0
5.0	-9.2	2.7	1.4
31.6	26.5	29.9	0.9
9.1	-0.4	5.9	0.5
30.5	14.9	27.2	-2.6
14.0	-1.4	11.5	-0.7
-1.5	-13.4	-2.6	-2.5
4.1	-11.3	4.0	-3.1
2.3	7.3	-0.4	-0.3
-26.7	-26.7	-28.1	-8.9
-4.5	**-12.8**	**-5.8**	**-4.6**
-4.8	-15.0	-6.2	-3.2

Table 6*b*

Debt Forgiveness of Non-ODA Claims[a]

$ million

	1990	1991	1992
Australia	-	-	4.2
Austria	-	4.2	25.3
Belgium	-	-	30.2
France	294.0	-	108.5
Germany	-	-	620.4
Japan	15.0	6.8	32.0
Netherlands	12.0	-	11.4
Norway	-	-	46.8
Sweden	5.0	-	7.1
United Kingdom	8.0	17.0	90.4
United States	1 200.0	1 855.0	894.0
TOTAL DAC	**1 534.0**	**1 882.9**	**1 870.2**

a) These data are included in the ODA figures of individual countries but are excluded from DAC total ODA in all tables showing performance by donor. See Notes on Definitions and Measurement.

	Grant equivalent of total ODA [a] as % of GNP [e]
Australia	0.28
Austria	0.26
Belgium	0.34
Canada	0.34
Denmark	1.03
Finland	0.34
France	0.52
Germany	0.35
Ireland	0.31
Italy	0.17
Japan	0.25
Luxembourg	0.49
Netherlands	0.86
New Zealand	0.24
Norway	0.85
Portugal	0.23
Spain	0.23
Sweden	0.81
Switzerland	0.34
United Kingdom	0.28
United States	0.12
TOTAL DAC	**0.26**

Table 7

Burden Sharing Indicators
1996-97 average

Net disbursements

Multilateral ODA as % of GNP [b,e]		Aid to LICs[c]	*of which:* Aid to LLDCs[d]	ODA per capita of donor country 1996 dollars		Aid by NGOs as % of GNP	
		as % of GNP [e]		1986-87	1996-97	1986-87	1996-97
0.07	..	0.10	0.06	70	59	0.02	0.03
0.04	(0.08)	0.10	0.04	45	72	0.02	0.02
0.06	(0.14)	0.13	0.08	107	88	0.01	0.02
0.11	..	0.13	0.07	89	64	0.05	0.04
0.35	(0.40)	0.48	0.31	250	342	0.02	0.02
0.12	(0.16)	0.17	0.09	105	81	0.04	0.00
0.05	(0.11)	0.19	0.10	131	125	0.01	0.00
0.06	(0.12)	0.14	0.06	90	87	0.06	0.05
0.04	(0.11)	0.18	0.14	22	51	0.10	0.10
0.05	(0.10)	0.07	0.04	67	33	0.00	0.00
0.05	..	0.10	0.04	83	79	0.00	0.01
0.07	(0.15)	0.23	0.14	54	226	0.00	0.03
0.17	(0.23)	0.37	0.22	203	212	0.08	0.01
0.05	..	0.07	0.05	43	38	0.02	0.03
0.25	..	0.50	0.33	294	308	0.08	0.07
0.02	(0.07)	0.16	0.15	6	25	0.00	0.00
0.02	(0.08)	0.07	0.03	10	34	0.00	0.02
0.20	(0.25)	0.40	0.24	225	222	0.07	0.01
0.11	..	0.18	0.11	124	148	0.05	0.04
0.06	(0.12)	0.13	0.06	49	55	0.03	0.03
0.03	..	0.03	0.02	52	30	0.04	0.03
0.05	**(0.07)**	**0.10**	**0.05**	**75**	**66**	**0.03**	**0.02**

a) Calculated on a gross disbursement basis.
b) In brackets, including EC. Capital subscriptions are on a deposit basis.
c) Low-income countries (LICs) comprise LLDCs and all other countries with per capita income (World Bank Atlas basis) of $765 or less in 1995. Includes imputed multilateral ODA. Capital subscriptions to multilateral agencies are on a deposit basis.
d) Least developed countries (LLDCs) are countries in the current United Nations list. Includes imputed multilateral ODA. Capital subscriptions to multilateral agencies are on a deposit basis.
e) 1996-1997 average.

Table 8

ODA by Individual DAC Countries at 1996 prices and exchange rates

Net disbursements $ million

	1988	1989	1990 [a]	1991 [a]	1992 [a]	1993	1994	1995	1996	1997
Australia	1 376	1 172	1 065	1 148	1 156	1 164	1 225	1 289	1 074	1 097
Austria	446	436	505	688	608	641	738	746	557	599
Belgium	906	1 086	1 129	1 045	959	955	812	1 001	913	869
Canada	2 531	2 302	2 343	2 363	2 376	2 390	2 344	2 109	1 795	2 065
Denmark	1 306	1 372	1 404	1 451	1 554	1 593	1 646	1 594	1 772	1 832
Finland	690	776	783	887	677	465	342	374	408	423
France	7 619	8 412	8 246	8 891	9 029	9 141	9 441	8 333	7 451	7 124
Germany	7 037	7 683	8 176	8 819	7 926	8 076	7 583	7 241	7 601	6 707
Ireland	69	61	62	79	71	91	118	155	179	194
Italy	4 136	4 643	3 539	3 355	3 920	3 537	3 117	1 798	2 416	1 361
Japan	11 698	12 105	12 547	13 723	12 907	11 402	12 299	12 474	9 439	10 347
Luxembourg	27	27	31	52	42	60	66	63	82	107
Netherlands	3 055	3 039	3 077	3 064	3 069	2 930	2 796	3 110	3 246	3 335
New Zealand	135	117	123	132	136	132	133	131	122	158
Norway	1 221	1 140	1 308	1 291	1 295	1 197	1 337	1 271	1 311	1 388
Portugal	148	189	204	265	318	279	351	256	218	277
Spain	352	729	1 042	1 297	1 439	1 471	1 491	1 368	1 251	1 395
Sweden	1 973	2 254	2 115	2 122	2 344	2 203	2 192	1 831	1 999	1 946
Switzerland	904	886	970	1 087	1 369	976	1 100	1 037	1 026	1 067
United Kingdom	3 262	3 235	2 840	3 265	3 107	3 259	3 444	3 265	3 199	3 187
United States	12 981	9 431	12 003	10 653	11 920	10 870	10 411	7 534	9 377	6 744
TOTAL DAC	**61 872**	**61 094**	**63 510**	**65 679**	**66 221**	**62 830**	**62 987**	**56 980**	**55 438**	**52 226**
Memo:										
Total DAC at current prices and exchange rates	**47 063**	**45 735**	**52 961**	**56 678**	**60 850**	**56 486**	**59 152**	**58 926**	**55 438**	**48 324**

a) Excluding non-ODA debt forgiveness. See Table 6b.

Table 9

Long-term Trends in DAC ODA

	Volume of net ODA ($ million at 1996 prices and exchange rates)			Share of total DAC (at current prices and exchange rates, per cent)			Two-year averages, net disbursements ODA as per cent GNP		
	1976-77	1986-87	1996-97	1976-77	1986-87	1996-97	1976-77	1986-87	1996-97
Australia	835	1 125	1 086	2.8	1.8	2.1	0.41	0.40	0.28
Austria	252	342	578	0.6	0.5	1.0	0.18	0.19	0.25
Belgium	924	1 059	891	2.5	1.6	1.6	0.48	0.48	0.33
Canada	1 707	2 276	1 930	6.7	4.7	3.7	0.48	0.48	0.33
Denmark	653	1 281	1 802	1.7	2.0	3.3	0.54	0.88	1.01
Finland	127	518	416	0.4	1.0	0.8	0.16	0.48	0.34
France	4 032	7 269	7 287	10.3	12.2	13.3	0.39	0.58	0.47
Germany	4 887	7 028	7 154	11.7	10.8	13.0	0.34	0.41	0.30
Ireland	26	79	186	0.1	0.1	0.4	0.09	0.23	0.31
Italy	753	3 822	1 888	1.5	6.6	3.5	0.11	0.37	0.16
Japan	4 804	10 119	9 893	9.0	17.0	18.1	0.20	0.30	0.21
Luxembourg	..	21	95	..	0.0	0.2	..	0.17	0.49
Netherlands	2 018	2 970	3 290	5.8	5.0	6.0	0.81	0.99	0.81
New Zealand	181	142	140	0.4	0.2	0.3	0.40	0.28	0.24
Norway	574	1 229	1 350	1.8	2.2	2.5	0.78	1.13	0.85
Portugal	..	63	248	..	0.1	0.5	..	0.10	0.23
Spain	..	378	1 323	..	0.6	2.4	..	0.08	0.22
Sweden	1 607	1 884	1 973	4.9	3.2	3.6	0.86	0.87	0.81
Switzerland	412	821	1 047	0.8	1.3	1.9	0.19	0.30	0.34
United Kingdom	3 215	2 778	3 193	7.1	4.7	6.4	0.41	0.29	0.27
United States	10 834	12 588	8 061	32.1	24.4	15.7	0.25	0.21	0.10
TOTAL DAC	**37 840**	**57 789**	**53 832**	**100.0**	**100.0**	**100.0**	**0.31**	**0.33**	**0.24**
of which:									
EU Members	18 493	29 490	30 326	46.5	48.4	55.8	0.39	0.44	0.35

Table 10

Technical Co-operation Expenditure

Net disbursements $ million at current prices and exchange rates

	1981-82 average	1986-87 average	1993	1994	1995	1996	1997
Australia	80	178	239	292	366	411	397
Austria	35	45	88	102	162	148	115
Belgium	173	150	141	103	294	286	258
Canada	130	271	515	405	396	331	408
Denmark	95	68	163	185	101	104	114
Finland	40	45	37	31	51	47	58
France	1 088	1 721	2 093	2 238	2 526	2 502	2 172
Germany	874	1 383	1 941	2 126	2 479	2 396	1 970
Ireland	5	13	22	33	52	67	73
Italy	91	408	131	126	81	60	58
Japan	345	670	1 871	2 194	2 398	2 184	1 956
Luxembourg	..	0	1	2	2	2	2
Netherlands	327	465	869	602	947	952	917
New Zealand	15	15	31	39	42	46	62
Norway	44	71	98	153	176	168	171
Portugal	..	..	72	61	61	64	48
Spain	..	44	73	89	169	88	128
Sweden	111	144	352	318	237	260	46
Switzerland	38	67	238	275	363	374	286
United Kingdom	399	433	687	680	782	849	894
United States	1 016	1 628	3 310	2 796	2 614	2 787	2 741
TOTAL DAC	**4 907**	**7 818**	**12 973**	**12 850**	**14 298**	**14 124**	**12 876**

Table 11

Non-ODA Financial Flows to Developing Countries, 1996

Per cent of reporting country's GNP

	Memo: Total net flows	Total non-ODA flows	*of which:* Export credits	OOF excl. export credits	Direct invest-ment	Bank lending	Non-bank portfolio	Multi-lateral private flows	NGOs net	*Memo:* Non-ODA debt claims[a] on LDCs
Australia	0.36	0.08	0.06	-	-	-	-	-	0.02	0.70
Austria	0.82	0.58	0.37	0.08	0.11	-	-	-	0.02	4.82
Belgium	2.10	1.76	-0.04	0.03	0.17	0.99	0.58	-	0.02	1.36
Canada	1.19	0.87	0.11	-0.02	0.76	-0.04	0.02	-	0.05	1.31
Denmark	1.15	0.10	-0.01	-0.03	0.12	-	-	-	0.02	0.05
Finland	0.96	0.62	0.25	-	0.23	0.14	-	-	0.00	1.38
France	1.14	0.65	0.08	-0.02	0.25	0.26	0.09	-	-	2.69
Germany	0.89	0.57	0.10	-0.02	0.13	0.03	0.27	0.01	0.04	1.11
Ireland[b]	0.64	0.33	-	-	-	-	-	-	0.12	0.00
Italy	0.39	0.19	-0.13	0.15	0.04	-	0.14	-	0.00	1.31
Japan	0.82	0.62	-0.02	0.03	0.18	-	0.43	-0.01	0.00	0.86
Luxembourg	0.47	0.04	-	-	-	-	-	-	0.04	0.00
Netherlands	2.38	1.57	-0.13	0.01	1.56	-0.05	-0.18	0.26	0.09	1.36
New Zealand	0.25	0.04	-	-	0.02	-	-	-	0.03	0.00
Norway	1.08	0.23	0.06	-0.00	0.12	-	-	-	0.05	0.39
Portugal	0.89	0.69	0.10	0.13	0.45	-	-	-	0.00	0.26
Spain	0.74	0.52	-	-	0.50	-	-	-	0.02	1.71
Sweden	0.84	0.00	-0.15	0.00	0.14	-	-	-	0.01	2.79
Switzerland	-0.48	-0.82	-0.11	-	-0.58	-	-	-0.19	0.06	0.10
United Kingdom	1.93	1.65	0.02	0.01	0.55	1.04	-	-	0.03	1.46
United States	0.73	0.61	0.01	0.02	0.31	0.25	-	-0.01	0.03	0.67
TOTAL DAC	**0.88**	**0.63**	**0.01**	**0.02**	**0.27**	**0.17**	**0.14**	**0.00**	**0.03**	**1.08**
of which:										
EU Members	1.11	0.74	0.03	0.02	0.30	0.23	0.12	0.01	0.03	1.65

a) Official and officially supported credits outstanding.
b) Totals do not sum due to gaps in reporting.

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Technical Co-operation Expenditure

Net disbursements $ million at current prices and exchange rates

	1981-82 average	1986-87 average	1993	1994	1995	1996	1997
Australia	80	178	239	292	366	411	397
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Germany	874	1 383	1 941	2 126	2 479	2 396	1 970
Ireland	5	13	22	33	52	67	73
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Japan	345	670	1 871	2 194	2 398	2 184	1 956
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Table 11

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Per cent of reporting country's GNP

	Memo: Total net flows	Total non-ODA flows	*of which:* Export credits	OOF excl. export credits	Direct invest-ment	Bank lending	Non-bank portfolio	Multi-lateral private flows	NGOs net	*Memo:* Non-ODA debt claims[a] on LDCs
Australia	0.36	0.08	0.06	-	-	-	-	-	0.02	0.70
Austria	0.82	0.58	0.37	0.08	0.11	-	-	-	0.02	4.82
Belgium	2.10	1.76	-0.04	0.03	0.17	0.99	0.58	-	0.02	1.36
Canada	1.19	0.87	0.11	-0.02	0.76	-0.04	0.02	-	0.05	1.31
Denmark	1.15	0.10	-0.01	-0.03	0.12	-	-	-	0.02	0.05
Finland	0.96	0.62	0.25	-	0.23	0.14	-	-	0.00	1.38
France	1.14	0.65	0.08	-0.02	0.25	0.26	0.09	-	-	2.69
Germany	0.89	0.57	0.10	-0.02	0.13	0.03	0.27	0.01	0.04	1.11
Ireland[b]	0.64	0.33	-	-	-	-	-	-	0.12	0.00
Italy	0.39	0.19	-0.13	0.15	0.04	-	0.14	-	0.00	1.31
Japan	0.82	0.62	-0.02	0.03	0.18	-	0.43	-0.01	0.00	0.86
Luxembourg	0.47	0.04	-	-	-	-	-	-	0.04	0.00
Netherlands	2.38	1.57	-0.13	0.01	1.56	-0.05	-0.18	0.26	0.09	1.36
New Zealand	0.25	0.04	-	-	0.02	-	-	-	0.03	0.00
Norway	1.08	0.23	0.06	-0.00	0.12	-	-	-	0.05	0.39
Portugal	0.89	0.69	0.10	0.13	0.45	-	-	-	0.00	0.26
Spain	0.74	0.52	-	-	0.50	-	-	-	0.02	1.71
Sweden	0.84	0.00	-0.15	0.00	0.14	-	-	-	0.01	2.79
Switzerland	-0.48	-0.82	-0.11	-	-0.58	-	-	-0.19	0.06	0.10
United Kingdom	1.93	1.65	0.02	0.01	0.55	1.04	-	-	0.03	1.46
United States	0.73	0.61	0.01	0.02	0.31	0.25	-	-0.01	0.03	0.67
TOTAL DAC	**0.88**	**0.63**	**0.01**	**0.02**	**0.27**	**0.17**	**0.14**	**0.00**	**0.03**	**1.08**
of which:										
EU Members	1.11	0.74	0.03	0.02	0.30	0.23	0.12	0.01	0.03	1.65

a) Official and officially supported credits outstanding.
b) Totals do not sum due to gaps in reporting.

	Total DAC Countries	Australia	Austria	Belgium	Canada	Denmark	Finland	France
NET DISBURSEMENTS								
I. Official Development Assistance (ODA) (A + B)	55 438	1 074	557	913	1 795	1 772	408	7 451
ODA as % of GNP	**0.25**	**0.28**	**0.24**	**0.34**	**0.32**	**1.04**	**0.34**	**0.48**
A. Bilateral Official Development Assistance (1 + 2)	39 091	852	412	530	1 356	1 058	215	5 754
1. Grants and grant-like contributions	36 506	852	353	528	1 392	1 074	218	5 634
of which: Technical co-operation	14 124	411	148	286	331	104	47	2 502
Developmental food aid	813	23	1	17	83	-	-	70
Emergency and distress relief	2 692	32	92	24	174	54	39	96
Contributions to NGOs	1 010	4	3	2	153	9	-	22
Administrative costs	2 856	49	15	47	120	86	20	303
2. Development lending and capital	2 585	-	59	2	- 35	- 16	- 4	120
of which: New development lending	- 54	-	59	5	- 27	- 34	- 6	638
B. Contributions to Multilateral Institutions	16 347	222	145	384	439	715	194	1 697
Grants and capital subscriptions, total	16 382	222	145	386	439	715	194	1 697
of which: EC	4 600	-	94	187	-	84	48	845
IDA	3 986	90	-	104	-	56	33	471
Regional Development Banks	1 578	58	4	7	36	11	29	146
II. Other Official Flows (OOF) net (C + D)	5 562	220	335	94	489	- 48	243	- 284
C. Bilateral Other Official Flows (1 + 2)	6 089	220	142	94	489	- 3	243	- 284
1. Official export credits (a)	1 768	220	142	27	609	-	243	80
2. Equities and other bilateral assets	4 321	-	-	68	- 119	- 3	-	- 364
D. Multilateral Institutions	- 527	-	193	-	-	- 45	-	-
III. Grants by Private Voluntary Agencies	5 568	76	47	60	302	36	-	-
IV. Private Flows at Market Terms (long-term) (1 to 4)	128 939	-	938	4 528	4 153	188	495	10 318
1. Direct investment	59 630	-	247	461	4 319	199	280	3 860
2. Private export credits	1 295	-	691	- 127	- 11	- 11	53	1 106
3. Securities of multilateral agencies	- 948	-	-	-	-	-	-	-
4. Bilateral portfolio investment	68 963	-	-	4 194	- 154	-	162	5 352
V. Total Resource Flows (long-term) (I to IV)	**195 507**	**1 370**	**1 878**	**5 595**	**6 740**	**1 949**	**1 147**	**17 486**
Total Resource Flows as a % of GNP	**0.88**	**0.36**	**0.82**	**2.10**	**1.19**	**1.15**	**0.96**	**1.14**
For reference:								
GROSS DISBURSEMENTS								
Official Development Assistance (b)	63 319	1 074	611	953	1 844	1 820	419	8 588
New development lending	3 383	-	111	39	13	1	5	1 108
ODA debt reorganisation	3 834	7	-	62	128	27	-	1 611
Food aid, Total	1 609	23	87	17	203	54	11	70
Other Official Flows	20 353	220	359	177	1 792	245	520	479
of which: Official export credits	7 159	220	167	27	1 792	155	520	249
Private export credits	18 084	-	781	59	177	-	98	-
COMMITMENTS								
Official Development Assistance, total (b)	67 057	1 141	735	953	2 207	2 174	450	7 422
Bilateral grants, Total	36 232	918	500	528	1 547	1 290	215	4 044
Debt forgiveness	1 505	-	-	62	128	-	-	-
Bilateral loans, Total	15 665	-	42	39	-	129	13	1 404
Memo Items:								
Change in Claims (long- and short- term)								
Banks: financial (export credits)	3 712	-	-	2	-	- 199	254	1 405
Banks: other portfolio	12 157	-	1 785	1 597	- 91	570	- 42	477
Non-bank export credits	-4 166	52	-	4	- 37	- 16	4	251

a) Including funds in support of private export credits.
b) Including debt reorganisation.

Table 12

Comparison of Flows by Type in 1996

$ million

Germany	Ireland	Italy	Japan	Luxem-bourg	Nether-lands	New Zealand	Norway	Portugal	Spain	Sweden	Switzer-land	United Kingdom	United States
7 601	179	2 416	9 439	82	3 246	122	1 311	218	1 251	1 999	1 026	3 199	9 377
0.33	**0.31**	**0.20**	**0.20**	**0.44**	**0.81**	**0.21**	**0.85**	**0.21**	**0.22**	**0.84**	**0.34**	**0.27**	**0.12**
4 535	114	811	8 207	57	2 275	102	944	157	888	1 395	722	1 790	6 917
4 507	114	530	5 438	57	2 509	102	935	126	563	1 395	726	1 782	7 672
2 396	67	60	2 184	2	952	46	168	64	88	260	374	849	2 787
44	-	59	63	1	4	-	-	-	14	-	13	-	420
294	16	97	72	9	341	4	199	6	13	269	81	195	585
-	-	34	236	12	300	3	-	2	-	109	56	65	-
273	14	38	703	2	157	8	56	5	38	96	23	131	671
29	-	281	2 769	-	- 234	-	9	31	325	-	- 4	8	- 755
93	-	99	-	-	- 234	-	9	- 1	325	-	- 4	- 79	- 898
3 066	65	1 604	1 232	26	971	20	367	61	364	604	304	1 409	2 460
3 080	65	1 604	1 232	26	971	20	367	61	364	604	304	1 411	2 476
1 355	41	551	-	14	245	-	-	53	269	105	-	707	-
1 159	7	412	-	5	272	-	78	-	3	137	128	323	710
63	-	339	226	-	50	-	31	1	18	50	17	58	435
194	-	1 978	947	-	57	-	- 1	135	-	-	-	81	1 119
527	-	1 978	1 290	-	57	-	- 1	135	-	-	-	81	1 119
583	-	181	- 282	-	-	-	-	-	-	-	-	22	- 57
- 57	-	1 798	1 572	-	57	-	- 1	135	-	-	-	60	1 176
- 332	-	-	- 343	-	-	-	-	-	-	-	-	-	-
1 044	68	31	232	7	353	16	80	- 1	122	22	182	382	2 509
11 975	125	289	27 469	-	5 858	9	278	593	2 885	- 17	-2 679	18 808	42 726
3 096	-	457	8 573	-	6 225	9	185	482	2 885	339	-1 758	6 464	23 308
1 712	-	-1 810	- 485	-	- 499	-	92	111	-	- 357	- 338	224	943
187	-	-	- 599	-	1 044	-	-	-	-	-	- 583	-	- 997
6 980	125	1 642	19 981	-	- 912	-	-	-	-	-	-	12 120	19 472
20 815	**371**	**4 713**	**38 088**	**89**	**9 514**	**147**	**1 668**	**944**	**4 259**	**2 003**	**-1 471**	**22 470**	**55 731**
0.89	**0.64**	**0.39**	**0.82**	**0.47**	**2.38**	**0.25**	**1.08**	**0.89**	**0.74**	**0.84**	**-0.48**	**1.93**	**0.73**
9 133	179	2 547	12 903	82	3 481	122	1 314	220	1 344	1 999	1 030	3 311	10 344
1 451	-	207	-	-	1	-	12	-	418	-	-	8	9
822	-	205	422	-	218	-	44	69	120	17	-	81	-
217	4	61	63	1	75	-	9	-	14	114	13	-	572
2 693	-	2 043	8 203	-	57	-	-	157	-	2	-	257	3 148
1 205	-	181	1 701	-	-	-	-	-	-	-	-	22	922
5 856	-	1 940	-	-	339	-	143	163	-	889	-	904	6 735
10 747	179	2 604	16 529	88	2 228	122	1 231	115	1 314	1 996	1 004	3 311	10 505
5 092	114	639	5 629	54	2 188	102	847	54	563	1 417	695	1 782	8 014
774	-	-	-	-	181	-	30	48	120	81	-	81	-
2 257	-	248	10 900	-	-	-	11	33	388	-	-	118	82
1 922	-	- 356	358	- 1	- 145	-	82	- 56	89	59	-	298	-
2 259	354	- 217	- 602	204	1 080	-	15	56	- 32	61	- 213	3 284	1 612
200	-	- 134	-2 539	- 1	- 324	-	- 38	- 41	- 9	- 535	- 873	- 130	-

	Total DAC Countries	Australia	Austria	Belgium	Canada	Denmark	Finland	France
NET DISBURSEMENTS								
I. Official Development Assistance (ODA) (A + B)	48 324	1 061	527	764	2 045	1 637	379	6 307
ODA as % of GNP	**0.22**	**0.28**	**0.26**	**0.31**	**0.34**	**0.97**	**0.33**	**0.45**
A. Bilateral Official Development Assistance (1 + 2)	32 343	776	306	438	1 214	1 010	200	4 777
1. Grants and grant-like contributions	31 197	790	253	459	1 305	1 012	204	4 906
of which: Technical co-operation	12 876	397	115	258	408	114	58	2 172
Developmental food aid	1 046	16	2	9	115	-	-	49
Emergency and distress relief	2 150	32	37	37	159	95	29	71
Contributions to NGOs	998	-	4	-	137	7	1	-
Administrative costs	2 719	46	14	39	115	87	20	267
2. Development lending and capital	1 147	- 14	53	- 21	- 91	- 2	- 4	- 130
of which: New development lending	1 354	-	53	- 18	- 46	- 29	- 7	317
B. Contributions to Multilateral Institutions	15 981	285	221	326	830	627	179	1 530
Grants and capital subscriptions, total	16 018	285	221	329	831	627	179	1 530
of which: EC	4 748	-	97	191	-	88	48	881
IDA	4 060	96	66	58	297	4	14	281
Regional Development Banks	1 549	87	11	3	132	55	25	131
II. Other Official Flows (OOF) net (C + D)	6 113	97	148	- 2	1 054	143	59	94
C. Bilateral Other Official Flows (1 + 2)	6 061	97	62	- 2	1 054	10	59	94
1. Official export credits (a)	837	97	62	21	1 068	-	59	-
2. Equities and other bilateral assets	5 224	-	-	- 23	- 14	10	-	94
D. Multilateral Institutions	51	-	86	-	-	133	-	-
III. Grants by Private Voluntary Agencies	4 628	151	33	40	175	29	10	-
IV. Private Flows at Market Terms (long-term) (1 to 4)	128 525	-	952	-12 277	6 732	118	- 23	7 623
1. Direct investment	79 434	-	225	371	5 406	136	6	4 192
2. Private export credits	4 573	-	727	- 330	34	- 18	288	- 137
3. Securities of multilateral agencies	-6 117	-	-	-	-	-	-	-
4. Bilateral portfolio investment	50 636	-	-	-12 319	1 292	-	- 317	3 568
V. Total Resource Flows (long-term) (I to IV)	**187 590**	**1 309**	**1 661**	**-11 475**	**10 006**	**1 928**	**425**	**14 023**
Total Resource Flows as a % of GNP	**0.86**	**0.35**	**0.80**	**-4.66**	**1.67**	**1.15**	**0.37**	**1.00**
For reference:								
GROSS DISBURSEMENTS								
Official Development Assistance (b)	55 589	1 075	562	805	2 141	1 674	390	7 337
New development lending	7 437	-	87	17	5	-	4	818
ODA debt reorganisation	3 680	14	-	55	58	17	-	1 629
Food aid, Total	1 832	16	36	9	227	95	10	106
Other Official Flows	22 700	197	174	116	2 279	423	539	788
of which: Official export credits	7 896	196	88	21	2 279	-	539	-
Private export credits	19 280	-	808	567	139	-	308	-
COMMITMENTS								
Official Development Assistance, total (b)	59 772	1 063	613	805	2 132	1 512	382	7 337
Bilateral grants, Total	31 053	778	289	459	1 250	802	205	4 906
Debt forgiveness	3 082	14	-	55	58	-	-	1 546
Bilateral loans, Total	12 619	-	63	17	-	-	6	900
Memo Items:								
Change in Claims (long- and short- term)								
Banks: financial (export credits)	- 689	-	-	- 15	-	112	31	- 246
Banks: other portfolio	34 210	-	1 772	381	107	- 97	75	3 555
Non-bank export credits	-1 244	4	-	6	13	24	- 15	1 312

a) Including funds in support of private export credits.
b) Including debt reorganisation.

Table 13

Comparison of Flows by Type in 1997

$ million

Germany	Ireland	Italy	Japan	Luxem-bourg	Nether-lands	New Zealand	Norway	Portugal	Spain	Sweden	Switzer-land	United Kingdom	United States
5 857	187	1 266	9 358	95	2 947	154	1 306	250	1 234	1 731	911	3 433	6 878
0.28	**0.31**	**0.11**	**0.22**	**0.55**	**0.81**	**0.26**	**0.86**	**0.25**	**0.23**	**0.79**	**0.34**	**0.26**	**0.09**
3 639	120	454	6 552	66	2 133	113	916	163	765	1 209	575	1 979	4 939
3 406	120	361	4 985	66	2 302	113	907	115	540	1 209	586	1 926	5 633
1 970	73	58	1 956	2	917	62	171	48	128	46	286	894	2 741
45	-	16	44	1	2	-	-	-	3	-	12	15	718
191	11	50	74	8	279	6	192	-	18	234	122	164	340
-	-	19	334	1	267	4	-	2	-	109	37	76	-
234	12	26	677	3	184	9	55	1	36	90	19	147	641
233	-	93	1 568	-	- 169	-	9	48	226	-	- 11	53	- 694
221	-	- 18	1 737	-	- 169	-	9	- 1	226	-	4	- 63	- 862
2 218	67	812	2 806	28	813	41	390	87	469	522	335	1 454	1 939
2 229	67	812	2 806	28	813	41	390	87	469	522	335	1 461	1 956
1 327	39	614	-	14	256	-	-	61	321	93	-	718	-
346	7	5	1 307	5	186	14	71	8	41	126	139	291	700
170	-	1	573	-	46	6	49	9	26	60	52	110	-
- 482	-	962	3 975	-	- 193	-	-	82	-	1	-	- 113	287
- 193	-	962	3 854	-	- 193	-	-	82	-	1	-	- 113	287
507	-	107	- 382	-	- 413	-	-	-	-	-	-	47	- 335
- 700	-	855	4 236	-	219	-	-	82	-	1	-	- 159	622
- 288	-	-	121	-	-	-	-	-	-	-	-	-	-
948	56	41	223	6	- 267	15	121	4	123	27	60	313	2 518
13 417	80	5 848	15 953	-	5 577	13	221	1 000	6 054	333	-4 427	16 025	65 308
4 801	-	1 449	10 273	-	4 557	13	116	702	6 054	482	-1 996	12 685	29 962
1 534	-	-1 017	-	-	74	-	105	298	-	- 149	467	-	2 698
205	-	-	-1 411	-	- 805	-	-	-	-	-	- 338	-	-3 768
6 877	80	5 416	7 090	-	1 750	-	-	-	-	-	-2 560	3 340	36 416
19 740	**323**	**8 116**	**29 509**	**100**	**8 064**	**182**	**1 647**	**1 337**	**7 411**	**2 092**	**-3 457**	**19 659**	**74 991**
0.95	**0.54**	**0.71**	**0.70**	**0.58**	**2.21**	**0.31**	**1.08**	**1.33**	**1.39**	**0.96**	**-1.31**	**1.50**	**0.93**
6 941	187	1 413	12 565	95	3 115	154	1 309	252	1 367	1 731	926	3 519	8 032
1 238	-	110	4 774	-	-	-	12	-	358	-	5	3	7
362	-	150	273	-	159	-	32	95	80	-	15	295	446
160	2	16	44	1	76	-	12	-	3	100	12	-	907
1 738	-	1 097	11 458	-	668	-	-	122	-	5	-	185	2 912
1 103	-	107	1 804	-	448	-	-	-	-	-	-	47	1 265
5 184	-	2 069	-	-	103	-	160	348	-	666	-	-	8 927
7 884	187	1 233	16 978	88	2 700	159	1 080	148	1 208	1 558	926	3 519	8 260
3 856	120	232	5 382	59	1 963	118	680	46	540	1 097	586	1 926	5 761
355	-	20	272	-	116	-	35	45	80	-	15	295	175
1 263	-	285	9 185	-	-	-	13	63	199	-	5	132	488
2 084	-	- 873	- 294	- 2	- 109	-	83	- 33	- 32	17	-	-1 411	-
4 794	276	1 840	-7 950	2 357	2 188	-	23	33	71	538	-1 364	12 598	13 012
- 55	-	- 479	-1 573	- 2	- 65	-	- 1	- 4	18	30	- 90	- 368	-

	Australia				
	1986-87	1994	1995	1996	1997
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	690	1 091	1 194	1 074	1 061
ODA as % of GNP	**0.40**	**0.34**	**0.36**	**0.28**	**0.28**
A. Bilateral Official Development Assistance (1 + 2)	524	824	927	852	776
1. Grants and grant-like contributions	524	824	927	852	790
of which: Technical co-operation	178	292	366	411	397
Developmental food aid (a)	31	45	22	23	16
Emergency and distress relief (a)	12	25	36	32	32
Contributions to NGOs	4	22	9	4	-
Administrative costs	17	30	37	49	46
2. Development lending and capital	-	-	-	-	- 14
of which: New development lending	-	-	-	-	-
B. Contributions to Multilateral Institutions	166	267	267	222	285
Grants and capital subscriptions, total	166	267	267	222	285
of which: EC	-	-	-	-	-
IDA	85	85	86	90	96
Regional Development Banks	22	64	65	58	87
II. Other Official Flows (OOF) net (C + D)	- 12	170	-	220	97
C. Bilateral Other Official Flows (1 + 2)	- 27	170	-	220	97
1. Official export credits (b)	- 27	170	-	220	97
2. Equities and other bilateral assets	-	-	-	-	-
D. Multilateral Institutions	15	-	-	-	-
III. Grants by Private Voluntary Agencies	39	75	60	76	151
IV. Private Flows at Market Terms (long-term) (1 to 4)	268	800	1 281	-	-
1. Direct investment	410	1 283	- 284	-	-
2. Private export credits	206	-	1 565	-	-
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	- 348	- 484	-	-	-
V. Total Resource Flows (long-term) (I to IV)	**986**	**2 136**	**2 536**	**1 370**	**1 309**
Total Resource Flows as a % of GNP	**0.57**	**0.67**	**0.76**	**0.36**	**0.35**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	704	1 091	1 194	1 074	1 075
New development lending	-	-	-	-	-
ODA debt reorganisation	-	4	5	7	14
Food aid, Total	72	67	22	23	16
Other Official Flows	226	201	-	220	197
of which: Official export credits	33	201	-	220	196
Private export credits	914	-	1 565	-	-
COMMITMENTS					
Official Development Assistance, total (c)	733	1 188	1 646	1 141	1 063
Bilateral grants, Total	530	965	1 268	918	778
Debt forgiveness	-	7	-	-	14
Bilateral loans, Total	-	-	-	-	-
Memo Items:					
Change in Claims (long- and short- term)					
Banks: financial (export credits)	-	-	-	-	-
Banks: other portfolio	-	-	-	-	-
Non-bank export credits	-	- 103	73	52	4

a) Emergency food aid included with developmental food aid up to and including 1995.
b) Including funds in support of private export credits.
c) Including debt reorganisation.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations

$ million

Austria					Belgium				
1986-87	**1994**	**1995**	**1996**	**1997**	**1986-87**	**1994**	**1995**	**1996**	**1997**
199	655	767	557	527	617	727	1 034	913	764
0.19	**0.33**	**0.33**	**0.24**	**0.26**	**0.48**	**0.32**	**0.38**	**0.34**	**0.31**
149	536	560	412	306	393	436	514	530	438
69	354	377	353	253	335	431	533	528	459
45	102	162	148	115	150	103	294	286	258
2	3	4	1	2	4	9	17	17	9
4	127	115	92	37	2	14	16	24	37
1	2	4	3	4	40	2	4	2	-
5	7	16	15	14	21	35	51	47	39
81	182	183	59	53	58	5	- 19	2	- 21
81	222	183	59	53	57	33	- 14	5	- 18
50	120	207	145	221	223	291	520	384	326
50	120	207	145	221	223	293	521	386	329
-	-	84	94	97	91	197	212	187	191
18	55	58	-	66	66	-	208	104	58
10	23	-	4	11	22	27	10	7	3
74	65	81	335	148	192	733	224	94	- 2
74	65	81	142	62	198	733	224	94	- 2
74	65	57	142	62	-	25	32	27	21
-	-	24	-	-	198	708	192	68	- 23
-	-	-	193	86	- 6	-	-	-	-
22	36	53	47	33	19	52	61	60	40
- 104	273	6	938	952	-1 387	665	-1 554	4 528	-12 277
14	66	84	247	225	229	- 204	130	461	371
- 118	206	- 79	691	727	- 754	- 531	- 328	- 127	- 330
-	-	-	-	-	145	-	-	-	-
-	-	-	-	-	-1 007	1 400	-1 356	4 194	-12 319
191	**1 029**	**906**	**1 878**	**1 661**	**- 559**	**2 177**	**- 234**	**5 595**	**-11 475**
0.18	**0.52**	**0.39**	**0.82**	**0.80**	**-0.43**	**0.95**	**-0.09**	**2.10**	**-4.66**
228	696	818	611	562	626	760	1 075	953	805
103	222	232	111	87	65	33	19	39	17
-	25	39	-	-	-	77	62	62	55
2	126	114	87	36	24	35	17	17	9
85	77	102	359	174	235	770	331	177	116
85	77	77	167	88	-	25	32	27	21
75	312	-	781	808	779	987	222	59	567
193	873	792	735	613	602	760	1 075	953	805
69	586	393	500	289	303	431	533	528	459
-	258	67	-	-	-	76	62	62	55
68	166	145	42	63	58	34	19	39	17
-	-	-	-	-	-	10	- 1	2	- 15
-	183	1 039	1 785	1 772	-	410	1 594	1 597	381
-	-	-	-	-	-	6	5	4	6

	Canada				
	1986-87	1994	1995	1996	1997
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 790	2 250	2 067	1 795	2 045
ODA as % of GNP	**0.48**	**0.43**	**0.38**	**0.32**	**0.34**
A. Bilateral Official Development Assistance (1 + 2)	1 157	1 423	1 385	1 356	1 214
1. Grants and grant-like contributions	1 111	1 431	1 427	1 392	1 305
of which: Technical co-operation	271	405	396	331	408
Developmental food aid (a)	165	104	83	83	115
Emergency and distress relief (a)	26	228	165	174	159
Contributions to NGOs	159	123	175	153	137
Administrative costs	101	127	114	120	115
2. Development lending and capital	46	- 9	- 42	- 35	- 91
of which: New development lending	46	37	- 15	- 27	- 46
B. Contributions to Multilateral Institutions	633	827	682	439	830
Grants and capital subscriptions, total	633	827	682	439	831
of which: EC	-	-	-	-	-
IDA	218	202	201	-	297
Regional Development Banks	136	175	76	36	132
II. Other Official Flows (OOF) net (C + D)	9	740	305	489	1 054
C. Bilateral Other Official Flows (1 + 2)	8	740	305	489	1 054
1. Official export credits (b)	8	740	379	609	1 068
2. Equities and other bilateral assets	-	-	- 74	- 119	- 14
D. Multilateral Institutions	2	-	-	-	-
III. Grants by Private Voluntary Agencies	185	273	286	302	175
IV. Private Flows at Market Terms (long-term) (1 to 4)	249	2 373	2 481	4 153	6 732
1. Direct investment	242	2 720	2 557	4 319	5 406
2. Private export credits	58	- 209	- 89	- 11	34
3. Securities of multilateral agencies	- 1	-	-	-	-
4. Bilateral portfolio investment	- 51	- 137	13	- 154	1 292
V. Total Resource Flows (long-term) (I to IV)	**2 233**	**5 637**	**5 138**	**6 740**	**10 006**
Total Resource Flows as a % of GNP	**0.59**	**1.07**	**0.94**	**1.19**	**1.67**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	1 822	2 296	2 135	1 844	2 141
New development lending	77	37	26	13	5
ODA debt reorganisation	-	5	125	128	58
Food aid, Total	281	399	194	203	227
Other Official Flows	569	1 933	1 543	1 792	2 279
of which: Official export credits	489	1 933	1 543	1 792	2 279
Private export credits	84	121	128	177	139
COMMITMENTS					
Official Development Assistance, total (c)	2 033	2 110	2 240	2 207	2 132
Bilateral grants, Total	1 393	1 244	1 499	1 547	1 250
Debt forgiveness	-	5	125	128	58
Bilateral loans, Total	18	111	121	-	-
Memo Items:					
Change in Claims (long- and short- term)					
Banks: financial (export credits)	-	-	-	-	-
Banks: other portfolio	-	- 108	- 25	- 91	107
Non-bank export credits	-	- 115	- 81	- 37	13

a) Emergency food aid included with developmental food aid up to and including 1995.
b) Including funds in support of private export credits.
c) Including debt reorganisation.

Table 14

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

$ million

Denmark					Finland				
1986-87	1994	1995	1996	1997	1986-87	1994	1995	1996	1997
777	1 446	1 623	1 772	1 637	373	290	388	408	379
0.88	**1.03**	**0.96**	**1.04**	**0.97**	**0.48**	**0.31**	**0.32**	**0.34**	**0.33**
411	803	895	1 058	1 010	225	214	220	215	200
379	881	1 076	1 074	1 012	201	213	243	218	204
68	185	101	104	114	45	31	51	47	58
-	-	-	-	-	2	2	4	-	-
-	79	71	54	95	18	27	23	39	29
13	7	8	9	7	9	4	5	-	1
20	68	79	86	87	10	15	21	20	20
32	- 78	- 182	- 16	- 2	25	-	- 22	- 4	- 4
32	1	- 28	- 34	- 29	23	5	- 1	- 6	- 7
367	643	728	715	627	148	76	168	194	179
367	643	728	715	627	148	76	168	194	179
48	95	106	84	88	-	-	42	48	48
58	83	94	56	4	25	2	34	33	14
14	52	28	11	55	18	18	14	29	25
- 105	- 74	150	- 48	143	- 4	67	201	243	59
- 86	- 54	98	- 3	10	-	67	201	243	59
- 98	- 54	92	-	-	-	58	210	243	59
13	-	6	- 3	10	-	8	- 8	-	-
- 19	- 20	52	- 45	133	- 4	-	-	-	-
18	39	33	36	29	34	3	6	-	10
- 28	- 92	- 7	188	118	104	192	8	495	- 23
76	- 4	12	199	136	35	49	41	280	6
- 208	- 46	- 19	- 11	- 18	117	119	5	53	288
-	-	-	-	-	-	-	-	-	-
104	- 42	-	-	-	- 47	24	- 38	162	- 317
662	**1 319**	**1 799**	**1 949**	**1 928**	**507**	**552**	**604**	**1 147**	**425**
0.75	**0.94**	**1.07**	**1.15**	**1.15**	**0.66**	**0.59**	**0.50**	**0.96**	**0.37**
878	1 525	1 837	1 820	1 674	373	296	419	419	390
133	1	3	1	-	24	5	6	5	4
93	57	175	27	17	-	-	26	-	-
29	102	71	54	95	23	16	11	11	10
168	39	270	245	423	- 4	130	395	520	539
99	35	209	155	-	-	122	395	520	539
74	93	131	-	-	164	164	15	98	308
762	1 418	1 577	2 174	1 512	426	314	417	450	382
353	746	784	1 290	802	224	168	221	215	205
2	-	-	-	-	-	-	27	-	-
95	8	-	129	-	26	4	5	13	6
-	- 8	- 9	- 199	112	-	248	226	254	31
-	428	- 461	570	- 97	-	- 159	- 59	- 42	75
-	- 8	- 16	- 16	24	-	- 12	- 5	4	- 15

	France				
	1986-87	1994	1995	1996	1997
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	4 646	8 466	8 443	7 451	6 307
ODA as % of GNP	**0.58**	**0.64**	**0.55**	**0.48**	**0.45**
A. Bilateral Official Development Assistance (1 + 2)	3 575	6 611	6 429	5 754	4 777
1. Grants and grant-like contributions	2 363	5 991	5 890	5 634	4 906
of which: Technical co-operation	1 721	2 238	2 526	2 502	2 172
Developmental food aid (a)	34	73	63	70	49
Emergency and distress relief (a)	-	122	138	96	71
Contributions to NGOs	17	20	24	22	-
Administrative costs	158	276	316	303	267
2. Development lending and capital	1 212	620	538	120	- 130
of which: New development lending	1 069	1 147	1 031	638	317
B. Contributions to Multilateral Institutions	1 071	1 855	2 015	1 697	1 530
Grants and capital subscriptions, total	1 071	1 855	2 015	1 697	1 530
of which: EC	402	915	984	845	881
IDA	398	434	482	471	281
Regional Development Banks	128	241	156	146	131
II. Other Official Flows (OOF) net (C + D)	1 244	134	43	- 284	94
C. Bilateral Other Official Flows (1 + 2)	1 244	134	43	- 284	94
1. Official export credits (b)	-	100	212	80	-
2. Equities and other bilateral assets	1 244	34	- 169	- 364	94
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	95	280	280	-	-
IV. Private Flows at Market Terms (long-term) (1 to 4)	1 483	3 837	3 710	10 318	7 623
1. Direct investment	653	1 677	1 296	3 860	4 192
2. Private export credits	- 90	712	845	1 106	- 137
3. Securities of multilateral agencies	723	- 63	- 403	-	-
4. Bilateral portfolio investment	198	1 511	1 972	5 352	3 568
V. Total Resource Flows (long-term) (I to IV)	**7 468**	**12 717**	**12 477**	**17 486**	**14 023**
Total Resource Flows as a % of GNP	**0.93**	**0.96**	**0.81**	**1.14**	**1.00**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	4 851	9 451	9 409	8 588	7 337
New development lending	1 263	1 516	1 387	1 108	818
ODA debt reorganisation	150	2 152	1 709	1 611	1 629
Food aid, Total	113	73	63	70	106
Other Official Flows	1 514	936	1 023	479	788
of which: Official export credits	-	249	391	249	-
Private export credits	804	1 272	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	5 333	9 543	8 817	7 422	7 337
Bilateral grants, Total	2 543	5 345	5 288	4 044	4 906
Debt forgiveness	-	1 333	1 082	-	1 546
Bilateral loans, Total	1 571	2 343	1 514	1 404	900
Memo Items:					
Change in Claims (long- and short- term)					
Banks: financial (export credits)	-	- 277	- 134	1 405	- 246
Banks: other portfolio	-	893	-1 611	477	3 555
Non-bank export credits	-	72	15	251	1 312

a) Emergency food aid included with developmental food aid up to and including 1995.
b) Including funds in support of private export credits.
c) Including debt reorganisation.

Table 14

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

$ million

Germany					Ireland				
1986-87	**1994**	**1995**	**1996**	**1997**	**1986-87**	**1994**	**1995**	**1996**	**1997**
4 111	6 818	7 524	7 601	5 857	57	109	153	179	187
0.41	**0.34**	**0.31**	**0.33**	**0.28**	**0.23**	**0.25**	**0.29**	**0.31**	**0.31**
2 866	4 144	4 815	4 535	3 639	26	56	88	114	120
1 982	3 549	4 392	4 507	3 406	26	56	88	114	120
1 383	2 126	2 479	2 396	1 970	13	33	52	67	73
110	119	126	44	45	-	1	1	-	-
25	393	439	294	191	1	9	8	16	11
-	-	-	-	-	3	-	-	-	-
57	221	289	273	234	3	5	6	14	12
884	594	423	29	233	-	-	-	-	-
710	285	424	93	221	-	-	-	-	-
1 245	2 674	2 709	3 066	2 218	31	53	65	65	67
1 252	2 687	2 724	3 080	2 229	31	53	65	65	67
489	1 413	1 578	1 355	1 327	17	37	44	41	39
367	704	739	1 159	346	13	6	7	7	7
123	228	23	63	170	-	-	-	-	-
1 293	3 539	879	194	- 482	-	-	-	-	-
1 296	3 701	1 159	527	- 193	-	-	-	-	-
132	241	324	583	507	-	-	-	-	-
1 164	3 460	836	- 57	- 700	-	-	-	-	-
- 3	- 161	- 280	- 332	- 288	-	-	-	-	-
595	981	1 112	1 044	948	23	52	46	68	56
2 367	12 609	11 683	11 975	13 417	16	37	48	125	80
536	2 944	4 694	3 096	4 801	-	-	-	-	-
825	2 984	3 213	1 712	1 534	16	37	48	-	-
434	182	296	187	205	-	-	-	-	-
572	6 500	3 479	6 980	6 877	-	-	-	125	80
8 366	**23 948**	**21 197**	**20 815**	**19 740**	**96**	**198**	**247**	**371**	**323**
0.83	**1.18**	**0.88**	**0.89**	**0.95**	**0.39**	**0.46**	**0.46**	**0.64**	**0.54**
4 832	7 981	8 884	9 133	6 941	57	109	153	179	187
1 405	1 343	1 731	1 451	1 238	-	-	-	-	-
196	561	390	822	362	-	-	-	-	-
228	688	507	217	160	8	2	3	4	2
2 520	6 183	2 684	2 693	1 738	-	-	-	-	-
797	897	1 034	1 205	1 103	-	-	-	-	-
3 897	6 785	6 521	5 856	5 184	32	37	48	-	-
5 232	9 250	11 476	10 747	7 884	57	109	153	179	187
2 277	4 051	4 985	5 092	3 856	26	56	88	114	120
37	193	390	774	355	-	-	-	-	-
1 543	2 233	2 276	2 257	1 263	-	-	-	-	-
-	1 706	710	1 922	2 084	-	-	-	-	-
-	2 391	5 049	2 259	4 794	-	18	61	354	276
-	30	108	200	- 55	-	-	-	-	-

	Italy				
	1986-87	1994	1995	1996	1997
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	2 509	2 705	1 623	2 416	1 266
ODA as % of GNP	**0.37**	**0.27**	**0.15**	**0.20**	**0.11**
A. Bilateral Official Development Assistance (1 + 2)	1 682	1 834	806	811	454
1. Grants and grant-like contributions	1 230	665	608	530	361
of which: Technical co-operation	408	126	81	60	58
Developmental food aid (a)	152	71	51	59	16
Emergency and distress relief (a)	157	105	88	97	50
Contributions to NGOs	65	25	5	34	19
Administrative costs	59	69	48	38	26
2. Development lending and capital	452	1 169	198	281	93
of which: New development lending	368	430	163	99	- 18
B. Contributions to Multilateral Institutions	827	870	817	1 604	812
Grants and capital subscriptions, total	827	870	817	1 604	812
of which: EC	232	613	634	551	614
IDA	321	2	10	412	5
Regional Development Banks	87	3	1	339	1
II. Other Official Flows (OOF) net (C + D)	1 035	690	1 032	1 978	962
C. Bilateral Other Official Flows (1 + 2)	1 034	736	1 037	1 978	962
1. Official export credits (b)	226	- 135	- 5	181	107
2. Equities and other bilateral assets	809	871	1 041	1 798	855
D. Multilateral Institutions	1	- 46	- 5	-	-
III. Grants by Private Voluntary Agencies	14	57	25	31	41
IV. Private Flows at Market Terms (long-term) (1 to 4)	-1 267	- 31	120	289	5 848
1. Direct investment	339	143	333	457	1 449
2. Private export credits	-3 081	- 905	- 949	-1 810	-1 017
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	1 476	731	736	1 642	5 416
V. Total Resource Flows (long-term) (I to IV)	**2 292**	**3 421**	**2 800**	**4 713**	**8 116**
Total Resource Flows as a % of GNP	**0.34**	**0.34**	**0.26**	**0.39**	**0.71**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	2 540	2 850	1 956	2 547	1 413
New development lending	399	430	278	207	110
ODA debt reorganisation	103	899	421	205	150
Food aid, Total	220	166	51	61	16
Other Official Flows	1 349	2 440	3 039	2 043	1 097
of which: Official export credits	420	921	1 180	181	107
Private export credits	2 135	2 782	845	1 940	2 069
COMMITMENTS					
Official Development Assistance, total (c)	4 204	2 935	2 733	2 604	1 233
Bilateral grants, Total	1 939	534	687	639	232
Debt forgiveness	19	14	169	-	20
Bilateral loans, Total	792	1 070	448	248	285
Memo Items:					
Change in Claims (long- and short- term)					
Banks: financial (export credits)	-	1 541	- 284	- 356	- 873
Banks: other portfolio	-	-1 683	- 247	- 217	1 840
Non-bank export credits	-	- 382	- 99	- 134	- 479

a) Emergency food aid included with developmental food aid up to and including 1995.
b) Including funds in support of private export credits.
c) Including debt reorganisation.

Table 14

The Flow of Financial Resources to Developing Countries and Multilateral Organisations

(continued)

$ million

Japan					Luxembourg				
1986-87	1994	1995	1996	1997	1986-87	1994	1995	1996	1997
6 488	13 239	14 489	9 439	9 358	13	59	65	82	95
0.30	0.29	0.28	0.20	0.22	0.17	0.40	0.36	0.44	0.55
4 490	9 558	10 419	8 207	6 552	4	40	43	57	66
1 906	5 299	6 298	5 438	4 985	4	40	43	57	66
670	2 194	2 398	2 184	1 956	-	2	2	2	2
85	55	63	63	44	1	1	2	1	1
2	31	60	72	74	-	5	7	9	8
102	152	266	236	334	-	-	7	12	1
186	636	755	703	677	-	-	-	2	3
2 585	4 259	4 120	2 769	1 568	-	-	-	-	-
2 447	6 607	-	-	1 737	-	-	-	-	-
1 998	3 681	4 071	1 232	2 806	9	19	22	26	28
1 998	3 681	4 071	1 232	2 806	9	19	22	26	28
-	-	-	-	-	5	10	12	14	14
974	1 537	1 893	-	1 307	3	5	5	5	5
577	1 116	826	226	573	-	-	-	-	-
-1 266	3 229	5 544	947	3 975	1	-	-	-	-
-1 143	1 158	4 522	1 290	3 854	1	-	-	-	-
-1 453	631	981	- 282	- 382	-	-	-	-	-
309	528	3 541	1 572	4 236	1	-	-	-	-
- 123	2 070	1 021	- 343	121	-	-	-	-	-
87	213	216	232	223		4	6	7	6
11 073	11 807	22 046	27 469	15 953	-	-	-	-	-
4 009	7 358	9 398	8 573	10 273	-	-	-	-	-
640	1 675	2 000	- 485	-	-	-	-	-	-
1 589	-2 870	50	- 599	-1 411	-	-	-	-	-
4 834	5 644	10 598	19 981	7 090	-	-	-	-	-
16 381	**28 487**	**42 295**	**38 088**	**29 509**	**14**	**64**	**72**	**89**	**100**
0.75	**0.62**	**0.82**	**0.82**	**0.70**	**0.19**	**0.43**	**0.40**	**0.47**	**0.58**
7 368	15 694	17 485	12 903	12 565	13	59	65	82	95
3 279	6 607	-	-	4 774	-	-	-	-	-
167	518	516	422	273	-	-	-	-	-
126	55	63	63	44	1	1	2	1	1
4 124	8 973	11 914	8 203	11 458	3	-	-	-	-
1 505	2 283	2 490	1 701	1 804	-	-	-	-	-
2 767	12 185	-	-	-	-	-	-	-	-
7 950	17 705	22 023	16 529	16 978	-	59	68	88	88
2 017	5 853	6 303	5 629	5 382	-	40	46	54	59
44	341	-	-	272	-	-	-	-	-
3 826	8 454	11 709	10 900	9 185	-	-	-	-	-
-	215	541	358	- 294	-	- 1	- 3	- 1	- 2
-	-1 284	- 914	- 602	-7 950	-	-1 147	- 362	204	2 357
-	2 037	553	-2 539	-1 573	-	- 1	1	- 1	- 2

	Netherlands				
	1986-87	1994	1995	1996	1997
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 917	2 517	3 226	3 246	2 947
ODA as % of GNP	**0.99**	**0.76**	**0.81**	**0.81**	**0.81**
A. Bilateral Official Development Assistance (1 + 2)	1 300	1 701	2 245	2 275	2 133
1. Grants and grant-like contributions	1 150	1 932	2 545	2 509	2 302
of which: Technical co-operation	465	602	947	952	917
Developmental food aid (a)	32	2	45	4	2
Emergency and distress relief (a)	27	302	350	341	279
Contributions to NGOs	-	317	298	300	267
Administrative costs	62	113	127	157	184
2. Development lending and capital	149	- 232	- 300	- 234	- 169
of which: New development lending	134	7	- 300	- 234	- 169
B. Contributions to Multilateral Institutions	618	816	981	971	813
Grants and capital subscriptions, total	618	816	981	971	813
of which: EC	151	279	327	245	256
IDA	188	194	241	272	186
Regional Development Banks	49	27	42	50	46
II. Other Official Flows (OOF) net (C + D)	5	48	90	57	- 193
C. Bilateral Other Official Flows (1 + 2)	5	48	90	57	- 193
1. Official export credits (b)	-	-	-	-	- 413
2. Equities and other bilateral assets	5	48	90	57	219
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	156	266	355	353	- 267
IV. Private Flows at Market Terms (long-term) (1 to 4)	938	1 823	3 123	5 858	5 577
1. Direct investment	241	1 872	1 825	6 225	4 557
2. Private export credits	- 228	- 93	88	- 499	74
3. Securities of multilateral agencies	529	- 340	- 157	1 044	- 805
4. Bilateral portfolio investment	396	384	1 368	- 912	1 750
V. Total Resource Flows (long-term) (I to IV)	**3 016**	**4 654**	**6 795**	**9 514**	**8 064**
Total Resource Flows as a % of GNP	**1.56**	**1.41**	**1.71**	**2.38**	**2.21**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	2 006	2 755	3 530	3 481	3 115
New development lending	222	7	3	1	-
ODA debt reorganisation	22	120	175	218	159
Food aid, Total	96	159	45	75	76
Other Official Flows	31	73	90	57	668
of which: Official export credits	-	-	-	-	448
Private export credits	778	868	731	339	103
COMMITMENTS					
Official Development Assistance, total (c)	2 124	2 835	3 941	2 228	2 700
Bilateral grants, Total	1 288	2 299	2 113	2 188	1 963
Debt forgiveness	13	119	169	181	116
Bilateral loans, Total	216	6	10	-	-
Memo Items:					
Change in Claims (long- and short- term)					
Banks: financial (export credits)	-	2	23	- 145	- 109
Banks: other portfolio	-	- 156	3 390	1 080	2 188
Non-bank export credits	-	- 11	- 39	- 324	- 65

a) Emergency food aid included with developmental food aid up to and including 1995.
b) Including funds in support of private export credits.
c) Including debt reorganisation.

Table 14

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

$ million

New Zealand					Norway				
1986-87	**1994**	**1995**	**1996**	**1997**	**1986-87**	**1994**	**1995**	**1996**	**1997**
81	110	123	122	154	844	1 137	1 244	1 311	1 306
0.28	**0.24**	**0.23**	**0.21**	**0.26**	**1.13**	**1.05**	**0.87**	**0.85**	**0.86**
63	85	97	102	113	503	828	907	944	916
63	85	97	102	113	499	822	901	935	907
15	39	42	46	62	71	153	176	168	171
-	-	-	-	-	5	16	15	-	-
1	3	2	4	6	21	181	184	199	192
1	2	2	3	4	53	-	-	-	-
3	7	7	8	9	29	42	50	56	55
-	-	-	-	-	4	6	6	9	9
-	-	-	-	-	4	8	6	9	9
17	25	26	20	41	341	309	337	367	390
17	25	26	20	41	341	309	337	367	390
-	-	-	-	-	-	-	-	-	-
5	8	9	-	14	55	77	86	78	71
4	3		-	6	36	8	13	31	49
1	-	-	-	-	1	- 1	-	- 1	-
1	-	-	-	-	12	- 1	-	- 1	-
1	-	-	-	-	14	-	-		-
-	-	-	-	-	- 2	- 1	-	- 1	-
-	-	-	-	-	- 10	-	-		-
7	16	18	16	15	61	127	92	80	121
26	-	26	9	13	- 84	217	334	278	221
26	-	26	9	13	7	62	381	185	116
1	-	-	-	-	- 90	155	- 47	92	105
-	-	-	-	-	-	-	-	-	-
- 1	-	-	-	-	-	-	-	-	-
115	**126**	**166**	**147**	**182**	**823**	**1 479**	**1 670**	**1 668**	**1 647**
0.39	**0.27**	**0.31**	**0.25**	**0.31**	**1.10**	**1.37**	**1.16**	**1.08**	**1.08**
81	110	123	122	154	846	1 138	1 248	1 314	1 309
-	-	-	-	-	6	8	9	12	12
-	-	-	-	-	2	47	41	44	32
1	-	-	-	-	28	108	25	9	12
1	-	-	-	-	41	-	-	-	-
	-	-	-	-	14	-	-	-	-
1	-	-	-	-	11	211	128	143	160
	-	-	-	-					
74	108	123	122	159	874	1 040	1 286	1 231	1 080
42	83	97	102	118	524	701	907	847	680
-	-	-	-	-	2	51	29	30	35
-	-	-	-	-	7	7	8	11	13
-	-	-	-	-	-	- 3	60	82	83
-	-	-	-	-	-	- 143	- 18	15	23
-	-	-	-	-	-	- 1	- 3	- 38	- 1

	Portugal				
	1986-87	1994	1995	1996	1997
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	31	303	258	218	250
ODA as % of GNP	**0.10**	**0.34**	**0.25**	**0.21**	**0.25**
A. Bilateral Official Development Assistance (1 + 2)	13	210	166	157	163
1. Grants and grant-like contributions	13	142	98	126	115
of which: Technical co-operation	-	61	61	64	48
Developmental food aid (a)	-	-	-	-	-
Emergency and distress relief (a)	-	4	4	6	-
Contributions to NGOs	-	-	1	2	2
Administrative costs	-	7	2	5	1
2. Development lending and capital	-	68	67	31	48
of which: New development lending	-	-	- 3	- 1	- 1
B. Contributions to Multilateral Institutions	18	93	92	61	87
Grants and capital subscriptions, total	18	93	92	61	87
of which: EC	3	69	60	53	61
IDA	-	12	7	-	8
Regional Development Banks	10	-	1	1	9
II. Other Official Flows (OOF) net (C + D)	-	428	12	135	82
C. Bilateral Other Official Flows (1 + 2)	-	428	12	135	82
1. Official export credits (b)	-	-	- 49	-	-
2. Equities and other bilateral assets	-	428	61	135	82
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	-	-	-	- 1	4
IV. Private Flows at Market Terms (long-term) (1 to 4)	-	- 462	126	593	1 000
1. Direct investment	-	37	133	482	702
2. Private export credits	-	- 499	51	111	298
3. Securities of multilateral agencies	-	-	-	-	-
4. Bilateral portfolio investment	-	-	- 58	-	-
V. Total Resource Flows (long-term) (I to IV)	**31**	**269**	**395**	**944**	**1 337**
Total Resource Flows as a % of GNP	**0.10**	**0.31**	**0.38**	**0.89**	**1.33**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	31	307	263	220	252
New development lending	-	-	1	-	-
ODA debt reorganisation	-	93	98	69	95
Food aid, Total	-	10	-	-	-
Other Official Flows	-	496	82	157	122
of which: Official export credits	-	-	-	-	-
Private export credits	-	470	164	163	348
COMMITMENTS					
Official Development Assistance, total (c)	-	317	187	115	148
Bilateral grants, Total	-	145	34	54	46
Debt forgiveness	-	130	27	48	45
Bilateral loans, Total	-	71	72	33	63
Memo Items:					
Change in Claims (long- and short- term)					
Banks: financial (export credits)	-	- 1	- 39	- 56	- 33
Banks: other portfolio	-	1	39	56	33
Non-bank export credits	-	- 3	- 2	- 41	- 4

a) Emergency food aid included with developmental food aid up to and including 1995.
b) Including funds in support of private export credits.
c) Including debt reorganisation.

Table 14

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

$ million

Spain					Sweden				
1986-87	1994	1995	1996	1997	1986-87	1994	1995	1996	1997
217	1 305	1 348	1 251	1 234	1 232	1 819	1 704	1 999	1 731
0.08	**0.28**	**0.24**	**0.22**	**0.23**	**0.87**	**0.96**	**0.77**	**0.84**	**0.79**
86	854	816	888	765	836	1 373	1 189	1 395	1 209
69	257	533	563	540	834	1 372	1 189	1 395	1 209
44	89	169	88	128	144	318	237	260	46
16	4	3	14	3	4	2	-	-	-
-	5	20	13	18	116	334	270	269	234
2	-	-	-	-	56	118	112	109	109
7	36	37	38	36	49	75	81	96	90
18	597	283	325	226	3	1	-	-	-
19	656	283	325	226	3	-	-	-	-
131	450	532	364	469	396	446	515	604	522
131	450	532	364	469	396	446	515	604	522
23	334	330	269	321	-	-	99	105	93
14	4	122	3	41	110	104	116	137	126
30	35	12	18	26	42	23	21	50	60
26	- 214	- 380	-	-	194	-	4	-	1
26	- 214	- 380	-	-	194	-	4	-	1
26	- 214	- 380	-	-	194	-	-	-	-
-	-	-	-	-	-	-	4	-	1
-	-	-	-	-	2	-	-	-	-
1	126	115	122	123	95	130	37	22	27
- 339	2 315	942	2 885	6 054	209	419	480	- 17	333
168	2 315	942	2 885	6 054	117	6	260	339	482
- 507	-	-	-	-	183	497	222	- 357	- 149
-	-	-	-	-	-	- 1	- 2	-	-
-	-	-	-	-	- 91	- 83	-	-	-
- 96	**3 532**	**2 025**	**4 259**	**7 411**	**1 731**	**2 369**	**2 224**	**2 003**	**2 092**
-0.04	**0.75**	**0.37**	**0.74**	**1.39**	**1.22**	**1.26**	**1.00**	**0.84**	**0.96**
219	1 363	1 428	1 344	1 367	1 236	1 819	1 704	1 999	1 731
19	656	363	418	358	13	-	-	-	-
-	67	61	120	80	25	17	6	17	-
16	51	3	14	3	35	141	114	114	100
51	29	3	-	-	286	-	5	2	5
51	29	3	-	-	569	-	-	-	-
792	-	-	-	-	1 259	1 406	952	889	666
-	974	1 466	1 314	1 208	940	1 675	1 934	1 996	1 558
-	257	533	563	540	782	1 235	1 408	1 417	1 097
-	67	61	120	80	57	-	104	81	-
-	267	401	388	199	4	4	-	-	-
-	501	100	89	- 32	-	- 11	- 9	59	17
-	- 33	- 42	- 32	71	-	31	68	61	538
-	- 9	- 4	- 9	18	-	143	8	- 535	30

	Switzerland				
	1986-87	1994	1995	1996	1997
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	484	982	1 084	1 026	911
ODA as % of GNP	**0.30**	**0.36**	**0.34**	**0.34**	**0.34**
A. Bilateral Official Development Assistance (1 + 2)	356	724	779	722	575
1. Grants and grant-like contributions	337	729	784	726	586
of which: Technical co-operation	67	275	363	374	286
Developmental food aid (a)	23	29	21	13	12
Emergency and distress relief (a)	45	81	97	81	122
Contributions to NGOs	65	118	67	56	37
Administrative costs	11	21	24	23	19
2. Development lending and capital	19	- 4	- 5	- 4	- 11
of which: New development lending	19	-	-	- 4	4
B. Contributions to Multilateral Institutions	128	258	304	304	335
Grants and capital subscriptions, total	128	258	304	304	335
of which: EC	-	-	-	-	-
IDA	-	105	133	128	139
Regional Development Banks	43	19	6	17	52
II. Other Official Flows (OOF) net (C + D)	- 8	-	-	-	-
C. Bilateral Other Official Flows (1 + 2)	- 8	-	-	-	-
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	- 8	-	-	-	-
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	80	167	185	182	60
IV. Private Flows at Market Terms (long-term) (1 to 4)	- 627	-1 072	- 151	-2 679	-4 427
1. Direct investment	116	472	558	-1 758	-1 996
2. Private export credits	-1 184	-1 012	- 344	- 338	467
3. Securities of multilateral agencies	- 322	- 532	- 365	- 583	- 338
4. Bilateral portfolio investment	763	-	-	-	-2 560
V. Total Resource Flows (long-term) (I to IV)	**- 71**	**77**	**1 118**	**-1 471**	**-3 457**
Total Resource Flows as a % of GNP	**-0.04**	**0.03**	**0.35**	**-0.48**	**-1.31**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	488	987	1 088	1 030	926
New development lending	23	-	-	-	5
ODA debt reorganisation	-	30	58	-	15
Food aid, Total	28	49	21	13	12
Other Official Flows	-	-	-	-	-
of which: Official export credits	-	-	-	-	-
Private export credits	1 156	1 066	1 972	-	-
COMMITMENTS					
Official Development Assistance, total (c)	507	1 256	1 067	1 004	926
Bilateral grants, Total	384	941	780	695	586
Debt forgiveness	-	385	197	-	15
Bilateral loans, Total	11	-	-	-	5
Memo Items:					
Change in Claims (long- and short- term)					
Banks: financial (export credits)	-	-	-	-	-
Banks: other portfolio	-	- 368	324	- 213	-1 364
Non-bank export credits	-	- 885	-1 162	- 873	- 90

a) Emergency food aid included with developmental food aid up to and including 1995.
b) Including funds in support of private export credits.
c) Including debt reorganisation.

Table 14

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

$ million

	United Kingdom					United States				
	1986-87	1994	1995	1996	1997	1986-87	1994	1995	1996	1997
	1 804	3 197	3 202	3 199	3 433	9 340	9 927	7 367	9 377	6 878
	0.29	**0.31**	**0.29**	**0.27**	**0.26**	**0.21**	**0.14**	**0.10**	**0.12**	**0.09**
	1 010	1 762	1 716	1 790	1 979	7 378	7 284	5 614	6 917	4 939
	1 099	1 809	1 746	1 782	1 926	6 934	8 301	6 387	7 672	5 633
	433	680	782	849	894	1 628	2 796	2 614	2 787	2 741
	15	79	55	-	15	817	1 187	771	420	718
	24	261	182	195	164	188	1 132	789	585	340
	8	61	66	65	76	-	-	-	-	-
	59	107	106	131	147	481	702	725	671	641
	- 89	- 46	- 31	8	53	445	-1 017	- 773	- 755	- 694
	- 105	- 94	- 99	- 79	- 63	19	27	- 832	- 898	- 862
	795	1 435	1 487	1 409	1 454	1 962	2 643	1 753	2 460	1 939
	795	1 438	1 487	1 411	1 461	1 967	2 655	1 766	2 476	1 956
	345	746	856	707	718	-	-	-	-	-
	208	303	325	323	291	819	685	548	710	700
	59	97	8	58	110	260	440	-	435	-
	293	34	213	81	- 113	-1 185	867	1 473	1 119	287
	293	34	213	81	- 113	-1 185	867	1 473	1 119	287
	89	- 27	15	22	47	-2 320	- 324	- 420	- 57	- 335
	204	61	198	60	- 159	1 135	1 191	1 893	1 176	622
	-	-	-	-	-	-	-	-	-	-
	206	535	484	382	313	1 937	2 614	2 502	2 509	2 518
	2 785	8 199	9 482	18 808	16 025	5 934	46 330	35 642	42 726	65 308
	2 541	6 257	6 212	6 464	12 685	5 562	21 407	23 228	23 308	29 962
	709	- 156	170	224	-	- 483	4 479	- 780	943	2 698
	-	-	-	-	-	256	606	- 210	- 997	-3 768
	- 464	2 097	3 100	12 120	3 340	600	19 838	13 404	19 472	36 416
	5 088	**11 964**	**13 382**	**22 470**	**19 659**	**16 026**	**59 738**	**46 984**	**55 731**	**74 991**
	0.82	**1.15**	**1.19**	**1.93**	**1.50**	**0.37**	**0.86**	**0.65**	**0.73**	**0.93**
	1 942	3 311	3 328	3 311	3 519	10 133	11 237	8 335	10 344	8 032
	31	9	4	8	3	371	27	10	9	7
	45	77	130	81	295	51	279	128	-	446
	105	79	55	-	-	1 777	1 616	880	572	907
	347	293	361	257	185	2 151	2 529	3 363	3 148	2 912
	95	-	15	22	47	464	715	612	922	1 265
	4 841	2 050	1 010	904	-	2 792	9 059	4 341	6 735	8 927
	2 278	3 311	3 192	3 311	3 519	10 059	11 089	9 358	10 505	8 260
	1 226	1 809	1 611	1 782	1 926	7 194	8 317	7 303	8 014	5 761
	41	77	85	81	295	-	226	128	-	175
	35	63	93	118	132	885	202	234	82	488
	-	189	20	298	-1 411	-	3 432	3 432	-	-
	-	- 642	1 957	3 284	12 598	-	-2 296	137	1 612	13 012
	-	- 659	- 66	- 130	- 368	-	2 159	2 159	-	-

	Total DAC Countries				
	1986-87	1994	1995	1996	1997
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	38 221	59 152	58 926	55 438	48 324
ODA as % of GNP	**0.33**	**0.30**	**0.27**	**0.25**	**0.22**
A. Bilateral Official Development Assistance (1 + 2)	27 049	41 300	40 628	39 091	32 343
1. Grants and grant-like contributions	21 127	35 185	36 184	36 506	31 197
of which: Technical co-operation	7 818	12 850	14 298	14 124	12 876
Developmental food aid (a)	1 500	1 802	1 345	813	1 046
Emergency and distress relief (a)	670	3 468	3 062	2 692	2 149
Contributions to NGOs	600	972	1 053	1 010	997
Administrative costs	1 337	2 600	2 889	2 856	2 719
2. Development lending and capital	5 922	6 115	4 444	2 585	1 147
of which: New development lending	4 925	9 371	797	- 54	1 354
B. Contributions to Multilateral Institutions	11 172	17 852	18 299	16 347	15 981
Grants and capital subscriptions, total	11 186	17 882	18 328	16 382	16 018
of which: EC	1 803	4 709	5 370	4 600	4 748
IDA	3 895	4 607	5 405	3 986	4 060
Regional Development Banks	1 662	2 598	1 301	1 578	1 549
II. Other Official Flows (OOF) net (C + D)	1 790	10 456	9 872	5 562	6 113
C. Bilateral Other Official Flows (1 + 2)	1 935	8 613	9 084	6 089	6 062
1. Official export credits (b)	-3 136	1 277	1 448	1 768	837
2. Equities and other bilateral assets	5 072	7 336	7 636	4 321	5 224
D. Multilateral Institutions	- 145	1 843	788	- 527	51
III. Grants by Private Voluntary Agencies	3 674	6 046	5 973	5 568	4 628
IV. Private Flows at Market Terms (long-term) (1 to 4)	21 618	90 238	89 824	128 939	128 525
1. Direct investment	15 319	48 459	51 825	59 630	79 434
2. Private export credits	-3 990	7 413	5 572	1 295	4 573
3. Securities of multilateral agencies	3 353	-3 018	- 790	- 948	-6 117
4. Bilateral portfolio investment	6 935	37 384	33 217	68 963	50 636
V. Total Resource Flows (long-term) (I to IV)	**65 302**	**165 893**	**164 596**	**195 507**	**187 590**
Total Resource Flows as a % of GNP	**0.57**	**0.83**	**0.75**	**0.88**	**0.86**
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	41 274	65 834	66 476	63 319	55 589
New development lending	7 432	10 900	4 072	3 383	7 437
ODA debt reorganisation	853	5 026	4 165	3 834	3 680
Food aid, Total	3 213	3 943	2 261	1 609	1 832
Other Official Flows	13 697	25 105	25 205	20 353	22 700
of which: Official export credits	4 621	7 487	7 981	7 159	7 896
Private export credits	23 355	39 868	18 772	18 084	19 280
COMMITMENTS					
Official Development Assistance, total (c)	44 381	68 868	75 571	67 057	59 772
Bilateral grants, Total	23 114	35 805	36 882	36 232	31 053
Debt forgiveness	214	3 282	2 721	1 505	3 082
Bilateral loans, Total	9 154	15 043	17 054	15 665	12 619
Memo Items:					
Change in Claims (long- and short- term)					
Banks: financial (export credits)	-	7 543	4 631	3 712	- 689
Banks: other portfolio	-	-3 665	9 920	12 157	34 210
Non-bank export credits	-	2 259	1 447	-4 166	-1 244

a) Emergency food aid included with developmental food aid up to and including 1995.
b) Including funds in support of private export credits.
c) Including debt reorganisation.

Table 14

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

$ million

	EC				
	1986-87	1994	1995	1996	1997
NET DISBURSEMENTS					
I. Official Development Assistance (ODA) (A + B)	1 925	4 825	5 398	5 455	5 261
ODA as % of GNP	-	-	-	-	-
A. Bilateral Official Development Assistance (1 + 2)	1 703	4 331	4 723	5 261	5 156
1. Grants and grant-like contributions	1 648	4 153	4 455	4 951	4 560
of which: Technical co-operation	138	140	218	226	267
Developmental food aid (a)	116	257	217	352	357
Emergency and distress relief (a)	55	695	588	768	784
Contributions to NGOs	-	155	179	191	182
Administrative costs	68	99	117	118	112
2. Development lending and capital	55	178	268	311	596
of which: New development lending	55	341	268	311	596
B. Contributions to Multilateral Institutions	222	494	675	193	105
Grants and capital subscriptions, total	222	494	675	193	105
of which: EC	-	-	-	-	-
IDA	-	-	-	-	-
Regional Development Banks	-	-	-	-	-
II. Other Official Flows (OOF) net (C + D)	165	7	151	303	836
C. Bilateral Other Official Flows (1 + 2)	165	7	151	303	836
1. Official export credits (b)	-	-	-	-	-
2. Equities and other bilateral assets	305	7	151	303	836
D. Multilateral Institutions	-	-	-	-	-
III. Grants by Private Voluntary Agencies	-	-	-	-	-
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)	**2 090**	**4 832**	**5 548**	**5 758**	**6 097**
Total Resource Flows as a % of GNP	-	-	-	-	-
For reference:					
GROSS DISBURSEMENTS					
Official Development Assistance (c)	1 957	4 988	5 620	5 688	5 499
New development lending	87	341	490	544	834
ODA debt reorganisation	-	-	-	-	-
Food aid, Total	379	410	217	352	357
Other Official Flows	297	217	389	509	1 010
of which: Official export credits	-	-	-	-	-
Private export credits	-	-	-	-	-
COMMITMENTS					
Official Development Assistance, total (c)	3 230	7 244	7 642	7 741	6 078
Bilateral grants, Total	2 699	5 804	5 815	6 397	5 445
Debt forgiveness	-	-	-	-	-
Bilateral loans, Total	163	865	925	1 085	507
Memo Items:					
Change in Claims (long- and short- term)					
Banks: financial (export credits)	-	-	-	-	-
Banks: other portfolio	-	-	-	-	-
Non-bank export credits	-	-	-	-	-

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.

Net disbursements

	Total	World Bank Group	of which: IDA	Regional Development Banks	of which: African Dev. Bank	Asian Dev. Bank	Inter-American Dev. Bank	United Nations Agencies	UNDP
Australia	285	104	96	87	-	87	-	76	-
Austria	221	70	66	10	9	0	1	29	11
Belgium	326	62	58	3	-	0	3	40	18
Canada	830	304	297	132	70	37	11	144	30
Denmark	627	18	4	55	34	5	2	293	90
Finland	179	14	14	25	4	4	3	80	14
France	1 530	292	281	188	74	30	21	114	14
Germany	2 218	346	346	170	111	41	16	258	69
Ireland	67	7	7	-	-	-	-	17	3
Italy	812	17	5	1	-	-	1	164	19
Japan	2 806	1 540	1 307	573	124	235	214	616	110
Luxembourg	28	5	5	-	-	-	-	9	2
Netherlands	813	191	186	46	-	-	45	262	87
New Zealand	41	15	14	6	-	6	-	10	3
Norway	390	82	71	49	29	6	2	238	74
Portugal	87	8	8	9	9	-	0	6	2
Spain	469	41	41	24	10	9	4	36	6
Sweden	522	126	126	60	29	15	2	221	60
Switzerland	335	146	139	52	47	0	5	105	39
United Kingdom	1 454	314	290	110	67	27	7	210	44
United States	1 939	700	700	- 17	-	-	-	992	83
TOTAL DAC	**15 981**	**4 403**	**4 060**	**1 586**	**618**	**504**	**337**	**3 921**	**776**
of which:									
EU Members	9 354	1 513	1 436	702	347	132	106	1 740	438

Table 15

ODA from DAC Countries to Multilateral Organisations, 1997

$ million

of which: WFP	UNICEF	UNHCR	EC	*of which:* EDF	Other Multilateral	*of which:* IFAD	IMF[a]
51	3	10	-	-	18	1	-
4	2	0	97	-	15	2	5
2	2	3	188	54	32	3	9
64	5	8	-	-	251	7	150
44	33	42	88	28	172	25	5
11	13	8	48	-	11	1	-
3	8	8	881	330	55	7	48
26	6	5	1 317	353	127	10	9
2	2	2	39	7	3	2	-
6	19	7	614	229	16	4	-
-	29	-	-	-	77	-	3
-	1	0	14	2	0	-	-
31	29	27	256	76	58	4	12
0	1	1	-	-	9	1	-
29	38	21	-	-	21	6	3
0	0	0	61	12	2	0	-
2	2	2	321	80	48	-	20
26	37	35	93	-	22	5	-
18	12	20	-	-	32	3	6
26	23	10	712	223	108	4	57
256	100	219	-	-	264	19	-
600	**365**	**428**	**4 730**	**1 394**	**1 340**	**104**	**326**
182	176	149	4 730	1 394	668	66	165

a) IMF Trust Fund, ESAF, SAF.

Table 16

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

Net disbursements $ million

	Deposit basis					Encashment basis				
	1986	1994	1995	1996	1997	1986	1994	1995	1996	1997
Australia	133	149	151	154	191	51	111	1	-	-
Austria	35	86	73	6	81	36	-	68	71	-
Belgium	90	54	223	115	65	-	50	134	143	123
Canada	394	489	294	54	436	204	-	640	431	438
Denmark	77	142	141	91	74	-	115	111	64	130
Finland	56	22	49	64	39	-	-	-	64	-
France	442	686	649	627	424	-	-	-	-	-
Germany	518	956	774	1 232	516	484	865	879	917	819
Ireland	13	6	7	7	7	5	-	-	-	-
Italy	536	25	21	777	19	170	262	190	309	-
Japan	1 413	2 922	2 741	363	2 113	-	-	-	-	-
Luxembourg	-	5	5	6	5	-	-	-	-	-
Netherlands	233	236	289	327	238	255	25	40	48	46
New Zealand	8	11	9	1	21	-	-	10	13	15
Norway	95	95	101	108	131	61	-	-	-	-
Portugal	-	13	8	2	17	-	3	7	10	8
Spain	89	55	137	21	90	-	-	-	-	-
Sweden	102	135	140	189	186	-	-	-	-	-
Switzerland	36	124	142	145	198	14	102	129	149	-
United Kingdom	262	411	345	391	425	282	-	-	-	-
United States	1 132	1 312	594	1 241	700	1 481	1 402	1 457	1 700	1 565
TOTAL DAC	**5 664**	**7 933**	**6 891**	**5 921**	**5 977**	..	..	..	..	..
of which:										
EU Members	2 453	2 831	2 859	3 855	2 186	..	..	..	..	..

a) World Bank, IDA, IDB, Asian Development Bank, African Development Bank and Caribbean Development Bank.

Table 17

Net Disbursements of Concessional and Non-concessional Flows by Multilateral Organisations[a]

Net disbursements at current prices and exchange rates $ million

	1981-82 average	1986-87 average	1993	1994	1995	1996	1997
CONCESSIONAL FLOWS							
Major Financial Institutions							
IDA	2 141	3 428	4 470	5 609	4 928	5 723	5 253
IBRD	73	2	-	-	-	-	-
IDB	402	202	88	94	235	405	292
African Dev. Fund	106	323	683	589	570	591	589
Asian Dev. Fund	161	478	954	1 189	1 158	1 102	1 010
IFAD	90	326	82	72	86	152	109
EBRD	-	-	-	11	15	18	17
Sub-total	**2 973**	**4 759**	**6 276**	**7 564**	**6 991**	**7 992**	**7 269**
United Nations							
WFP	568	684	1 488	1 394	1 093	1 082	1 072
UNDP	752	778	1 201	1 241	1 248	1 469	1 627
UNHCR	401	392	1 259	1 046	880	833	703
UNRWA	202	197	299	329	348	237	264
UNICEF	209	345	798	797	796	677	656
UNTA	203	284	340	266	559	243	317
UNFPA	121	104	134	201	230	215	179
Other UN	344	403	728	600	722	512	65
Sub-total	**2 802**	**3 187**	**6 247**	**5 874**	**5 877**	**5 268**	**4 883**
IMF[b]	-	- 363	189	984	1 605	330	178
Caribbean Dev. Bank	38	30	17	- 10	- 24	1	0
Council of Europe	3	3	1	-	-	-	-
Nordic Dev. Fund	-	-	-	24	49	71	47
Total above	**5 815**	**7 616**	**12 730**	**14 436**	**14 498**	**13 660**	**12 378**
EC	1 263	1 583	3 882	4 575	4 723	5 261	5 156
Arab Funds	392	102	176	254	1	-	-
Total concessional	**7 469**	**9 301**	**16 787**	**19 265**	**19 222**	**18 922**	**17 534**
NON-CONCESSIONAL FLOWS							
Major Financial Institutions							
IBRD	4 069	4 906	1 526	-2 091	- 543	- 238	3 145
IFC	400	182	1 017	1 360	1 606	3 096	-
IDB	738	1 076	2 081	2 374	1 387	1 409	2 697
African Dev. Bank	93	349	1 074	917	471	291	- 33
Asian Dev. Bank	432	309	1 239	1 281	1 147	218	3 971
IFAD	-	-	-	-	-	- 1	9
EBRD	-	-	6	127	268	377	244
Total above	**5 731**	**6 822**	**6 942**	**3 968**	**4 336**	**5 153**	**10 033**
Caribbean Dev. Bank	15	16	13	- 16	31	14	23
Council of Europe	-	344	57	- 236	- 176	-	-
Nordic Dev. Fund	-	-	-	-	-	-	3
Sub-total	**5 745**	**7 182**	**7 012**	**3 716**	**4 191**	**5 167**	**10 059**
EC	280	165	343	92	151	303	836
Arab Funds	56	48	22	2	-	-	-
Total non-concessional	**6 081**	**7 395**	**7 378**	**3 810**	**4 342**	**5 470**	**10 895**

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

	Social and administrative infrastructure		Economic infrastructure		Agriculture	
	1975-76	1995-96	1975-76	1995-96	1975-76	1995-96
Australia	17.5	50.6	7.3	16.5	4.3	3.6
Austria	7.0	31.4	0.7	6.5	3.3	1.8
Belgium	3.8	30.2	0.9	5.7	2.1	13.0
Canada	19.1	24.2	12.0	11.6	8.1	4.0
Denmark	14.0	34.1	0.0	14.8	11.4	6.9
Finland	10.9	22.5	8.8	9.8	3.5	7.5
France	53.7	47.0	13.0	9.5	7.0	6.3
Germany	23.4	34.4	17.7	23.7	7.6	7.4
Ireland	-	47.4	-	7.0	-	5.0
Italy	14.0	15.8	2.0	11.9	2.9	4.5
Japan	3.3	22.6	36.6	43.1	6.0	11.7
Luxembourg	-	40.7	-	5.8	-	5.4
Netherlands	34.3	25.3	15.9	10.4	19.7	9.3
New Zealand [b]	14.8	41.6	34.0	8.6	23.7	13.2
Norway	25.4	28.3	16.7	18.8	25.5	5.3
Portugal	-	32.6	-	5.9	-	2.3
Spain	-	37.8	-	14.9	-	6.7
Sweden	22.2	34.5	2.5	12.0	9.0	9.0
Switzerland	12.3	14.7	13.4	6.1	15.5	8.6
United Kingdom	4.8	28.3	3.4	15.4	4.3	9.8
United States	8.7	31.7	2.3	8.9	8.1	5.9
TOTAL DAC	**20.2**	**30.2**	**10.5**	**23.4**	**8.1**	**8.4**

Table 18

Major Aid Uses by Individual DAC Donors

Per cent of total commitments

Industry and other production 1975-76	Industry and other production 1995-96	Commodity aid and programme assistance 1975-76	Commodity aid and programme assistance 1995-96	Emergency aid 1975-76	Emergency aid 1995-96	Other 1975-76	Other 1995-96	*Memo:* Share of ODA through NGO's [a] 1995-96
1.6	1.4	53.1	14.5	0.1	1.4	16.1	12.0	0.6
25.2	7.6	-	0.5	1.4	18.7	62.4	33.4	0.5
1.3	4.1	3.1	8.6	0.5	3.6	88.4	34.9	0.3
13.5	2.7	24.1	8.8	0.3	10.7	23.0	37.9	8.5
24.4	1.7	11.6	2.5	2.6	5.7	36.0	34.3	0.5
11.0	1.5	7.3	-	2.7	14.3	55.8	44.4	0.7
16.6	1.6	6.2	8.5	0.4	0.3	3.2	26.9	0.2
17.7	3.4	5.7	4.0	0.4	5.0	27.6	22.1	2.6
-	1.1	-	-	-	14.4	100.0	25.2	0.1
28.4	0.4	-	12.1	-	11.4	52.6	43.9	1.0
20.3	2.6	1.3	2.3	0.1	0.3	32.4	17.4	2.1
-	0.5	-	1.1	-	16.0	-	30.3	12.5
10.1	1.3	3.4	5.2	1.7	9.5	15.0	39.0	9.2
3.1	1.0	13.5	13.1	0.4	5.5	10.4	17.0	2.0
7.3	2.8	-	1.3	6.9	22.9	18.2	20.5	-
-	3.4	-	0.3	-	3.0	-	52.5	0.8
-	7.0	-	1.3	-	1.8	-	30.5	-
14.7	1.9	9.4	4.5	2.5	20.9	39.7	17.3	6.0
5.2	3.4	10.6	5.3	12.3	11.8	30.8	50.2	5.8
54.4	3.7	6.9	9.1	0.3	12.7	26.0	21.0	2.0
4.1	8.3	38.3	9.0	1.6	9.6	37.0	26.6	8.6
13.6	**3.4**	**18.9**	**5.3**	**1.0**	**5.1**	**27.7**	**24.2**	**3.4**

a) On a disbursements basis.
b) 1994 data.

Commitments

	Australia	Austria	Belgium	Canada	Den-mark	Finland	France	Germany	Ireland	Italy	Japan	Luxem-bourg
Social and administrative infrastructure	56.3	31.6	28.7	24.3	37.2	23.6	53.1	30.9	47.4	17.8	20.9	40.7
Education[a]	29.0	18.7	8.6	7.3	2.8	3.3	31.8	15.5	18.0	4.5	5.5	12.2
of which: Basic education	0.4	0.2	0.3	1.2	-	1.9	-	3.6	-	0.3	0.2	-
Health and population	13.2	1.7	10.0	3.0	16.9	5.0	4.1	2.8	14.5	6.3	2.7	16.3
of which: Basic health	9.1	1.5	4.2	0.4	-	1.8	-	1.1	-	1.7	1.3	-
Water supply and sanitation	2.7	7.1	1.8	2.3	11.7	10.1	6.5	5.5	6.0	4.7	10.9	1.2
Government and civil society	7.8	2.9	3.6	7.6	4.1	3.1	3.1	2.5	1.8	1.5	0.7	1.6
Other social infrastructure/services	3.6	1.2	4.7	4.0	1.7	2.2	7.6	4.5	7.2	0.7	1.0	9.4
Economic infrastructure	12.2	1.9	4.1	9.0	14.8	15.6	10.6	27.1	7.0	7.4	41.0	5.8
Transport and communications	9.9	0.1	1.7	1.6	8.1	0.5	6.4	17.6	4.6	3.5	27.1	1.6
Energy	2.0	1.7	0.7	5.3	4.0	13.4	3.4	6.1	0.7	3.9	12.5	-
Other	0.3	0.1	1.7	2.1	2.7	1.6	0.8	3.3	1.6	0.0	1.4	4.3
Production	5.6	5.2	16.7	10.5	10.3	12.8	8.7	11.5	6.0	6.8	17.6	6.0
Agriculture	4.1	1.5	13.0	6.5	8.7	11.3	6.6	8.0	5.0	6.2	14.4	5.4
Industry, mining and construction	1.1	3.6	3.6	4.0	1.6	1.0	0.5	2.1	0.7	0.2	3.0	0.5
Trade and tourism	0.3	0.1	0.0	0.0	-	0.5	1.6	1.4	0.4	0.4	0.2	-
Multisector	6.8	2.9	13.8	8.6	3.5	10.2	8.6	5.6	2.7	6.5	4.9	4.1
Programme assistance	14.7	0.3	9.4	6.2	2.3	-	8.3	1.5	-	15.3	1.9	1.1
Debt relief[b]	-	36.0	11.0	8.3	5.4	0.5	2.9	11.1	-	23.1	4.7	-
Emergency aid	3.2	16.3	4.2	11.3	3.8	14.7	0.3	4.0	14.4	14.3	0.4	16.0
Administrative expenses	0.0	2.7	8.4	7.7	5.3	7.8	5.6	3.7	12.0	5.1	4.3	3.9
Unspecified	1.3	3.1	3.7	14.1	17.5	14.8	1.9	4.6	10.5	3.8	4.4	22.3
TOTAL	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Memo item: Food aid, total	4.0	0.4	3.7	5.5	-	0.9	1.0	1.8	0.5	6.3	0.2	3.0

Table 19

Aid by Major Purposes, 1996

Per cent of total

Nether-lands	New Zealand[c]	Norway	Portugal	Spain	Sweden	Switzer-land	United Kingdom	United States	TOTAL DAC	Multilateral finance (ODF) Total	EC	World Bank	Regional Dev. Banks[d]
25.7	41.6	30.2	39.5	39.9	33.8	19.2	27.3	31.1	30.0	32.2	..	35.5	26.2
7.0	34.4	6.8	24.4	9.1	7.6	4.5	9.4	4.6	10.8	6.6	..	7.9	4.2
3.3	0.1	3.0	2.5	0.7	4.8	1.0	1.4	1.8	1.3	2.9	..	4.0	1.0
7.0	2.5	5.7	6.8	20.1	9.1	3.4	8.0	13.5	6.0	6.2	..	7.8	3.3
2.7	0.7	2.1	4.3	4.2	6.4	-	4.5	5.2	2.1	2.9	..	3.0	2.7
4.3	0.5	0.7	0.1	2.8	3.2	5.9	2.6	1.6	6.6	5.8	..	5.8	5.7
3.1	2.3	4.8	3.4	2.7	11.0	3.5	4.8	4.7	2.9	6.4	..	4.5	9.7
4.3	1.9	12.2	4.9	5.2	2.9	2.0	2.5	6.7	3.7	7.3	..	9.4	3.4
9.0	8.6	14.3	7.3	18.8	13.0	10.6	14.5	8.7	23.1	36.5	..	33.0	42.6
3.6	4.5	3.9	5.5	8.8	5.6	7.0	5.7	1.2	13.9	14.6	..	12.2	18.9
3.1	2.8	8.9	0.2	9.0	7.4	0.0	5.4	2.7	7.1	15.4	..	12.4	20.8
2.2	1.3	1.5	1.6	1.0	-	3.6	3.4	4.8	2.2	6.5	..	8.5	3.0
8.5	14.2	7.2	8.0	9.5	10.0	16.6	12.8	14.0	13.1	14.0	..	14.2	13.8
7.6	13.2	4.3	4.0	6.6	8.0	12.0	8.8	5.8	9.5	9.0	..	7.5	11.8
0.4	0.4	2.9	1.8	2.7	1.8	4.4	3.8	0.2	2.0	4.7	..	6.3	1.8
0.6	0.5	-	2.1	0.3	0.2	0.2	0.2	7.9	1.5	0.4	..	0.4	0.3
12.9	4.6	10.2	4.5	4.7	8.7	14.0	4.2	0.8	5.8	11.3	..	9.0	15.4
3.8	13.1	2.6	0.2	1.9	6.1	5.9	9.4	9.6	4.7	5.9	..	8.1	2.0
8.1	-	3.5	30.2	13.6	2.1	4.3	-	-	5.7	0.1	..	0.2	-
9.0	5.5	23.4	4.4	1.5	19.3	11.4	11.3	10.0	5.1	-	..	-	-
-	8.4	6.4	3.8	4.3	6.9	3.4	7.8	7.9	5.0	-	..	-	-
23.0	4.0	2.2	2.0	5.9	0.1	14.7	12.9	17.8	7.6	-	..	-	-
100	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**..**	**100**	**100**
1.9	0.4	2.0	-	1.8	-	1.9	1.8	14.2	2.8	-	-	-	-

a) Including students and trainees.
b) Including forgiveness of non-ODA debt.
c) 1994 data.
d) Including the African Development Bank, Asian Development Bank and Inter-American Development Bank.

Table 20

Financial Terms of ODA Commitments[a] *1996-1997 average*

	Grant element of total ODA Norm: 86%[b]		Grant share of:		Grant element of ODA loans	Grant element of ODA to LLDCs[c]	Grant element of bilateral ODA to LLDCs
	1986-87	1996-97	Bilateral ODA	Total ODA			
Australia	100.0	100.0	100.0	100.0	-	100.0	100.0
Austria	78.0	96.4	88.3	92.2	54.2	100.0	100.0
Belgium	99.1	99.2	94.0	96.6	76.5	99.9	99.7
Canada	99.9	100.0	100.0	100.0	-	100.0	100.0
Denmark	97.5	100.0	100.0	100.0	-	100.0	100.0
Finland	98.1	99.9	95.5	97.6	52.7	100.0	100.0
France	86.3	91.5	78.2	84.1	52.4	97.8	96.4
Germany	88.9	93.3	69.8	80.5	64.1	100.0	100.0
Ireland	100.0	100.0	100.0	100.0	-	100.0	100.0
Italy	93.6	98.6	81.2	94.3	74.9	99.6	98.5
Japan	78.0	78.6	34.8	39.6	64.2	96.3	95.1
Luxembourg	-	100.0	100.0	100.0	-	100.0	100.0
Netherlands	95.9	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	99.4	99.4	98.4	98.9	30.6	99.0	98.4
Portugal	-	99.2	86.6	98.6	39.3	99.5	99.4
Spain	-	90.7	60.6	74.7	63.4	91.4	79.3
Sweden	100.0	100.0	100.0	100.0	-	100.0	100.0
Switzerland	99.8	100.0	100.0	100.0	-	100.0	100.0
United Kingdom	99.7	100.0	100.0	100.0	-	100.0	100.0
United States	97.0	99.4	98.4	98.8	51.8	99.9	99.7
TOTAL DAC	**91.5**	**91.9**	**70.1**	**77.8**	**63.0**	**98.9**	**98.0**

a) Excluding debt reorganisation.
b) Countries whose ODA Commitments as a percentage of GNP is significantly below the DAC average are not considered as having met the terms target. This provision disqualified Italy, Portugal and the United States in 1997.
c) Including imputed multilateral grant element.

Table 21

DAC Members' Compliance in 1996 and 1997 with 1978 DAC Terms Recommendations

	ODA commitments[a] $ million		Grant element of ODA commitments[a] Norm: 86%[b]		Volume test: ODA commitments[a] as per cent of GNP		Grant element of bilateral ODA commitments[a] to LLDCs (two alternative norms)		
					1996 0.22	1997 0.19	Annually for all LLDCs Norm: 90%		3 year average for each LLDC Norm: 86%
	1996	1997	1996	1997	1996	1997	1996	1997	1995-1997[d]
Australia	1 141	1 048	100.0	100.0	0.30	0.28	100.0	100.0	c
Austria	735	613	97.5	95.2	0.32	0.30	100.0	100.0	c
Belgium[c]	891	750	99.1	99.3	0.33	0.30	99.5	100.0	c
Canada	2 079	2 074	100.0	100.0	0.37	0.35	100.0	100.0	c
Denmark	2 174	1 512	100.0	100.0	1.28	0.90	100.0	100.0	c
Finland	450	382	100.0	99.8	0.38	0.33	100.0	100.0	c
France[c]	7 263	5 708	91.0	92.1	0.47	0.41	94.8	97.6	c
Germany	9 930	7 433	92.0	94.9	0.43	0.36	100.0	100.0	c
Ireland[c]	179	187	100.0	100.0	0.31	0.31	100.0	100.0	c
Italy	2 399	1 082	99.5	96.6	0.20	0.09	100.0	95.2	c
Japan	16 529	16 706	78.4	78.8	0.36	0.39	93.4	97.4	c
Luxembourg	88	88	100.0	100.0	0.47	0.51	100.0	100.0	c
Netherlands	2 047	2 584	100.0	100.0	0.51	0.71	100.0	100.0	c
New Zealand	122	159	100.0	100.0	0.21	0.27	100.0	100.0	c
Norway	1 201	1 045	99.4	99.3	0.78	0.69	98.8	98.1	c
Portugal	34	41	100.0	98.5	0.03	0.04	100.0	98.7	c
Spain	1 194	1 128	88.6	93.0	0.21	0.21	56.1	95.7	n
Sweden	1 915	1 558	100.0	100.0	0.80	0.71	100.0	100.0	c
Switzerland[c]	1 004	912	100.0	100.0	0.33	0.34	100.0	100.0	c
United Kingdom[c]	3 231	3 224	100.0	100.0	0.28	0.25	100.0	100.0	c
United States	10 505	7 743	99.6	99.1	0.14	0.10	99.4	100.0	c
TOTAL DAC	**65 111**	**55 977**	**92.0**	**91.8**	**0.29**	**0.26**	**97.3**	**98.8**	**c**

a) Excluding debt reorganisation
b) Countries whose ODA as a percentage of GNP is significantly below the DAC average are not considered as having met the terms target. This provision disqualified Italy, Portugal and the United States in 1997.
c) Gross disbursements
d) c = compliance, n = non compliance.

Table 22

Other Terms Parameters[a]

Commitments

	Grant share of total ODA (per cent)		Bilateral ODA loans: Grant element (per cent)		Average maturity (years)		Average grace period (years)		Average interest rate (per cent)	
	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997
Australia	100.0	100.0	-	-	-	-	-	-	-	-
Austria	94.3	89.8	55.9	53.0	26.7	22.9	7.9	7.5	2.8	2.7
Belgium	95.6	97.7	79.6	69.3	28.7	20.8	9.9	10.5	0.0	0.9
Canada	100.0	100.0	-	-	-	-	-	-	-	-
Denmark	100.0	100.0	-	-	-	-	-	-	-	-
Finland	97.0	98.3	-	51.4	-	7.8	-	2.8	-	8.3
France	82.9	85.7	51.1	53.9	20.5	21.1	7.1	8.2	2.6	2.5
Germany	77.7	84.3	62.6	67.3	33.5	37.3	6.8	8.0	2.0	1.9
Ireland	100.0	100.0	-	-	-	-	-	-	-	-
Italy	98.2	85.7	71.2	75.9	25.6	27.3	12.1	12.1	1.2	1.0
Japan	34.1	45.0	67.0	60.8	28.7	29.0	9.2	9.4	2.4	2.4
Luxembourg	100.0	100.0	-	-	-	-	-	-	-	-
Netherlands	100.0	100.0	-	-	-	-	-	-	-	-
New Zealand	100.0	100.0	-	-	-	-	-	-	-	-
Norway	99.1	98.8	29.5	31.6	12.4	9.0	3.1	3.9	3.7	2.5
Portugal	100.0	97.5	-	39.3	-	12.0	-	3.0	-	2.0
Spain	67.5	82.4	64.8	60.5	26.8	21.0	9.0	9.5	1.7	1.7
Sweden	100.0	100.0	-	-	-	-	-	-	-	-
Switzerland	100.0	100.0	-	-	-	-	-	-	-	-
United Kingdom	100.0	100.0	-	-	-	-	-	-	-	-
United States	99.2	98.1	52.0	50.9	26.4	27.6	5.9	5.4	3.0	3.2
TOTAL DAC	**76.8**	**78.9**	**64.7**	**60.9**	**28.6**	**28.9**	**8.7**	**9.1**	**2.4**	**2.4**

a) Excluding debt reorganisation.

Table 23

Tying Status of ODA by Individual DAC Members, 1996

Commitments (excluding technical co-operation and administrative costs)

Per cent of donor total

	Bilateral ODA				*Memo:*
	Untied	Partially Untied	Tied	Total	Reporting Rate[c]
Australia	78.1	..	21.9	100.0	100.0
Austria[a]	60.6	..	39.4	100.0	100.0
Belgium[a, b, d]	49.9	20.3	29.7	100.0	100.0
Canada	31.5	..	68.5	100.0	100.0
Denmark	61.3	..	38.7	100.0	100.0
Finland	60.2	13.6	26.2	100.0	100.0
France	38.7	26.7	34.5	100.0	100.0
Germany	60.0	..	40.0	100.0	99.9
Ireland	..	..	..	..	Not reported
Italy[a]	45.6	..	54.4	100.0	100.0
Japan	98.9	1.1	..	100.0	100.0
Luxembourg	94.4	..	5.6	100.0	100.0
Netherlands[b]	82.2	4.8	13.0	100.0	100.0
New Zealand	..	..	..	..	Not reported
Norway	88.5	..	11.5	100.0	100.0
Portugal	100.0	..	..	100.0	100.0
Spain	..	..	100.0	100.0	40.8
Sweden[d]	64.0	..	36.0	100.0	100.0
Switzerland	92.9	..	7.1	100.0	100.0
United Kingdom	86.1	..	13.9	100.0	100.0
United States	28.4	..	71.6	100.0	100.0
TOTAL DAC	**(69.7)**	**(3.1)**	**(26.5)**	**100.0**	**(98.7)**

a) 1997 data.
b) Includes technical co-operation and administrative costs.
c) Reporting rate is the percentage of bilateral ODA covered by tying status reporting (excluding technical co-operation and administrative costs, unless otherwise shown).
d) Net disbursements.

Table 24

Tying Status of ODA by Individual DAC Members, 1996

Commitments (excluding technical co-operation and administrative costs)

$ million

	Bilateral ODA				*Memo:*
	Untied	Partially Untied	Tied	Total	Technical Co-operation
Australia	322	..	90	413	506
Austria[a]	133	..	86	219	118
Belgium[a, b, d]	219	89	130	438	258[c]
Canada	334	..	727	1 061	366
Denmark	754	..	477	1 231	133
Finland	81	18	35	134	77
France	1 091	752	973	2 815	2 502
Germany	2 632	..	1 752	4 384	2 688
Ireland	..	..	..	..	67[c]
Italy[a]	212	..	253	465	33
Japan	13 394	147	..	13 541	2 184[c]
Luxembourg	46	..	3	49	2
Netherlands[b]	1 799	106	284	2 188	1 075
New Zealand	..	..	..	..	46[c]
Norway	590	..	77	667	135
Portugal	84	..	..	84	2
Spain	..	..	388	388	88[c]
Sweden[d]	665	..	374	1 039	57
Switzerland	336	..	26	361	448
United Kingdom	783	..	126	909	849[c]
United States	1 465	..	3 693	5 158	2 631
TOTAL DAC	**(24 941)**	**(1 112)**	**(9 492)**	**(35 546)**	**14 266**

a) 1997 data.
b) Includes technical co-operation and administrative costs.
c) Gross disbursements.
d) Net disbursements.

	Net ODA Receipts ($ million)					GNP/CAP (e)	Population	Current GNP	ODA/GNP
	1993	1994	1995	1996	1997	1996 US$	1996 million	1996 $ million	1996 per cent
AFRICA									
NORTH OF SAHARA									
Algeria	349	420	312	309	248	1 520	28.73	43 740	0.71
Egypt	2 401	2 695	2 022	2 212	1 947	1 080	59.27	67 810	3.26
Libya	6	7	8	10	9	..	5.17	..	..
Morocco	713	631	496	651	462	1 290	27.02	35 609	1.83
Tunisia	228	107	72	126	194	1 920	9.13	18 459	0.68
North of Sahara Unall.	42	49	71	54	21	..	..	..	..
North of Sahara, Total	**3 737**	**3 908**	**2 981**	**3 362**	**2 881**	..	**129.32**	**(165 618)**	**(2.03)**
SOUTH OF SAHARA									
Angola	294	451	418	544	436	280	11.10	4 106	13.25
Benin	289	257	282	293	225	360	5.63	2 178	13.44
Botswana	134	89	92	81	125	3 250	1.48	4 834	1.67
Burkina Faso	470	436	488	418	370	230	10.66	2 527	16.55
Burundi	218	313	289	204	119	170	6.42	1 123	18.15
Cameroon	545	731	444	413	501	650	13.68	8 479	4.87
Cape Verde	118	121	117	120	110	1 080	0.39	419	28.73
Central African Rep.	173	166	168	167	92	300	3.34	935	17.84
Chad	228	215	239	305	225	220	6.61	1 605	19.01
Comoros	50	40	44	40	28	410	0.50	214	18.74
Congo, Dem. Rep.	178	245	196	167	168	130	45.23	5 141	3.26
Congo, Rep.	123	362	125	430	268	650	2.71	1 869	22.99
Côte d'Ivoire	765	1 594	1 212	968	444	660	14.35	9 784	9.89
Djibouti	134	129	106	97	87	..	0.62	..	..
Equatorial Guinea	53	30	34	31	24	470	0.41	228	13.60
Eritrea	68	158	150	157	123	200	3.70	761	20.66
Ethiopia	1 094	1 074	888	849	637	110	58.23	5 967	14.24
Gabon	102	182	145	127	40	3 950	1.13	4 798	2.64
Gambia	87	71	48	38	40	340	1.15	392	9.82
Ghana	618	546	653	654	493	360	17.52	6 203	10.54
Guinea	410	360	416	296	382	560	6.76	3 785	7.81
Guinea-Bissau	96	175	117	180	125	230	1.09	252	71.40
Kenya	911	677	732	606	457	320	27.36	8 988	6.74
Lesotho	143	117	115	107	93	690	2.02	1 276	8.40
Liberia	123	63	123	207	95	..	2.81	..	..
Madagascar	363	289	303	364	838	250	13.70	3 842	9.49
Malawi	498	470	434	501	350	180	10.02	2 189	22.88
Mali	366	443	546	505	455	240	10.00	2 597	19.45
Mauritania	328	269	231	274	250	470	2.33	1 038	26.36
Mauritius	26	14	24	20	42	3 720	1.13	4 259	0.46
Mayotte	83	105	108	130	104	..	0.11	..	..
Mozambique	1 183	1 231	1 101	923	963	80	18.03	2 135	43.22
Namibia	155	138	193	189	166	2 250	1.58	3 327	5.67
Niger	347	377	274	259	341	200	9.34	1 959	13.21
Nigeria	279	190	213	192	202	260	114.57	43 531	0.44
Rwanda	358	715	712	674	592	200	6.73	1 382	48.79
Sao Tome & Principe	47	50	84	47	33	320	0.14	40	116.87
Senegal	504	645	671	582	427	560	8.53	4 676	12.44
Seychelles	19	13	13	19	15	6 850	0.08	514	3.69
Sierra Leone	209	277	207	196	130	200	4.63	922	21.26
Somalia	890	538	191	91	104	..	9.81	..	..
South Africa	275	295	386	361	497	3 510	37.64	122 968	0.29
St. Helena	15	14	13	16	15	..	0.01	..	..
Sudan	458	413	236	230	187	..	27.27	..	..
Swaziland	53	56	56	31	27	1 430	0.93	1 334	2.29
Tanzania	953	969	882	894	963	180	30.49	6 519	13.71
Togo	98	126	193	166	124	300	4.23	1 258	13.19
Uganda	612	753	831	684	840	300	19.74	6 072	11.26
Zambia	872	719	2 035	614	618	350	9.21	3 181	19.30
Zimbabwe	500	562	493	374	327	710	11.25	8 304	4.51
South of Sahara Unall.	414	638	420	916	747	..	..	..	..
South of Sahara, Total	**17 330**	**18 912**	**18 489**	**16 749**	**15 065**	..	**596.40**	**(297 911)**	**(5.62)**
Africa Unspecified	410	711	586	570	797	..	..	..	..
AFRICA, TOTAL	**21 477**	**23 531**	**22 055**	**20 681**	**18 744**	..	**725.73**	**(463 529)**	**(4.46)**

Table 25

ODA Receipts[a] and Selected Indicators for Developing Countries and Territories

	Net ODA Receipts ($ million)					GNP/CAP (e) 1996 US$	Population 1996 million	Current GNP 1996 $ million	ODA/GNP 1996 per cent
	1993	1994	1995	1996	1997				
AMERICA									
NORTH AND CENTRAL AMERICA									
Anguilla	5	6	3	3	3	..	0.01	..	..
Antigua and Barbuda	3	4	2	12	4	7 330	0.07	469	2.55
Aruba	25	19	26	20	25	..	0.08	..	..
Bahamas (b)	1	0	4	-	-	..	0.28	3 300	-
Barbados	4	- 1	- 1	5	3	..	0.26	1 700	0.27
Belize	30	29	16	18	14	2 690	0.22	613	2.96
Bermuda (c)	- 5	- 12	- 2	- 4	-	34 260	0.06	..	..
Cayman Islands (c)	- 0	- 1	- 1	- 2	-	..	0.04	..	..
Costa Rica	98	76	25	- 7	- 0	2 600	3.44	8 853	-0.08
Cuba	44	48	65	68	67	..	11.02	..	..
Dominica	8	17	24	43	14	3 090	0.07	221	19.40
Dominican Republic	4	68	124	106	76	1 490	7.96	12 115	0.87
El Salvador	407	318	306	317	294	1 690	5.81	10 321	3.07
Grenada	7	17	10	11	8	2 880	0.10	286	3.69
Guatemala	214	224	215	216	302	1 450	10.93	15 458	1.40
Haiti	124	601	731	375	332	310	7.34	2 572	14.59
Honduras	342	298	410	367	308	660	6.10	4 002	9.18
Jamaica	103	114	107	60	71	1 540	2.55	3 921	1.53
Mexico	424	431	390	289	108	3 630	93.18	315 918	0.09
Montserrat	10	12	9	14	43	..	0.01	..	..
Netherlands Antilles	80	38	99	121	111	..	0.20	..	..
Nicaragua	326	602	663	954	421	400	4.50	1 672	57.06
Panama	80	40	49	90	124	3 030	2.67	7 944	1.13
St. Kitts-Nevis	10	4	4	7	7	5 870	0.04	232	3.01
St. Lucia	25	27	47	39	24	3 500	0.16	554	6.99
St. Vincent and Grenadines	11	7	47	27	6	2 360	0.11	265	10.03
Trinidad & Tobago	2	21	26	17	33	3 870	1.30	4 991	0.34
Turks & Caicos Islands	11	15	6	4	4	..	0.01	..	..
Virgin Islands	3	11	1	1	2	..	0.10	..	..
West Indies Unall.	42	40	51	28	38	..	..	..	..
N.& C. America Unall.	80	122	98	71	105	..	..	..	..
North & Central America, Total	**2 520**	**3 196**	**3 557**	**3 269**	**2 550**	..	**158.63**	**(395 406)**	**(0.83)**
SOUTH AMERICA									
Argentina	284	225	225	277	222	8 370	35.22	290 963	0.10
Bolivia	576	578	737	850	717	920	7.59	7 039	12.07
Brazil	239	337	368	408	487	4 410	161.36	762 250	0.05
Chile	185	158	161	203	136	4 540	14.42	66 141	0.31
Colombia	108	128	232	251	274	2 140	37.45	81 793	0.31
Ecuador	240	217	237	261	172	1 500	11.70	17 661	1.48
Falkland Islands (c)	6	0	2	2	-	..	0.00	..	..
Guyana	108	80	88	144	272	750	0.84	648	22.20
Paraguay	138	103	146	97	116	1 850	4.96	9 564	1.02
Peru	580	417	428	410	488	2 410	24.29	59 406	0.69
Suriname	79	60	77	111	77	1 000	0.43	622	17.85
Uruguay	123	86	83	51	57	5 780	3.20	18 756	0.27
Venezuela	49	31	49	44	28	3 020	22.31	65 774	0.07
South America Unall.	31	73	136	114	69	..	..	..	..
South America, Total	**2 747**	**2 495**	**2 968**	**3 224**	**3 116**	..	**323.77**	**(1 380 617)**	**(0.23)**
America Unspecified	339	459	338	1 692	606	..	..	..	..
AMERICA, TOTAL	**5 605**	**6 150**	**6 862**	**8 185**	**6 271**	..	**482.40**	**(1 776 023)**	**(0.46)**

	Net ODA Receipts ($ million)					GNP/CAP (e) 1996 US$	Population 1996 million	Current GNP 1996 $ million	ODA/GNP 1996 per cent
	1993	1994	1995	1996	1997				
ASIA									
MIDDLE EAST									
Bahrain	96	44	49	81	84	..	0.60	5 119	1.59
Iran	141	131	192	171	196	..	59.95	102 423	0.17
Iraq	182	259	328	387	281	..	21.37	..	..
Israel (c)	1 266	1 237	336	2 217	-	..	5.69	100 000	2.22
Jordan	309	370	535	514	462	1 550	4.31	6 633	7.74
Kuwait (b)	3	6	7	-	-	21 980	1.59	36 266	-
Lebanon	144	235	189	234	239	2 970	4.08	13 283	1.76
Oman	49	95	59	62	20	..	2.17	11 000	0.56
Palestinian Adm. Areas	182	481	529	596	625	..	2.16	..	..
Qatar (b)	3	3	3	-	-	..	0.66	7 500	-
Saudi Arabia	35	20	22	29	15	..	19.41	142 109	0.02
Syria	259	745	349	225	199	1 190	14.50	16 642	1.35
United Arab Emirates (b)	- 9	- 7	8	-	-	..	2.53	46 000	-
Yemen	314	172	175	260	366	240	15.78	4 485	5.81
Middle East Unall.	154	600	128	94	63	..	..	..	..
Middle East, Total	**3 129**	**4 393**	**2 908**	**4 870**	**2 549**	..	**154.80**	**(491 460)**	**(0.99)**
SOUTH AND CENTRAL ASIA									
Afghanistan	227	230	215	228	279	..	24.17	..	..
Armenia	109	191	218	295	168	630	3.77	1 621	18.19
Azerbaijan	22	147	109	106	182	460	7.58	3 590	2.96
Bangladesh	1 383	1 758	1 280	1 255	1 009	260	121.67	31 818	3.94
Bhutan	66	76	74	62	70	390	0.72	271	23.01
Georgia	101	176	209	318	246	660	5.41	4 519	7.05
India	1 459	2 325	1 746	1 936	1 678	390	945.12	355 911	0.54
Kazakstan	14	48	58	124	131	1 240	16.47	21 375	0.58
Kyrgyz Rep.	94	172	283	232	240	550	4.58	1 678	13.82
Maldives	29	30	56	33	26	1 080	0.26	284	11.51
Myanmar	101	162	152	56	45	..	45.88	..	..
Nepal	364	450	436	401	414	210	22.04	4 521	8.88
Pakistan	1 005	1 606	821	877	597	480	133.51	64 601	1.36
Sri Lanka	659	595	556	495	345	750	18.30	13 710	3.61
Tajikistan	26	67	65	113	101	320	5.93	1 987	5.69
Turkmenistan	25	25	26	24	11	870	4.60	4 026	0.59
Uzbekistan	7	28	81	87	130	990	23.23	23 684	0.37
South Asia Unall.	89	87	62	20	38	..	..	..	..
South and Central Asia, Total	**5 781**	**8 174**	**6 446**	**6 663**	**5 712**	..	**1 383.23**	**(533 595)**	**(1.25)**
FAR EAST ASIA									
Brunei (b)	5	5	4	-	-	..	0.29	8 000	-
Cambodia	317	339	567	453	372	300	10.28	3 116	14.53
China	3 271	3 238	3 534	2 618	2 040	750	1215.41	812 582	0.32
Hong Kong, China (c)	30	27	18	13	-	24 150	6.31	154 165	0.01
Chinese Taipei (c)	7	6	0	16	-	13 300	21.39	274 587	0.01
Indonesia	2 018	1 642	1 390	1 120	832	1 110	197.05	221 303	0.51
Korea, Dem. Rep.	14	6	14	43	202	..	22.45	..	..
Korea, Rep.	- 41	- 114	58	- 147	- 160	10 590	45.55	480 376	-0.03
Laos	207	218	313	339	341	400	4.73	1 857	18.23
Macao	0	0	- 4	0	0	..	0.46	..	..
Malaysia	94	68	115	- 454	- 241	4 450	20.57	94 563	-0.48
Mongolia	126	184	208	203	248	360	2.52	953	21.25
Philippines	1 487	1 058	886	883	689	1 160	71.90	87 136	1.01
Singapore (b)	24	17	17	-	-	30 590	3.04	94 403	-
Thailand	611	578	865	832	626	2 960	60.00	176 598	0.47
Timor	0	0	0	0	0	..	0.71	..	..
Viet Nam	258	897	829	927	997	290	75.36	23 340	3.97
Far East Asia Unall.	82	193	145	88	80	..	..	..	..
Far East Asia, Total	**8 511**	**8 363**	**8 960**	**6 932**	**6 026**	..	**1 758.01**	**(2 432 978)**	**(0.28)**
Asia Unspecified	190	188	453	508	258	..	..	..	..
ASIA, TOTAL	**17 611**	**21 118**	**18 768**	**18 973**	**14 545**	..	**3 296.03**	**(3 458 033)**	**(0.55)**

Table 25

ODA Receipts[a] and Selected Indicators for Developing Countries and Territories *(continued)*

	Net ODA Receipts ($ million)					GNP/CAP (e) 1996 US$	Population 1996 million	Current GNP 1996 $ million	ODA/GNP 1996 per cent
	1993	1994	1995	1996	1997				
EUROPE									
Albania	266	165	181	222	155	820	3.29	2 707	8.20
Cyprus (c)	34	44	22	30	-	..	0.74	8 486	0.36
Gibraltar	- 0	1	0	- 0	0	..	0.03	..	..
Malta	28	42	9	72	22	..	0.37	..	..
Moldova (d)	-	-	-	-	63	590	4.33	2 253	-
Turkey	406	160	304	233	- 1	2 830	62.70	183 994	0.13
Bosnia and Herzegovina	32	391	923	838	863	..	4.41	..	..
Croatia	-	110	54	133	44	4 280	4.49	19 036	0.70
Macedonia/FYROM	3	104	79	105	149	1 060	1.98	2 102	5.01
Slovenia	7	32	53	82	97	9 230	1.99	19 008	0.43
Yugoslavia, Fed. Rep.	-	49	95	70	97	..	10.54	..	..
Sts Ex-Yugoslavia Unspec.	2 536	1 034	436	612	275	..	..	..	..
Europe Unallocated	99	64	129	122	239	..	..	..	..
EUROPE, TOTAL	**3 411**	**2 196**	**2 285**	**2 518**	**2 003**	..	**94.87**	**(237 587)**	**(1.06)**
OCEANIA									
Cook Islands	13	14	13	11	10	..	0.02	..	..
Fiji	62	40	43	45	44	2 470	0.80	1 986	2.28
French Polynesia	334	368	451	404	367	..	0.22	..	..
Kiribati	16	15	15	13	16	920	0.08	77	16.91
Marshall Islands	32	49	39	73	63	1 890	0.06	114	64.09
Micronesia,Fed. States	64	104	77	113	96	2 060	0.11	227	49.74
Nauru	0	2	2	3	3	..	0.01	..	..
New Caledonia	395	408	451	396	339	..	0.20	..	..
Niue	5	7	8	7	5	..	0.00	..	..
Northern Marianas	89	2	- 0	- 2	0	..	0.06	..	..
Palau	-	202	142	62	39	..	0.02	..	..
Papua New Guinea	309	326	373	382	349	1 170	4.40	4 890	7.82
Solomon Islands	55	47	47	42	42	910	0.39	356	11.86
Tokelau	3	3	4	5	4	..	0.00	..	..
Tonga	31	35	39	32	28	1 780	0.10	181	17.70
Tuvalu	4	7	8	10	10	..	0.01	..	..
Vanuatu	35	42	46	31	27	1 290	0.17	227	13.67
Wallis & Futuna	0	0	1	2	1	..	0.01	..	..
Western Samoa	52	48	43	32	28	1 160	0.17	176	18.38
Oceania Unallocated	68	68	65	117	90	..	..	..	..
OCEANIA, TOTAL	**1 568**	**1 790**	**1 867**	**1 780**	**1 559**	..	**6.84**	**(8 234)**	**(21.62)**
LDCs Unspecified	7 381	6 546	8 541	6 448	7 187	..	..	..	..
ALL LDCs, TOTAL	**57 053**	**61 331**	**60 377**	**58 586**	**50 308**	..	**4 605.86**	**(5 943 407)**	**(0.99)**
By Income Group (f)									
LLDCs	15 104	16 258	16 654	14 235	13 546	..	596.02	(113 801)	(12.51)
Other LICs	12 450	16 441	15 388	14 862	11 982	..	2 646.59	(1 385 355)	(1.07)
LMICs	15 656	14 350	13 219	13 550	11 851	..	869.59	(1 345 819)	(1.01)
UMICs	2 174	2 384	2 396	2 031	1 907	..	404.14	(1 885 348)	(0.11)
HICs	886	733	1 083	794	686	..	46.90	(480 376)	(0.17)
Unallocated	9 418	9 839	11 221	10 842	10 337	..	..	..	..
MADCTs	1 365	1 326	417	2 272	-	..	42.63	(732 707)	(0.31)

a) ODA receipts are total net ODA flows from DAC countries, multilateral organisations and Arab countries.
b) These countries transferred to Part II of the DAC List of Aid Recipients on 1 January 1996; as of 1996 aid to these countries is counted as OA (see Table 42).
c) These countries transferred to Part II of the DAC List of Aid Recipients on 1 January 1997; as of 1997 aid to these countries is counted as OA (see Table 42).
d) Moldova transferred to Part I of the DAC List of Aid Recepients on 1 January 1997; through 1996 aid to Moldova is counted as Official Aid (OA) to CEECs/NIS (see Table 42).
e) World Bank Atlas basis (except data in parentheses, Secretariat estimates).

Definition of country categories:

f) *Least developed countries* (LLDCs) are the 48 countries in the current United Nations list. For details on other income groups see DAC List of Aid Recipients at the end of this volume. *More advanced developing countries and territories* (MADCTs) comprise countries which transferred to Part II of DAC List of Aid Recipients in 1996 or 1997, as per note *b)* and *c)* above.

Source: World Bank, Secretariat estimates. Group totals and averages are calculated on available data only.

	ODA to LLDCs	
	1986-87	1996-97
Australia	22.0	24.3
Austria	21.8	21.5
Belgium	64.7	43.7
Canada	43.6	37.2
Denmark	49.6	47.4
Finland	56.9	41.0
France	35.3	27.9
Germany	37.4	29.6
Ireland	67.5	66.2
Italy	60.4	37.6
Japan	30.3	20.9
Luxembourg	-	37.1
Netherlands	42.2	39.4
New Zealand	29.0	32.9
Norway	55.0	48.6
Portugal	-	91.6
Spain	39.1	21.2
Sweden	54.0	41.6
Switzerland	52.3	43.0
United Kingdom	44.9	38.4
United States	29.0	31.9
TOTAL DAC	**38.1**	**31.5**
of which:		
EU Members	44.3	34.2

Table 26

Distribution of ODA by Income Group[a]

Net disbursements as per cent of total ODA

ODA to Other LICs		ODA to LMICs		ODA to UMICs		ODA to HICs	
1986-87	1996-97	1986-87	1996-97	1986-87	1996-97	1986-87	1996-97
12.0	21.6	58.1	51.5	7.8	2.5	0.2	0.2
14.0	35.9	62.0	35.7	1.1	5.9	1.1	1.0
19.6	23.5	13.1	26.0	2.4	6.8	0.1	0.0
33.4	33.6	20.3	24.8	2.6	4.4	0.1	0.0
33.9	26.8	14.7	17.8	1.8	8.0	0.1	0.0
30.0	34.8	11.4	20.3	1.6	3.9	0.1	0.0
26.3	26.8	17.0	23.5	6.8	6.7	14.7	15.0
26.1	36.3	29.4	28.4	6.8	5.4	0.3	0.3
23.7	17.2	7.7	9.4	1.0	7.2	0.0	0.0
23.9	33.2	14.0	19.3	1.7	9.8	0.0	0.1
32.5	38.8	31.1	40.4	5.8	1.7	0.1	-1.8
-	26.0	-	26.1	-	10.7	-	0.1
29.5	27.0	20.3	21.6	1.9	5.7	6.0	6.3
6.8	13.4	35.6	42.9	28.5	10.3	0.1	0.5
32.3	24.6	10.6	21.1	2.0	5.6	0.1	0.0
-	2.8	-	3.9	-	1.6	-	0.0
15.5	26.6	42.4	45.8	2.9	6.4	0.1	0.0
35.8	28.1	8.7	24.3	1.5	6.0	0.1	0.0
27.1	32.0	18.1	20.4	2.4	4.6	0.1	0.0
34.8	37.1	10.5	17.2	8.1	7.2	1.6	0.1
19.4	27.0	47.2	36.9	1.3	5.4	3.0	-1.2
26.9	**31.6**	**27.9**	**29.7**	**4.2**	**5.1**	**2.9**	**2.1**
27.6	30.6	18.8	24.2	4.7	6.5	4.6	4.6

a) Including imputed multilateral ODA. Excluding unspecified amounts by region.

	Sub-Saharan Africa			South and Central Asia		
	1986-87	1991-92	1996-97	1986-87	1991-92	1996-97
Australia	6.2	8.3	7.4	4.9	6.6	7.4
Austria	13.7	13.2	21.8	3.2	3.8	3.4
Belgium	77.0	55.3	55.1	2.5	3.6	1.6
Canada	39.4	39.9	31.7	25.6	19.1	16.1
Denmark	62.2	60.6	55.1	20.7	20.0	15.6
Finland	66.4	50.4	44.0	14.3	11.6	9.7
France	53.0	55.4	54.0	4.5	2.8	2.1
Germany	28.2	27.1	23.6	16.6	12.5	11.1
Ireland	95.0	77.4	83.0	1.8	2.5	3.4
Italy	68.9	34.8	43.4	5.6	1.6	1.2
Japan	10.5	10.2	10.6	24.6	17.1	20.1
Luxembourg	-	50.7	51.7	-	6.4	6.9
Netherlands	40.1	37.0	35.4	20.3	17.8	16.2
New Zealand	0.9	1.8	4.8	1.0	0.7	3.1
Norway	65.6	63.9	52.4	23.7	18.5	14.4
Portugal	-	99.9	98.9	-	-	0.0
Spain	28.7	14.4	27.0	-	0.3	2.4
Sweden	59.9	55.2	45.0	19.3	11.4	11.4
Switzerland	54.8	42.2	40.8	16.7	19.4	18.2
United Kingdom	42.1	49.5	42.8	32.8	25.4	24.3
United States	13.2	12.4	15.9	9.4	6.5	10.2
TOTAL DAC	**30.6**	**27.1**	**28.8**	**14.9**	**10.5**	**12.4**
of which:						
EU Members	47.4	41.6	41.0	13.1	9.1	8.9
EC	57.3	59.1	42.8	10.6	5.0	9.1
IFIs[b]	38.2	39.5	36.2	39.1	37.4	30.9
UN Agencies[c]	40.7	43.5	36.0	21.0	13.8	12.3
OVERALL TOTAL	**33.5**	**31.6**	**31.9**	**18.7**	**13.6**	**15.2**

Table 27

Regional Distribution of ODA by Individual DAC Donors and Multilateral Agencies[a]

Per cent of total gross disbursements

Other Asia and Oceania			Middle East, North Africa and Europe			Latin America and Caribbean		
1986-87	1991-92	1996-97	1986-87	1991-92	1996-97	1986-87	1991-92	1996-97
86.9	83.8	82.8	1.8	1.2	2.3	0.3	0.1	0.1
5.1	34.5	26.5	73.8	44.6	41.3	4.3	3.9	6.9
9.0	12.8	12.8	4.8	15.8	9.8	6.7	12.5	20.8
13.9	15.9	14.7	4.2	8.8	15.7	17.0	16.3	21.8
6.9	6.3	14.2	7.7	6.0	5.2	2.5	7.0	9.9
8.4	10.7	22.9	4.6	19.3	15.8	6.4	8.0	7.6
20.6	19.3	20.4	15.8	17.0	18.8	6.1	5.5	4.7
11.5	12.3	21.0	27.9	38.2	27.2	15.8	9.9	17.0
1.5	2.9	3.2	0.3	15.9	7.3	1.3	1.3	3.1
6.4	9.0	2.5	10.7	34.9	35.3	8.3	19.7	17.6
48.3	51.0	50.5	8.7	12.0	7.8	7.9	9.7	11.0
-	2.9	9.1	-	25.2	13.2	-	14.8	19.2
14.4	11.7	5.0	6.1	7.9	16.2	19.1	25.6	27.3
97.6	96.5	90.2	0.0	0.3	0.2	0.5	0.6	1.7
4.1	6.2	7.3	0.8	1.4	17.0	5.9	9.9	8.9
-	0.0	0.1	-	0.0	0.5	-	0.1	0.5
-	17.9	12.4	6.8	22.7	13.0	64.5	44.7	45.1
11.4	10.9	13.2	3.0	11.3	17.8	6.3	11.3	12.7
6.3	9.7	9.2	4.9	13.1	13.5	17.3	15.6	18.2
10.9	10.5	10.2	6.8	6.9	8.3	7.3	7.7	14.3
9.6	3.4	9.0	46.4	58.5	49.8	21.5	19.2	15.2
20.6	**20.2**	**25.8**	**21.2**	**28.9**	**19.7**	**12.7**	**13.2**	**13.3**
13.2	14.2	16.2	15.9	23.3	19.6	10.3	11.8	14.3
9.2	5.6	5.8	13.8	22.2	30.0	9.1	8.0	12.4
10.1	15.4	16.8	2.4	1.3	4.9	10.2	6.4	11.2
15.8	11.6	9.9	10.6	21.3	20.9	11.9	9.8	20.8
18.3	**18.2**	**21.1**	**17.4**	**24.8**	**18.3**	**12.1**	**11.9**	**13.5**

a) Excluding non-specified amounts by region.
b) International financial institutions. Includes IDA, regional banks' soft windows and IFAD.
c) Includes UNDP, UNICEF, UNRWA, WFP, UNHCR and UNFPA.

	Per cent of total ODA			Per cent of DAC bil. ODA	Share in total population (%)	ODA receipts		ODA as percentage of LDCs' GNP	
	1986-87	1991-92	1996-97	1997	1997	$ billion 1997	Annual real % change 1987-97	1991-92	1996-97
SUB-SAHARAN AFRICA	**34.9**	**34.2**	**34.3**	**35.0**	**13.0**	**14.3**	**-1.1**	**8.9**	**5.0**
of which:									
Mozambique	1.7	2.4	2.1	2.6	0.4	1.0	1.0	108.7	41.1
Tanzania	2.4	2.3	2.1	2.4	0.7	1.0	-1.9	49.4	13.4
Uganda	0.8	1.3	1.7	1.9	0.4	0.8	7.6	24.8	12.1
Ethiopia	1.9	2.2	1.7	1.6	1.3	0.6	-2.7	14.1	12.1
Côte d'Ivoire	0.6	1.3	1.6	1.0	0.3	0.4	3.4	8.1	7.3
Rwanda	0.7	0.7	1.4	0.8	0.2	0.6	6.1	20.3	39.2
Zambia	1.4	1.9	1.4	1.6	0.2	0.6	0.8	33.6	17.5
Madagascar	1.0	0.8	1.4	2.3	0.3	0.8	6.8	14.9	16.5
Ghana	1.2	1.4	1.3	1.2	0.4	0.5	-1.1	11.8	8.9
Kenya	1.5	1.7	1.2	1.3	0.6	0.5	-4.7	11.3	5.6
Senegal	1.9	1.3	1.1	1.2	0.2	0.4	-6.9	11.5	11.1
Mali	1.1	0.9	1.1	1.1	0.2	0.5	-0.4	17.0	19.0
Cameroon	0.6	1.2	1.0	1.4	0.3	0.5	6.5	6.0	5.4
Malawi	0.7	1.1	1.0	0.7	0.2	0.4	-0.6	28.6	18.6
Burkina Faso	0.9	0.8	0.9	0.9	0.2	0.4	0.3	15.4	15.9
Zimbabwe	0.8	1.1	0.8	0.9	0.2	0.3	-1.6	10.8	4.2
Congo, Rep.	0.4	0.2	0.8	1.1	0.1	0.3	3.5	4.7	19.1
Niger	1.0	0.7	0.7	0.8	0.2	0.3	-3.2	16.0	15.8
Sudan	2.8	1.4	0.5	0.4	0.6	0.2	-16.9	9.6	..
Nigeria	0.2	0.5	0.4	0.2	2.5	0.2	7.9	0.9	0.4
Congo, Dem. Rep.	1.7	0.7	0.4	0.4	1.0	0.2	-15.4	..	3.2
Eritrea	-	-	0.3	0.3	0.1	0.1	..	-	17.8
Somalia	1.7	0.8	0.2	0.2	0.2	0.1	-18.1	..	..
ASIA	**29.7**	**29.5**	**28.6**	**27.8**	**68.1**	**11.6**	**-1.3**	**0.9**	**0.5**
of which:									
China	3.8	4.9	5.3	5.2	26.1	2.0	1.2	0.6	0.3
India	5.7	5.0	4.1	3.9	20.4	1.7	-3.0	0.9	0.5
Bangladesh	5.0	3.6	2.6	2.3	2.6	1.0	-8.2	7.7	3.5
Indonesia	3.0	3.8	2.2	3.4	4.2	0.8	-6.5	1.6	0.5
Viet Nam	0.4	0.8	2.2	2.5	1.6	1.0	21.3	4.1	4.0
Philippines	2.5	2.7	1.8	2.4	1.6	0.7	-3.1	2.8	0.9
Pakistan	2.7	2.3	1.7	0.3	2.9	0.6	-5.7	2.5	1.1
Thailand	1.4	1.4	1.7	2.6	1.3	0.6	0.2	0.8	0.4
Sri Lanka	1.6	1.5	1.0	1.0	0.4	0.3	-5.8	8.4	2.9
Nepal	1.0	0.9	0.9	1.0	0.5	0.4	-1.3	12.7	8.6

Table 28

Total Net Receipts of ODA by Region and Selected Developing Countries

	Per cent of total ODA 1986-87	Per cent of total ODA 1991-92	Per cent of total ODA 1996-97	Per cent of DAC bil. ODA 1997	Share in total population (%) 1997	ODA receipts $ billion 1997	ODA receipts Annual real % change 1987-97	ODA as percentage of LDCs' GNP 1991-92	ODA as percentage of LDCs' GNP 1996-97
OCEANIA	**3.8**	**2.7**	**3.6**	**5.8**	**0.1**	**1.5**	**-2.0**	**22.9**	**26.9**
NORTH AFRICA AND MIDDLE EAST	**19.0**	**19.4**	**15.3**	**14.0**	**6.2**	**5.3**	**-3.6**	**2.0**	**1.3**
of which:									
Egypt	5.2	8.3	4.7	6.4	1.3	1.9	-1.3	12.4	2.9
Israel[a]	4.9	3.7	2.5	-	0.1	-	..	3.0	1.1
Morocco	1.2	2.1	1.3	0.9	0.6	0.5	-1.5	4.1	1.6
Jordan	1.8	1.3	1.1	1.2	0.1	0.5	-4.8	16.0	7.1
Yemen	1.1	0.5	0.7	0.7	0.3	0.4	-3.9	7.6	6.8
Algeria	0.6	0.7	0.6	0.8	0.6	0.2	-1.3	0.8	0.6
Syria	2.2	0.6	0.5	0.4	0.3	0.2	-14.0	2.0	1.3
Tunisia	0.8	0.7	0.4	0.3	0.2	0.2	-5.7	2.7	0.9
LATIN AMERICA AND CARIBBEAN	**11.2**	**10.1**	**13.4**	**14.2**	**10.4**	**5.5**	**0.8**	**0.5**	**0.3**
of which:									
Bolivia	1.0	1.1	1.8	1.9	0.2	0.7	5.7	12.1	10.7
Nicaragua	0.4	1.4	1.6	1.1	0.1	0.4	8.5	46.0	39.0
Peru	0.9	1.0	1.0	1.5	0.5	0.5	2.2	1.6	0.7
Honduras	0.8	0.6	0.8	0.7	0.1	0.3	-0.5	10.8	7.9
El Salvador	1.2	0.7	0.7	1.0	0.1	0.3	-5.7	6.1	2.8
Mexico	0.6	0.6	0.5	0.4	2.0	0.1	-6.0	0.1	0.1
Costa Rica	0.7	0.3	0.0	0.0	0.1	0.0	-35.2	2.5	0.0
EUROPE	**1.4**	**4.2**	**4.7**	**3.3**	**2.2**	**1.8**	**10.5**	**1.5**	**0.9**
of which:									
Turkey	1.1	1.8	0.3	-0.3	1.4	0.0	-32.6	0.7	0.1
Cyprus[a]	0.1	0.1	0.0	-	0.0	-	..	0.5	0.2
OVERALL TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**40.0**	**-1.1**	**1.4**	**0.8**

a) These countries transferred to Part II of the DAC List of Aid Recipients on 1 January 1997; through 1996 aid to these countries is counted as ODA.

Note: Net ODA from DAC Members and DAC Member-financed multilateral organisations. Excluding amounts not allocated by country.

	1981-82 average	1986-87 average	1993	1994
			$ million at 1996 prices	
DAC BILATERAL				
Australia	64	49	63	75
Austria	43	35	82	79
Belgium	473	65	253	232
Canada	341	416	297	271
Denmark	245	360	410	406
Finland	79	172	105	99
France	2259	2664	3496	3487
Germany	1512	1461	1514	1314
Ireland	14	21	30	42
Italy	274	1586	641	449
Japan	645	814	991	1081
Luxembourg	-	-	16	19
Netherlands	598	738	588	581
New Zealand	1	1	2	5
Norway	230	418	368	422
Portugal	-	-	210	239
Spain	-	22	83	122
Sweden	480	593	643	525
Switzerland	139	265	222	216
United Kingdom	609	527	538	675
United States	1063	1123	1543	1525
TOTAL DAC	**9 070**	**11 727**	**12096**	**11 863**
MULTILATERAL				
AfDF	199	480	731	598
EC	1614	1387	1 939	2328
Nordic Dev. Fund	-	-	-	9
IBRD	34	1	-	-
IDA	1181	2300	2393	2983
IFAD	36	171	44	41
UNTA	61	80	93	69
UNICEF	120	185	341	352
UNDP	523	401	360	298
UNHCR	269	265	366	554
WFP	379	371	975	814
Total above	4417	5 640	7241	8045
Other UN	182	177	143	137
Arab Agencies	342	102	-11	26
Other Multilateral	28	10	136	494
TOTAL MULTILATERAL	**4969**	**5930**	**7509**	**8702**
Arab Countries	1280	638	44	15
Other	387	619	9	-
OVERALL TOTAL	**15706**	**18913**	**19657**	**20580**

Table 29

Net Disbursements of ODA to Sub-Saharan Africa by Donor

and exchange rates			As percentage of donor's ODA						
			1981-82	1986-87					
1995	1996	1997	average	average	1993	1994	1995	1996	1997
65	61	51	7.9	5.8	7.2	8.1	6.5	7.1	6.4
74	94	75	10.9	13.5	16.9	13.0	13.6	22.8	21.6
190	201	241	64.6	68.6	45.9	47.3	38.2	37.9	48.3
281	272	231	31.1	28.3	18.4	18.3	19.9	20.0	18.8
360	453	432	51.1	53.2	45.7	44.4	41.0	42.8	38.2
76	79	74	51.0	54.9	33.0	39.2	36.0	37.0	33.0
2665	2429	2450	47.2	47.6	49.2	47.3	42.0	42.2	45.4
1221	1221	1057	28.8	29.8	28.9	28.5	26.3	26.9	25.4
62	76	93	69.7	57.7	65.5	67.3	70.1	66.4	74.0
398	322	300	49.8	62.4	28.6	21.2	44.6	39.7	61.4
1164	1084	877	10.8	11.0	12.2	12.2	13.0	13.2	12.1
25	30	34	-	-	42.4	42.4	57.8	53.3	45.9
670	684	644	27.8	36.6	28.5	30.7	31.0	30.1	26.7
4	4	6	1.3	0.8	2.1	4.8	3.7	3.7	5.0
388	395	414	48.0	57.0	47.4	43.0	41.9	41.8	42.5
154	149	177	-	-	99.4	98.5	93.8	95.2	98.1
80	213	213	-	15.2	7.9	12.5	9.7	24.0	24.7
417	465	441	43.5	46.2	38.8	31.8	32.6	33.3	32.5
209	193	205	32.8	43.8	28.4	26.6	28.1	26.7	30.4
613	630	585	33.1	33.8	31.6	35.6	35.0	35.2	31.9
1074	635	782	14.3	11.3	19.6	20.0	18.7	9.2	16.1
10190	**9688**	**9382**	**26.5**	**28.5**	**27.6**	**27.0**	**26.0**	**24.8**	**26.8**
535	571	602	93.8	97.7	95.9	94.8	96.3	96.6	94.8
1726	2007	1964	52.1	50.6	42.6	45.2	36.8	38.2	34.6
11	27	21	-	-	-	34.9	23.6	38.9	40.7
-	-	-	23.6	35.0	-	-	-	-	-
2221	2445	2421	27.7	43.6	48.0	49.7	46.2	42.7	42.8
63	77	44	20.2	34.2	48.3	53.2	75.5	50.7	37.5
122	58	91	15.3	18.3	24.4	24.1	22.3	23.9	26.6
303	284	303	28.9	34.9	38.2	41.3	39.0	42.0	42.9
267	324	415	35.0	33.5	26.9	22.4	21.9	22.0	23.7
417	374	396	33.8	43.9	26.0	49.5	48.6	44.9	52.4
602	561	548	33.5	35.3	58.8	54.6	56.4	51.8	47.5
6268	6729	6805	36.4	44.0	45.1	47.5	42.8	41.8	40.4
149	138	83	13.7	16.4	11.0	11.3	11.7	14.3	15.2
-	-	-	43.8	63.8	-5.5	9.7	-	-	-
1506	155	17	1.7	2.0	9.8	20.4	51.9	8.5	1.1
7923	**7022**	**6905**	**31.1**	**40.7**	**39.6**	**41.7**	**42.1**	**37.1**	**36.4**
11	38	99	11.1	12.1	4.3	1.8	2.3	6.8	21.3
-	-	-	6.7	8.5	50.5	-	-	-	-
18125	**16749**	**16386**	**23.3**	**27.7**	**30.8**	**31.4**	**31.0**	**28.6**	**30.1**

Note: The data in this table for the "overall total" do not coincide with those of Table 30 with the exception of the base year 1996. The figures in this table have been deflated by individual DAC country deflators whilst all figures in Table 30 are deflated with the total DAC deflator. Negative figures indicate that loan repayments exceed new lending.

Table 30

Net Disbursements of ODA to Sub-Saharan Africa by Recipient

$ million at 1996 prices and exchange rates

	1981-82 average	1986-87 average	1994	1995	1996	1997
Angola	136	229	483	408	544	469
Benin	171	216	275	275	293	243
Botswana	197	197	95	90	81	134
Burkina Faso	427	442	466	476	418	399
Burundi	255	304	335	282	204	128
Cameroon	407	326	782	433	413	539
Cape Verde	110	156	130	114	120	118
Central African Republic	191	244	178	164	167	99
Chad	123	282	230	234	305	242
Comoros	85	77	43	42	40	30
Congo, Dem. Rep.	736	836	263	191	167	181
Congo, Rep.	150	181	387	122	430	289
Côte d'Ivoire	259	317	1706	1183	968	478
Djibouti	122	170	138	104	97	93
Equatorial Guinea	27	61	32	33	31	26
Eritrea	-	-	169	146	157	132
Ethiopia	657	1168	1150	867	849	685
Gabon	109	129	195	141	127	43
Gambia	124	160	76	47	38	44
Ghana	280	587	585	638	654	531
Guinea	185	314	385	406	296	411
Guinea-Bissau	130	143	188	114	180	135
Kenya	930	776	724	714	606	492
Lesotho	196	148	125	112	107	101
Liberia	216	137	68	120	207	103
Madagascar	542	518	310	296	364	902
Malawi	257	359	503	424	501	377
Mali	460	571	474	532	505	490
Mauritania	370	389	288	225	274	269
Mauritius	105	99	15	23	20	45
Mayotte	27	51	112	105	130	112
Mozambique	377	990	1317	1075	923	1037
Namibia	-	25	148	188	189	178
Niger	449	532	404	268	259	367
Nigeria	76	99	204	207	192	218
Rwanda	303	345	765	695	674	637
Sao Tome and Principe	19	26	54	82	47	36
Senegal	671	953	690	655	582	459
Seychelles	36	47	14	13	19	16
Sierra Leone	153	128	296	202	196	140
Somalia	836	844	575	187	91	112
South Africa	-	-	315	377	361	535
St. Helena	18	26	15	12	16	16
Sudan	1386	1436	442	231	230	202
Swaziland	64	59	60	54	31	29
Tanzania	1353	1213	1036	861	894	1037
Togo	143	231	135	188	166	133
Uganda	269	374	806	811	684	904
Zambia	522	681	769	1986	614	665
Zimbabwe	423	409	601	481	374	352
South of Sahara Unall.	365	691	683	410	916	804
OVERALL TOTAL	**15 451**	**18 694**	**20 235**	**18043**	**16749**	**16217**

Note: The data in this table for the “overall total” do not coincide with those of Table 29 with the exception of the base year 1996. The figures in Table 29 have been deflated by individual DAC country deflators whilst all figures in this table are deflated with the total DAC deflator.

Table 31

Aid from DAC Countries to Least Developed Countries[a]

Net disbursements

	1986-87			1996			1997		
	$ million	Per cent of donor's total	Per cent of donor's GNP	$ million	Per cent of donor's total	Per cent of donor's GNP	$ million	Per cent of donor's total	Per cent of donor's GNP
Australia	128	19	0.07	219	20	0.06	199	19	0.05
Austria	38	19	0.04	77	14	0.03	92	17	0.04
Belgium	311	50	0.24	220	24	0.08	204	27	0.08
Canada	565	32	0.15	341	19	0.06	468	23	0.08
Denmark	295	38	0.33	558	31	0.33	486	30	0.29
Finland	165	44	0.21	117	29	0.10	93	24	0.08
France	1246	27	0.16	1419	19	0.09	1390	22	0.10
Germany	1161	28	0.11	1691	22	0.07	1138	19	0.05
Ireland	21	36	0.08	76	42	0.13	89	48	0.15
Italy	1244	50	0.18	592	25	0.05	324	26	0.03
Japan	1750	27	0.08	1418	15	0.03	1771	19	0.04
Luxembourg	-	-	-	22	27	0.12	28	29	0.16
Netherlands	645	34	0.33	898	28	0.23	793	27	0.22
New Zealand	16	20	0.05	26	21	0.04	35	23	0.06
Norway	344	41	0.46	508	39	0.33	514	39	0.34
Portugal	-	-	-	148	68	0.14	166	66	0.16
Spain	33	15	0.01	142	11	0.02	201	16	0.04
Sweden	483	39	0.34	573	29	0.24	514	30	0.23
Switzerland	187	39	0.12	304	30	0.10	297	33	0.11
United Kingdom	550	31	0.09	810	25	0.07	772	22	0.06
United States	1700	18	0.04	1254	13	0.02	1343	20	0.02
TOTAL DAC	**10 882**	**28**	**0.09**	**11412**	**21**	**0.05**	**10916**	**23**	**0.05**
of which:									
EU Members	6190	33	0.15	7343	23	0.09	6289	24	0.08

a) Including imputed multilateral flows, *i.e.* making allowance for contributions through multilateral organisations, calculated using the geographical distribution of multilateral disbursements for the year of reference.

Table 32

Regional Distribution of ODA by DAC Donors[a]

Net disbursements | $ million, two-year averages

	Sub-Saharan Africa		South and Central Asia		Other Asia and Oceania		Middle East and North Africa		Latin America and Caribbean	
	1986-87	1996-97	1986-87	1996-97	1986-87	1996-97	1986-87	1996-97	1986-87	1996-97
Australia	73	118	72	115	444	647	17	19	9	12
Austria	43	107	15	23	8	84	91	43	8	38
Belgium	350	269	50	26	47	58	20	44	32	104
Canada	536	441	392	185	180	172	58	123	172	199
Denmark	328	567	142	168	60	143	48	80	28	153
Finland	170	118	58	35	30	47	15	23	21	29
France	2042	2667	379	229	723	1138	471	978	232	305
Germany	1227	1612	626	568	316	858	429	797	482	801
Ireland	22	92	5	8	2	6	1	7	1	8
Italy	1328	486	268	200	155	103	151	164	152	154
Japan	1100	1388	1752	1653	2088	2701	307	685	439	1214
Luxembourg	-	34	-	6	-	7	-	7	-	14
Netherlands	662	835	350	332	206	98	86	215	243	574
New Zealand	4	10	3	6	53	92	0	2	1	5
Norway	391	522	163	161	47	91	15	100	49	126
Portugal	-	161	-	2	-	2	-	3	-	4
Spain	32	249	10	35	4	110	4	109	33	325
Sweden	525	585	214	185	112	175	35	132	63	177
Switzerland	205	299	68	139	28	78	18	45	58	120
United Kingdom	556	875	384	496	140	236	53	122	99	283
United States	1456	1331	951	610	720	424	2948	2073	1383	657
TOTAL DAC	**11 052**	**12765**	**5901**	**5183**	**5362**	**7268**	**4 767**	**5771**	**3504**	**5302**
of which:										
EU Members	7287	8656	2501	2314	1803	3064	1405	2724	1394	2969

a) Including imputed multilateral flows, *i.e.* making allowance for contributions through multilateral organisations, calculated using the geographical distribution of multilateral disbursements for the year of reference. Excluding Europe and unspecified.

Table 33

Regional Distribution of ODA by DAC Donors[a]

Net disbursements — Per cent of each donor's programme, two-year averages

	Sub-Saharan Africa		South and Central Asia		Other Asia and Oceania		Middle East and North Africa		Latin America and Caribbean	
	1986-87	1996-97	1986-87	1996-97	1986-87	1996-97	1986-87	1996-97	1986-87	1996-97
Australia	11.9	13.0	11.7	12.6	72.3	71.1	2.7	2.1	1.5	1.3
Austria	26.2	36.1	8.9	7.7	5.1	28.5	55.0	14.7	4.9	13.0
Belgium	70.1	53.7	10.0	5.2	9.4	11.6	4.1	8.7	6.4	20.8
Canada	40.1	39.4	29.3	16.5	13.4	15.3	4.3	11.0	12.9	17.7
Denmark	54.1	51.0	23.4	15.1	9.8	12.8	8.0	7.2	4.7	13.8
Finland	58.0	47.1	19.7	13.9	10.2	18.5	5.1	9.0	7.0	11.5
France	53.1	50.2	9.9	4.3	18.8	21.4	12.2	18.4	6.0	5.7
Germany	39.8	34.8	20.3	12.3	10.2	18.5	13.9	17.2	15.7	17.3
Ireland	71.2	76.2	15.6	6.5	6.2	5.2	3.2	5.7	3.9	6.4
Italy	64.6	43.9	13.1	18.1	7.6	9.3	7.4	14.8	7.4	13.9
Japan	19.3	18.2	30.8	21.6	36.7	35.3	5.4	9.0	7.7	15.9
Luxembourg	-	50.1	-	9.2	-	9.9	-	10.9	-	19.9
Netherlands	42.8	40.6	22.6	16.2	13.3	4.8	5.6	10.5	15.7	27.9
New Zealand	6.7	8.8	5.4	5.5	85.9	80.0	0.7	1.6	1.3	4.1
Norway	58.8	52.2	24.5	16.1	7.1	9.1	2.2	10.0	7.4	12.6
Portugal	-	93.6	-	1.4	-	1.0	-	1.7	-	2.3
Spain	38.9	30.1	11.6	4.3	4.4	13.3	5.3	13.1	39.9	39.3
Sweden	55.3	46.6	22.6	14.8	11.8	13.9	3.7	10.5	6.6	14.1
Switzerland	54.6	43.9	18.0	20.4	7.4	11.5	4.7	6.6	15.3	17.6
United Kingdom	45.1	43.5	31.2	24.7	11.4	11.7	4.3	6.1	8.0	14.0
United States	19.5	26.1	12.7	12.0	9.7	8.3	39.5	40.7	18.5	12.9
TOTAL DAC	**36.1**	**35.2**	**19.3**	**14.3**	**17.5**	**20.0**	**15.6**	**15.9**	**11.4**	**14.6**
of which:										
EU Members	50.7	43.9	17.4	11.7	12.6	15.5	9.8	13.8	9.6	15.1

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 Europe and unspecified.

Gross disbursements

Australia 1976-77		Australia 1986-87		Australia 1996-97	
Papua New Guinea	59.9	Papua New Guinea	31.9	Papua New Guinea	22.0
Indonesia	7.2	Indonesia	6.5	Indonesia	7.6
India	1.9	Malaysia	5.8	Philippines	4.6
Thailand	1.8	Thailand	2.6	Viet Nam	4.1
Bangladesh	1.7	China	2.1	China	2.7
Philippines	1.7	Philippines	2.0	Cambodia	2.4
Malaysia	1.2	Fiji	1.8	Thailand	1.6
Fiji	1.1	Ethiopia	1.7	Bangladesh	1.5
Pakistan	1.1	Bangladesh	1.3	India	1.4
Western Samoa	1.0	Solomon Islands	1.3	Laos	1.2
Viet Nam	0.7	Myanmar	1.2	Fiji	1.2
Sri Lanka	0.6	Egypt	1.1	Egypt	1.0
Myanmar	0.6	Vanuatu	1.0	Vanuatu	0.9
Solomon Islands	0.4	Hong Kong, China	1.0	Western Samoa	0.8
Laos	0.4	Tonga	0.7	Sri Lanka	0.8
Total above	**81.5**	**Total above**	**62.0**	**Total above**	**53.9**
Multilateral ODA	14.1	Multilateral ODA	24.0	Multilateral ODA	23.6
Unallocated	1.0	Unallocated	7.1	Unallocated	12.3
Total ODA $ million	**391**	**Total ODA $ million**	**690**	**Total ODA $ million**	**1 075**
LLDCs	6.7	LLDCs	15.6	LLDCs	19.5
Other LICs	5.8	Other LICs	4.9	Other LICs	15.6
LMICs	85.5	LMICs	70.0	LMICs	62.2
UMICs	1.7	UMICs	9.3	UMICs	2.5
HICs	0.2	HICs	0.2	HICs	0.2
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	0.0	Europe	0.0	Europe	0.3
North of Sahara	0.0	North of Sahara	1.5	North of Sahara	1.4
South of Sahara	2.0	South of Sahara	6.2	South of Sahara	7.4
N. and C. America	0.1	N. and C. America	0.1	N. and C. America	0.0
South America	0.0	South America	0.1	South America	0.0
Middle East	0.1	Middle East	0.2	Middle East	0.5
S. and C. Asia	7.5	S. and C. Asia	4.9	S. and C. Asia	7.4
Far East Asia	16.0	Far East Asia	31.3	Far East Asia	39.2
Oceania	74.3	Oceania	55.6	Oceania	43.6
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Austria 1976-77		Austria 1986-87
Egypt	20.4	Algeria
Cameroon	16.5	Egypt
India	3.7	Turkey
Turkey	2.5	Iran
Iran	2.3	Kenya
Pakistan	1.3	India
Ex-Yugoslavia. Uns	0.9	Mozambique
Guatemala	0.9	Ex-Yugoslavia. Uns
Malaysia	0.8	Rwanda
Bolivia	0.8	Cape Verde
Brazil	0.7	Korea, Rep.
Nigeria	0.7	Tanzania
Indonesia	0.6	Guatemala
Burkina Faso	0.5	Chinese Tapei
Mexico	0.5	China
Total above	**53.1**	**Total above**
Multilateral ODA	26.3	Multilateral ODA
Unallocated	13.1	Unallocated
Total ODA $ million	**80**	**Total ODA $ million**
LLDCs	4.5	LLDCs
Other LICs	38.9	Other LICs
LMICs	52.2	LMICs
UMICs	4.1	UMICs
HICs	0.3	HICs
Total Bilateral	**100.0**	**Total Bilateral**
Europe	9.5	Europe
North of Sahara	33.7	North of Sahara
South of Sahara	32.6	South of Sahara
N. and C. America	2.6	N. and C. America
South America	4.4	South America
Middle East	5.1	Middle East
S. and C. Asia	8.5	S. and C. Asia
Far East Asia	3.2	Far East Asia
Oceania	0.6	Oceania
Total Bilateral	**100.0**	**Total Bilateral**

Table 34

Major Recipients of Individual DAC Members' Aid

Per cent of total ODA

	1996-97	
30.1	Bosnia-Herzegovina	12.1
10.8	Indonesia	10.4
4.1	Egypt	4.1
3.3	China	3.8
2.0	Ghana	2.6
1.7	Turkey	2.3
1.2	Uganda	2.2
1.0	Iran	1.5
0.9	Tanzania	1.3
0.9	Nicaragua	1.2
0.8	Croatia	1.1
0.8	Guatemala	0.9
0.8	Bhutan	0.9
0.7	Ex-Yugoslavia. Uns	0.8
0.6	Mozambique	0.7
59.7	**Total above**	**46.0**
22.6	Multilateral ODA	31.3
8.1	Unallocated	6.2
222	**Total ODA $ million**	**585**
10.1	LLDCs	16.1
9.1	Other LICs	37.5
78.1	LMICs	40.8
1.5	UMICs	4.5
1.2	HICs	1.0
100.0	**Total Bilateral**	**100.0**
9.5	Europe	29.2
58.3	North of Sahara	7.3
13.7	South of Sahara	21.8
2.5	N. and C. America	4.4
1.8	South America	2.5
6.0	Middle East	4.8
3.2	S. and C. Asia	3.4
4.7	Far East Asia	26.5
0.3	Oceania	0.0
100.0	**Total Bilateral**	**100.0**

Belgium					
1976-77		1986-87		1996-97	
Congo, Dem. Rep.	28.3	Congo, Dem. Rep.	21.2	Bolivia	3.8
Rwanda	7.7	Rwanda	4.7	Rwanda	3.0
Burundi	4.4	Burundi	3.1	Congo, Dem. Rep.	2.6
Indonesia	3.8	China	2.2	Madagascar	1.5
Morocco	3.0	Indonesia	1.5	Viet Nam	1.3
Tunisia	2.8	Cameroon	1.3	Côte D'Ivoire	1.2
India	1.7	Niger	1.0	Morocco	1.2
Bangladesh	1.2	Senegal	0.9	Tanzania	1.2
Côte D'Ivoire	1.1	Zambia	0.7	Benin	1.1
Peru	1.0	Morocco	0.7	China	1.1
Senegal	0.8	Tunisia	0.7	Burkina Faso	1.1
Niger	0.7	Ethiopia	0.6	Ecuador	1.1
Philippines	0.7	Côte D'Ivoire	0.6	Senegal	1.0
Egypt	0.7	Bangladesh	0.5	Angola	1.0
Pakistan	0.7	Mali	0.5	Algeria	0.9
Total above	**58.7**	**Total above**	**40.2**	**Total above**	**23.1**
Multilateral ODA	30.8	Multilateral ODA	35.8	Multilateral ODA	40.6
Unallocated	1.2	Unallocated	11.5	Unallocated	18.0
Total ODA $ million	**357**	**Total ODA $ million**	**624**	**Total ODA $ million**	**878**
LLDCs	65.7	LLDCs	69.8	LLDCs	44.7
Other LICs	8.8	Other LICs	13.0	Other LICs	17.9
LMICs	22.9	LMICs	14.3	LMICs	31.6
UMICs	2.4	UMICs	2.8	UMICs	5.8
HICs	0.2	HICs	0.1	HICs	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	1.3	Europe	1.0	Europe	1.6
North of Sahara	10.4	North of Sahara	3.5	North of Sahara	7.1
South of Sahara	67.4	South of Sahara	77.0	South of Sahara	55.1
N. and C. America	1.1	N. and C. America	2.1	N. and C. America	4.3
South America	4.6	South America	4.6	South America	16.5
Middle East	1.1	Middle East	0.4	Middle East	1.1
S. and C. Asia	5.4	S. and C. Asia	2.5	S. and C. Asia	1.6
Far East Asia	8.8	Far East Asia	8.9	Far East Asia	12.8
Oceania	0.0	Oceania	0.1	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Gross disbursements

Canada 1976-77		Canada 1986-87		Canada 1996-97	
India	5.6	Bangladesh	4.7	Egypt	3.3
Pakistan	5.5	India	2.8	Bangladesh	2.3
Bangladesh	4.8	Indonesia	2.7	India	1.9
Indonesia	1.8	Pakistan	2.6	China	1.9
Tanzania	1.6	Tanzania	1.7	Haiti	1.4
Sri Lanka	1.6	Jamaica	1.4	Peru	1.2
Ghana	1.4	China	1.4	Indonesia	1.2
Malawi	1.3	Niger	1.3	Pakistan	1.1
Tunisia	1.3	Kenya	1.3	Rwanda	1.0
Nigeria	1.0	Sri Lanka	1.2	Ghana	0.9
Cameroon	1.0	Ethiopia	1.2	Philippines	0.8
Kenya	0.9	Senegal	1.2	Senegal	0.8
Zambia	0.9	Thailand	1.2	Nicaragua	0.7
Algeria	0.9	Zambia	1.1	Ex-Yugoslavia. Uns	0.7
Niger	0.9	Ghana	1.0	Ethiopia	0.7
Total above	**30.5**	**Total above**	**26.8**	**Total above**	**19.8**
Multilateral ODA	46.4	Multilateral ODA	34.8	Multilateral ODA	31.9
Unallocated	9.8	Unallocated	21.2	Unallocated	31.8
Total ODA $ million	**942**	**Total ODA $ million**	**1 822**	**Total ODA $ million**	**1 992**
LLDCs	33.4	LLDCs	38.5	LLDCs	31.2
Other LICs	43.2	Other LICs	31.4	Other LICs	32.1
LMICs	20.1	LMICs	26.8	LMICs	32.4
UMICs	3.2	UMICs	3.3	UMICs	4.3
HICs	0.0	HICs	0.1	HICs	0.1
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	0.9	Europe	0.1	Europe	3.7
North of Sahara	7.4	North of Sahara	3.5	North of Sahara	9.7
South of Sahara	34.8	South of Sahara	39.4	South of Sahara	31.7
N. and C. America	8.6	N. and C. America	11.9	N. and C. America	12.6
South America	3.6	South America	5.1	South America	9.2
Middle East	-	Middle East	0.7	Middle East	2.4
S. and C. Asia	39.6	S. and C. Asia	25.6	S. and C. Asia	16.1
Far East Asia	5.2	Far East Asia	13.7	Far East Asia	14.3
Oceania	0.0	Oceania	0.2	Oceania	0.4
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Denmark 1976-77		Denmark 1986-87	
Tanzania	11.5	Tanzania	
Viet Nam	5.9	Bangladesh	
India	4.6	India	
Kenya	4.6	Kenya	
Bangladesh	3.3	China	
Egypt	2.4	Egypt	
Mozambique	2.0	Malawi	
Malawi	1.8	Botswana	
Botswana	1.6	Mozambique	
Bolivia	1.2	Senegal	
Sudan	1.0	Burkina Faso	
Congo, Dem. Rep.	0.7	Cameroon	
Zambia	0.7	Benin	
Senegal	0.6	Zimbabwe	
Lesotho	0.6	Thailand	
Total above	**42.4**	**Total above**	
Multilateral ODA	43.1	Multilateral ODA	
Unallocated	6.4	Unallocated	
Total ODA $ million	**241**	**Total ODA $ million**	
LLDCs	49.7	LLDCs	
Other LICs	33.3	Other LICs	
LMICs	16.5	LMICs	
UMICs	0.4	UMICs	
HICs	0.0	HICs	
Total Bilateral	**100.0**	**Total Bilateral**	
Europe	1.4	Europe	
North of Sahara	5.2	North of Sahara	
South of Sahara	56.1	South of Sahara	
N. and C. America	0.8	N. and C. America	
South America	3.1	South America	
Middle East	0.7	Middle East	
S. and C. Asia	18.8	S. and C. Asia	
Far East Asia	13.8	Far East Asia	
Oceania	0.2	Oceania	
Total Bilateral	**100.0**	**Total Bilateral**	

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

	1996-97		Finland 1976-77		Finland 1986-87		Finland 1996-97	
10.6	Tanzania	4.4	Tanzania	22.2	Tanzania	8.5	China	4.0
4.9	Uganda	3.6	Zambia	11.5	Zambia	5.8	Bosnia-Herzegovina	2.9
4.7	India	2.4	Kenya	3.3	Somalia	3.6	Mozambique	2.6
3.1	Ghana	2.3	Mozambique	3.2	Sri Lanka	3.3	Zambia	2.5
2.4	Mozambique	2.2	Bangladesh	3.1	Kenya	3.1	Tanzania	2.4
2.3	Bangladesh	2.2	Viet Nam	2.9	Viet Nam	2.9	Viet Nam	2.2
2.2	Viet Nam	2.0	Cuba	2.4	Ethiopia	2.8	Namibia	1.9
1.7	South Africa	1.9	Ethiopia	2.4	Nepal	2.0	Thailand	1.8
1.6	Egypt	1.8	Egypt	0.5	Mozambique	2.0	Ethiopia	1.7
1.3	Nicaragua	1.7	Nigeria	0.4	Nicaragua	1.9	Nicaragua	1.6
1.1	Thailand	1.5	Lebanon	0.2	Egypt	1.9	Nepal	1.5
1.1	Zambia	1.4	Philippines	0.1	Sudan	1.9	Zimbabwe	1.4
1.0	Burkina Faso	1.4	Peru	0.1	Zimbabwe	1.5	Kenya	1.0
1.0	Kenya	1.3	Sudan	0.1	Namibia	1.2	Iraq	0.9
0.9	China	1.2	Yemen	0.1	Myanmar	0.7	Egypt	0.9
39.9	**Total above**	**31.4**	**Total above**	**52.6**	**Total above**	**43.1**	**Total above**	**29.4**
41.7	Multilateral ODA	38.4	Multilateral ODA	43.7	Multilateral ODA	39.6	Multilateral ODA	46.0
5.5	Unallocated	17.5	Unallocated	2.7	Unallocated	11.6	Unallocated	14.2
878	**Total ODA $ million**	**1 747**	**Total ODA $ million**	**50**	**Total ODA $ million**	**373**	**Total ODA $ million**	**405**
56.9	LLDCs	48.0	LLDCs	79.8	LLDCs	61.0	LLDCs	36.7
28.5	Other LICs	30.9	Other LICs	12.7	Other LICs	27.8	Other LICs	39.1
14.0	LMICs	15.2	LMICs	7.3	LMICs	10.3	LMICs	20.7
0.6	UMICs	5.9	UMICs	0.1	UMICs	0.8	UMICs	3.5
0.0	HICs	-	HICs	0.0	HICs	0.0	HICs	-
100.0	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
-	Europe	0.5	Europe	0.1	Europe	0.2	Europe	8.8
6.5	North of Sahara	4.1	North of Sahara	1.0	North of Sahara	3.9	North of Sahara	2.1
62.2	South of Sahara	55.1	South of Sahara	80.2	South of Sahara	66.4	South of Sahara	44.0
1.6	N. and C. America	6.4	N. and C. America	4.6	N. and C. America	4.7	N. and C. America	6.3
0.9	South America	3.5	South America	1.7	South America	1.7	South America	1.4
1.2	Middle East	0.6	Middle East	0.7	Middle East	0.5	Middle East	4.9
20.7	S. and C. Asia	15.6	S. and C. Asia	5.9	S. and C. Asia	14.3	S. and C. Asia	9.7
6.9	Far East Asia	14.2	Far East Asia	5.7	Far East Asia	8.3	Far East Asia	22.9
0.0	Oceania	0.0	Oceania	0.1	Oceania	0.1	Oceania	0.0
100.0	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Gross disbursements

France					
1976-77		1986-87		1996-97	
Morocco	6.0	French Polynesia	5.8	French Polynesia	5.3
French Polynesia	5.3	New Caledonia	5.3	New Caledonia	5.0
Algeria	4.8	Morocco	3.8	Côte D'Ivoire	4.7
New Caledonia	4.6	Senegal	3.4	Egypt	3.7
Côte D'Ivoire	4.0	Côte D'Ivoire	3.0	Cameroon	3.6
Senegal	3.8	Madagascar	2.2	Morocco	3.6
Tunisia	3.6	Congo, Rep.	2.2	Congo, Rep.	3.4
Cameroon	3.2	Egypt	2.1	Madagascar	3.1
India	2.4	India	1.6	Senegal	2.6
Congo, Rep.	2.3	Central African Rep.	1.6	Algeria	2.4
Chad	2.1	Cameroon	1.5	Gabon	1.7
Djibouti	2.0	Mexico	1.4	Mayotte	1.4
Pakistan	2.0	Mali	1.4	Niger	1.3
Niger	2.0	Tunisia	1.3	Tunisia	1.2
Burkina Faso	1.9	Niger	1.3	Burkina Faso	1.1
Total above	**49.8**	**Total above**	**37.9**	**Total above**	**44.2**
Multilateral ODA	20.7	Multilateral ODA	22.1	Multilateral ODA	20.3
Unallocated	10.5	Unallocated	16.0	Unallocated	14.1
Total ODA $ million	**1 575**	**Total ODA $ million**	**4 851**	**Total ODA $ million**	**7 962**
LLDCs	28.2	LLDCs	30.2	LLDCs	25.4
Other LICs	27.4	Other LICs	23.6	Other LICs	27.5
LMICs	25.8	LMICs	19.7	LMICs	23.2
UMICs	4.3	UMICs	8.3	UMICs	8.0
HICs	14.4	HICs	18.2	HICs	15.8
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	0.8	Europe	1.0	Europe	0.9
North of Sahara	20.9	North of Sahara	12.6	North of Sahara	15.4
South of Sahara	48.1	South of Sahara	53.0	South of Sahara	54.0
N. and C. America	1.2	N. and C. America	4.0	N. and C. America	1.8
South America	1.6	South America	2.1	South America	2.9
Middle East	1.4	Middle East	2.2	Middle East	2.4
S. and C. Asia	7.3	S. and C. Asia	4.5	S. and C. Asia	2.1
Far East Asia	4.0	Far East Asia	3.3	Far East Asia	5.4
Oceania	14.6	Oceania	17.3	Oceania	15.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Germany		
1976-77		1986-87
India	6.7	Turkey
Egypt	4.8	India
Bangladesh	3.4	Indonesia
Pakistan	3.3	Egypt
Ex-Yugoslavia. Uns	3.1	Brazil
Israel	2.7	Israel
Tunisia	2.6	Pakistan
Turkey	2.3	China
Indonesia	2.3	Morocco
Algeria	1.6	United Arab Emirates
Korea, Rep.	1.5	Peru
Brazil	1.5	Bangladesh
Tanzania	1.3	Sri Lanka
Jordan	1.3	Sudan
Peru	1.1	Tanzania
Total above	**39.5**	**Total above**
Multilateral ODA	31.4	Multilateral ODA
Unallocated	5.3	Unallocated
Total ODA $ million	**1 993**	**Total ODA $ million**
LLDCs	25.3	LLDCs
Other LICs	24.2	Other LICs
LMICs	41.9	LMICs
UMICs	6.1	UMICs
HICs	2.6	HICs
Total Bilateral	**100.0**	**Total Bilateral**
Europe	10.6	Europe
North of Sahara	15.4	North of Sahara
South of Sahara	20.8	South of Sahara
N. and C. America	2.4	N. and C. America
South America	10.3	South America
Middle East	8.3	Middle East
S. and C. Asia	23.6	S. and C. Asia
Far East Asia	8.5	Far East Asia
Oceania	0.1	Oceania
Total Bilateral	**100.0**	**Total Bilateral**

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

			Ireland					
	1996-97		1976-77		1986-87		1996-97	
4.9	China	6.0	Lesotho	3.2	Lesotho	7.1	Ethiopia	8.1
4.8	Egypt	5.4	Tanzania	1.9	Zambia	5.4	Tanzania	6.1
3.3	Turkey	2.8	Zambia	0.6	Tanzania	5.1	Zambia	5.6
3.0	Nicaragua	2.7	Sudan	0.5	Sudan	3.9	Lesotho	4.2
2.5	Indonesia	2.7	India	0.5	Zimbabwe	1.5	Uganda	4.0
2.1	India	2.6	Kenya	0.4	Kenya	0.6	Rwanda	2.6
2.1	Brazil	1.2	Bangladesh	0.4	Rwanda	0.4	South Africa	2.5
1.7	Philippines	1.1	Nigeria	0.3	Burundi	0.4	Mozambique	2.4
1.5	Pakistan	1.1	Swaziland	0.3	Ethiopia	0.4	Bosnia-Herzegovina	2.2
1.4	Bolivia	1.1	Gambia	0.2	Bangladesh	0.3	Zimbabwe	1.3
1.4	Peru	1.1	Colombia	0.2	Gambia	0.2	Kenya	1.2
1.4	Iraq	1.0	Yemen	0.2	Peru	0.2	Palestinian Adm. Areas	1.1
1.3	Ethiopia	0.9	Sierra Leone	0.2	Sierra Leone	0.2	Sudan	1.1
1.1	Morocco	0.8	Botswana	0.1	Ghana	0.2	Nigeria	0.9
1.1	Bangladesh	0.8	Ethiopia	0.1	Uganda	0.2	Burundi	0.9
33.8	**Total above**	**31.2**	**Total above**	**9.2**	**Total above**	**25.8**	**Total above**	**44.2**
26.0	Multilateral ODA	33.0	Multilateral ODA	81.8	Multilateral ODA	53.7	Multilateral ODA	35.9
9.5	Unallocated	8.4	Unallocated	8.8	Unallocated	18.8	Unallocated	10.0
4 832	**Total ODA $ million**	**8 035**	**Total ODA $ million**	**8**	**Total ODA $ million**	**57**	**Total ODA $ million**	**183**
27.7	LLDCs	20.4	LLDCs	79.2	LLDCs	86.5	LLDCs	74.5
25.0	Other LICs	32.7	Other LICs	12.6	Other LICs	10.1	Other LICs	14.1
38.2	LMICs	39.2	LMICs	8.2	LMICs	3.2	LMICs	5.7
8.3	UMICs	7.0	UMICs	-	UMICs	0.3	UMICs	5.7
0.8	HICs	0.7	HICs	-	HICs	-	HICs	-
100.0	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
10.9	Europe	7.7	Europe	-	Europe	-	Europe	4.3
8.1	North of Sahara	12.0	North of Sahara	-	North of Sahara	0.1	North of Sahara	0.1
28.2	South of Sahara	23.6	South of Sahara	87.1	South of Sahara	95.0	South of Sahara	83.1
4.9	N. and C. America	7.6	N. and C. America	-	N. and C. America	0.2	N. and C. America	1.9
10.9	South America	9.5	South America	3.0	South America	1.1	South America	1.2
8.9	Middle East	7.5	Middle East	2.0	Middle East	0.2	Middle East	2.8
16.6	S. and C. Asia	11.1	S. and C. Asia	7.4	S. and C. Asia	1.8	S. and C. Asia	3.4
11.1	Far East Asia	20.8	Far East Asia	0.5	Far East Asia	1.3	Far East Asia	3.1
0.4	Oceania	0.2	Oceania	-	Oceania	0.2	Oceania	0.1
100.0	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Gross disbursements

Italy					
1976-77		1986-87		1996-97	
Pakistan	5.3	Somalia	7.7	Malta	2.3
Tunisia	5.1	Ethiopia	5.5	Uganda	2.1
India	4.2	Tanzania	4.5	Bosnia-Herzegovina	1.9
Turkey	3.8	Mozambique	3.8	Ethiopia	1.8
Indonesia	2.7	Sudan	3.4	Jordan	1.6
Somalia	2.5	China	2.7	Albania	1.5
Lybia	2.1	Tunisia	2.5	Nicaragua	1.4
Morocco	2.0	Pakistan	1.6	Mozambique	1.4
Egypt	1.6	Senegal	1.5	Argentina	1.4
Ethiopia	0.9	India	1.5	Congo, Rep.	1.3
Yemen	0.9	Kenya	1.3	Guinea-Bissau	1.1
Malta	0.6	Angola	1.2	Egypt	1.1
Algeria	0.5	Congo, Dem. Rep.	1.2	Algeria	1.1
Syria	0.4	Egypt	1.2	Eritrea	1.0
Senegal	0.4	Burkina Faso	1.1	Kenya	0.9
Total above	**33.0**	**Total above**	**40.7**	**Total above**	**21.9**
Multilateral ODA	59.5	Multilateral ODA	32.6	Multilateral ODA	61.0
Unallocated	2.2	Unallocated	7.4	Unallocated	2.8
Total ODA $ million	**262**	**Total ODA $ million**	**2 540**	**Total ODA $ million**	**1 980**
LLDCs	16.3	LLDCs	63.5	LLDCs	33.0
Other LICs	28.3	Other LICs	18.1	Other LICs	27.2
LMICs	46.1	LMICs	16.5	LMICs	25.5
UMICs	9.3	UMICs	1.9	UMICs	14.2
HICs	0.0	HICs	0.0	HICs	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	12.5	Europe	2.0	Europe	17.0
North of Sahara	29.0	North of Sahara	6.9	North of Sahara	10.0
South of Sahara	17.3	South of Sahara	68.9	South of Sahara	43.4
N. and C. America	1.1	N. and C. America	3.6	N. and C. America	6.2
South America	3.9	South America	4.7	South America	11.4
Middle East	4.3	Middle East	1.8	Middle East	8.3
S. and C. Asia	24.8	S. and C. Asia	5.6	S. and C. Asia	1.2
Far East Asia	7.1	Far East Asia	6.4	Far East Asia	2.5
Oceania	-	Oceania	0.0	Oceania	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Japan		
1976-77		1986-87
Indonesia	13.7	Indonesia
India	7.3	China
Korea, Rep.	5.1	Philippines
Pakistan	4.3	India
Philippines	3.9	Thailand
Thailand	3.7	Bangladesh
Bangladesh	3.4	Myanmar
Egypt	3.4	Malaysia
Iraq	2.6	Korea, Rep.
Malaysia	2.5	Pakistan
Myanmar	1.7	Egypt
Brazil	1.6	Sri Lanka
Viet Nam	1.4	Turkey
Iran	1.3	Nepal
Sri Lanka	1.2	Brazil
Total above	**57.0**	**Total above**
Multilateral ODA	30.8	Multilateral ODA
Unallocated	1.1	Unallocated
Total ODA $ million	**1 444**	**Total ODA $ million**
LLDCs	12.1	LLDCs
Other LICs	23.6	Other LICs
LMICs	49.3	LMICs
UMICs	7.4	UMICs
HICs	7.6	HICs
Total Bilateral	**100.0**	**Total Bilateral**
Europe	1.1	Europe
North of Sahara	6.6	North of Sahara
South of Sahara	5.5	South of Sahara
N. and C. America	1.4	N. and C. America
South America	5.3	South America
Middle East	6.3	Middle East
S. and C. Asia	27.0	S. and C. Asia
Far East Asia	46.1	Far East Asia
Oceania	0.6	Oceania
Total Bilateral	**100.0**	**Total Bilateral**

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

	1996-97	
8.7	Indonesia	9.5
7.1	China	7.6
6.5	Thailand	6.0
4.7	India	5.8
4.7	Philippines	5.6
4.2	Malaysia	2.9
3.1	Pakistan	2.6
3.0	Bangladesh	2.3
2.3	Sri Lanka	1.7
2.3	Viet Nam	1.5
1.8	Egypt	1.3
1.8	Mexico	1.3
1.7	Korea, Rep.	1.2
1.0	Jordan	1.1
0.9	Brazil	0.9
53.8	**Total above**	**51.0**
27.1	Multilateral ODA	15.9
3.1	Unallocated	10.3
7 368	**Total ODA $ million**	**12 734**
20.9	LLDCs	14.3
26.6	Other LICs	32.5
41.2	LMICs	43.3
7.7	UMICs	8.2
3.5	HICs	1.6
100.0	**Total Bilateral**	**100.0**
2.6	Europe	1.3
3.1	North of Sahara	2.5
10.5	South of Sahara	10.6
2.7	N. and C. America	5.6
5.2	South America	5.4
2.9	Middle East	4.0
24.6	S. and C. Asia	20.1
47.1	Far East Asia	48.6
1.2	Oceania	2.0
100.0	**Total Bilateral**	**100.0**

Luxembourg					
1976-77		1986-87		1996-97	
				Cape Verde	7.4
				Namibia	3.9
				Tunisia	3.7
				Viet Nam	3.0
				Nicaragua	3.0
				Niger	2.9
				Senegal	2.7
				India	2.4
				Rwanda	2.2
				Chile	2.2
				Mauritius	2.1
				Congo, Dem. Rep.	1.7
				Burkina Faso	1.5
				El Salvador	1.5
				Bosnia-Herzegovina	1.3
				Total above	**41.4**
Multilateral ODA	-	Multilateral ODA	-	Multilateral ODA	30.5
Unallocated	-	Unallocated	-	Unallocated	7.5
Total ODA $ million	**-**	**Total ODA $ million**	**-**	**Total ODA $ million**	**88**
LLDCs	-	LLDCs	-	LLDCs	38.6
Other LICs	-	Other LICs	-	Other LICs	24.7
LMICs	-	LMICs	-	LMICs	27.0
UMICs	-	UMICs	-	UMICs	9.6
HICs	-	HICs	-	HICs	0.1
Total Bilateral	**-**	**Total Bilateral**	**-**	**Total Bilateral**	**100.0**
Europe	-	Europe	-	Europe	4.4
North of Sahara	-	North of Sahara	-	North of Sahara	6.1
South of Sahara	-	South of Sahara	-	South of Sahara	51.7
N. and C. America	-	N. and C. America	-	N. and C. America	10.6
South America	-	South America	-	South America	8.6
Middle East	-	Middle East	-	Middle East	2.6
S. and C. Asia	-	S. and C. Asia	-	S. and C. Asia	6.9
Far East Asia	-	Far East Asia	-	Far East Asia	9.1
Oceania	-	Oceania	-	Oceania	-
Total Bilateral	**-**	**Total Bilateral**	**-**	**Total Bilateral**	**100.0**

Gross disbursements

Netherlands 1976-77		1986-87		1996-97	
Suriname	14.9	Indonesia	6.8	Netherlands Antilles	3.4
India	8.0	India	6.3	India	3.1
Indonesia	5.1	Netherlands Antilles	3.4	Bosnia-Herzegovina	2.6
Netherlands Antilles	5.1	Tanzania	3.4	Suriname	2.4
Tanzania	4.2	Sudan	2.8	Bangladesh	2.0
Pakistan	2.9	Kenya	2.7	Tanzania	1.9
Bangladesh	2.2	Bangladesh	2.7	Bolivia	1.8
Viet Nam	1.9	Mozambique	2.2	Ethiopia	1.4
Sudan	1.7	Zambia	1.9	Yemen	1.4
Kenya	1.6	Pakistan	1.6	Mozambique	1.3
Colombia	1.2	Aruba	1.5	Kenya	1.3
Sri Lanka	1.0	Zimbabwe	1.5	Palestinian Adm. Areas	1.3
Egypt	1.0	Egypt	1.4	Mali	1.2
Ethiopia	0.9	Yemen	1.3	Peru	1.1
Peru	0.8	Peru	1.2	Burkina Faso	1.1
Total above	**52.6**	**Total above**	**40.8**	**Total above**	**27.5**
Multilateral ODA	28.6	Multilateral ODA	30.8	Multilateral ODA	27.1
Unallocated	5.4	Unallocated	10.0	Unallocated	18.8
Total ODA $ million	**868**	**Total ODA $ million**	**2 006**	**Total ODA $ million**	**3 297**
LLDCs	22.8	LLDCs	36.9	LLDCs	35.9
Other LICs	26.6	Other LICs	27.9	Other LICs	27.0
LMICs	40.9	LMICs	24.9	LMICs	24.7
UMICs	1.7	UMICs	1.8	UMICs	4.3
HICs	8.0	HICs	8.5	HICs	8.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	1.2	Europe	0.4	Europe	6.6
North of Sahara	2.7	North of Sahara	3.1	North of Sahara	2.0
South of Sahara	23.9	South of Sahara	40.1	South of Sahara	35.4
N. and C. America	9.6	N. and C. America	12.7	N. and C. America	14.4
South America	27.0	South America	6.4	South America	12.9
Middle East	1.2	Middle East	2.7	Middle East	7.5
S. and C. Asia	21.3	S. and C. Asia	20.3	S. and C. Asia	16.2
Far East Asia	12.9	Far East Asia	14.3	Far East Asia	4.8
Oceania	0.2	Oceania	0.1	Oceania	0.2
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

New Zealand 1976-77		1986-87
Cook Islands	12.6	Cook Islands
Fiji	10.5	Niue
Indonesia	6.5	Tuvalu
Niue	5.8	Western Samoa
Philippines	5.7	Fiji
Western Samoa	5.3	Tonga
Malaysia	3.6	Indonesia
Thailand	3.5	Papua New Guinea
Tonga	3.2	Tokelau
Papua New Guinea	2.9	Solomon Islands
Tokelau	2.2	Kiribati
Sri Lanka	0.9	Vanuatu
India	0.8	Thailand
Korea, Rep.	0.8	Philippines
Nepal	0.8	Malaysia
Total above	**65.3**	**Total above**
Multilateral ODA	19.3	Multilateral ODA
Unallocated	7.8	Unallocated
Total ODA $ million	**53**	**Total ODA $ million**
LLDCs	14.8	LLDCs
Other LICs	3.8	Other LICs
LMICs	57.7	LMICs
UMICs	22.5	UMICs
HICs	1.1	HICs
Total Bilateral	**100.0**	**Total Bilateral**
Europe	0.1	Europe
North of Sahara	0.1	North of Sahara
South of Sahara	1.5	South of Sahara
N. and C. America	0.7	N. and C. America
South America	1.2	South America
Middle East	0.1	Middle East
S. and C. Asia	5.8	S. and C. Asia
Far East Asia	27.2	Far East Asia
Oceania	63.4	Oceania
Total Bilateral	**100.0**	**Total Bilateral**

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

	1996-97	
19.0	Western Samoa	4.6
6.2	Papua New Guinea	4.4
4.7	Fiji	4.4
4.5	Cook Islands	4.1
3.8	Tonga	4.0
3.2	Niue	3.7
2.8	Solomon Islands	3.5
2.4	Tokelau	3.1
2.1	Vanuatu	3.0
1.8	Indonesia	2.8
1.6	Philippines	2.0
1.6	Viet Nam	1.8
1.2	Kiribati	1.6
1.1	Tuvalu	1.1
0.2	China	1.0
56.3	**Total above**	**45.1**
21.6	Multilateral ODA	22.0
20.3	Unallocated	22.3
81	**Total ODA $ million**	**138**
25.5	LLDCs	32.6
0.8	Other LICs	9.0
40.2	LMICs	48.0
33.3	UMICs	9.8
0.1	HICs	0.6
100.0	**Total Bilateral**	**100.0**
-	Europe	0.1
0.0	North of Sahara	-
0.9	South of Sahara	4.8
0.1	N. and C. America	0.8
0.4	South America	0.9
0.0	Middle East	0.1
1.0	S. and C. Asia	3.1
9.7	Far East Asia	18.8
87.9	Oceania	71.4
100.0	**Total Bilateral**	**100.0**

Norway					
1976-77		1986-87		1996-97	
Tanzania	7.8	Tanzania	8.7	Mozambique	4.1
India	4.8	Bangladesh	4.5	Tanzania	4.0
Bangladesh	4.4	Mozambique	4.0	Palestinian Adm. Areas	3.5
Kenya	4.2	Kenya	3.7	Bosnia-Herzegovina	3.3
Pakistan	2.8	Zambia	3.6	Bangladesh	2.7
Zambia	2.7	India	3.3	Zambia	2.6
Botswana	2.4	Zimbabwe	2.3	Ethiopia	1.9
Sudan	2.1	Botswana	1.7	Angola	1.9
Viet Nam	2.0	Sri Lanka	1.6	Uganda	1.9
Mozambique	1.9	Pakistan	1.5	Sri Lanka	1.8
Cameroon	1.9	Nicaragua	1.5	Nicaragua	1.7
Cuba	1.2	Ethiopia	1.2	Rwanda	1.4
Tunisia	0.9	China	0.8	Zimbabwe	1.3
Guinea-Bissau	0.9	Madagascar	0.6	South Africa	1.3
Sri Lanka	0.8	Sudan	0.6	Guatemala	1.2
Total above	**40.7**	**Total above**	**39.6**	**Total above**	**34.5**
Multilateral ODA	47.2	Multilateral ODA	40.3	Multilateral ODA	28.9
Unallocated	6.1	Unallocated	12.7	Unallocated	15.4
Total ODA $ million	**257**	**Total ODA $ million**	**846**	**Total ODA $ million**	**1 312**
LLDCs	48.3	LLDCs	58.1	LLDCs	51.8
Other LICs	37.8	Other LICs	32.3	Other LICs	23.5
LMICs	13.8	LMICs	8.7	LMICs	20.8
UMICs	0.1	UMICs	0.9	UMICs	3.8
HICs	0.0	HICs	-	HICs	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	4.5	Europe	0.5	Europe	8.6
North of Sahara	2.3	North of Sahara	0.1	North of Sahara	0.6
South of Sahara	56.9	South of Sahara	65.6	South of Sahara	52.4
N. and C. America	3.0	N. and C. America	4.7	N. and C. America	6.7
South America	0.2	South America	1.2	South America	2.2
Middle East	0.2	Middle East	0.2	Middle East	7.9
S. and C. Asia	26.6	S. and C. Asia	23.7	S. and C. Asia	14.4
Far East Asia	6.1	Far East Asia	4.0	Far East Asia	7.2
Oceania	0.3	Oceania	0.0	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Gross disbursements

Portugal 1976-77		Portugal 1986-87		Portugal 1996-97		Spain 1976-77		Spain 1986-87
				Mozambique	30.6			Ecuador
				Angola	13.3			Equatorial Guinea
				Guinea-Bissau	9.9			Cuba
				Cape Verde	5.8			Tunisia
				Sao Tome & Principe	5.3			Peru
				Namibia	0.7			Argentina
				Brazil	0.2			Morocco
				Turkey	0.2			Cape Verde
				Timor	0.1			Angola
				Zimbabwe	0.1			Mozambique
				Burundi	0.0			Mexico
				Rwanda	0.0			Malta
				Algeria	0.0			Turkey
				Guatemala	0.0			Croatia
				Seychelles	0.0			Bosnia-Herzegovina
				Total above	**66.4**			**Total above**
Multilateral ODA	-	Multilateral ODA	44.3	Multilateral ODA	31.4	Multilateral ODA	-	Multilateral ODA
Unallocated	-	Unallocated	55.8	Unallocated	2.1	Unallocated	-	Unallocated
Total ODA $ million	**-**	**Total ODA $ million**	**40**	**Total ODA $ million**	**236**	**Total ODA $ million**	**-**	**Total ODA $ million**
LLDCs	-	LLDCs	-	LLDCs	97.7	LLDCs	-	LLDCs
Other LICs	-	Other LICs	-	Other LICs	0.2	Other LICs	-	Other LICs
LMICs	-	LMICs	-	LMICs	1.6	LMICs	-	LMICs
UMICs	-	UMICs	-	UMICs	0.4	UMICs	-	UMICs
HICs	-	HICs	-	HICs	0.0	HICs	-	HICs
Total Bilateral	**-**	**Total Bilateral**	**-**	**Total Bilateral**	**100.0**	**Total Bilateral**	**-**	**Total Bilateral**
Europe	-	Europe	-	Europe	0.3	Europe	-	Europe
North of Sahara	-	North of Sahara	-	North of Sahara	0.1	North of Sahara	-	North of Sahara
South of Sahara	-	South of Sahara	-	South of Sahara	98.9	South of Sahara	-	South of Sahara
N. and C. America	-	N. and C. America	-	N. and C. America	0.1	N. and C. America	-	N. and C. America
South America	-	South America	-	South America	0.4	South America	-	South America
Middle East	-	Middle East	-	Middle East	0.0	Middle East	-	Middle East
S. and C. Asia	-	S. and C. Asia	-	S. and C. Asia	0.0	S. and C. Asia	-	S. and C. Asia
Far East Asia	-	Far East Asia	-	Far East Asia	0.1	Far East Asia	-	Far East Asia
Oceania	-	Oceania	-	Oceania	-	Oceania	-	Oceania
Total Bilateral	**-**	**Total Bilateral**	**-**	**Total Bilateral**	**100.0**	**Total Bilateral**	**-**	**Total Bilateral**

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

	1996-97		Sweden 1976-77		Sweden 1986-87		Sweden 1996-97	
5.5	Argentina	4.2	Viet Nam	14.4	Tanzania	7.4	Tanzania	3.0
2.7	Congo, Rep.	3.9	India	8.2	India	5.0	Mozambique	3.0
0.8	Angola	3.3	Tanzania	7.9	Mozambique	5.0	Viet Nam	2.2
0.5	Indonesia	3.2	Mozambique	3.0	Viet Nam	4.1	Iraq	2.1
0.5	Ecuador	3.0	Bangladesh	3.0	Ethiopia	2.8	India	2.1
0.3	Madagascar	2.9	Kenya	2.9	Zambia	2.8	Ethiopia	2.0
0.3	Colombia	2.7	Ethiopia	2.6	Bangladesh	2.6	South Africa	2.0
0.3	China	2.7	Zambia	2.3	Zimbabwe	2.2	Nicaragua	1.9
0.1	Morocco	2.5	Cuba	2.1	Sri Lanka	1.8	Angola	1.7
0.1	Peru	2.2	Tunisia	1.9	Nicaragua	1.7	Uganda	1.7
0.1	Bolivia	2.0	Botswana	1.5	Kenya	1.7	Bangladesh	1.6
0.0	Nicaragua	1.8	Sri Lanka	1.5	Angola	1.6	Bosnia-Herzegovina	1.6
0.0	Honduras	1.7	Guinea-Bissau	1.4	Botswana	1.2	Zimbabwe	1.6
0.0	Guatemala	1.5	Laos	0.7	Algeria	1.1	Zambia	1.4
0.0	Palestinian Adm. Areas	1.4	Cape Verde	0.5	Guinea-Bissau	1.0	Palestinian Adm. Areas	1.3
11.1	**Total above**	**39.2**	**Total above**	**53.7**	**Total above**	**42.0**	**Total above**	**29.4**
59.8	Multilateral ODA	30.8	Multilateral ODA	35.9	Multilateral ODA	32.0	Multilateral ODA	30.2
29.0	Unallocated	11.0	Unallocated	8.1	Unallocated	20.5	Unallocated	20.7
219	**Total ODA $ million**	**1 354**	**Total ODA $ million**	**695**	**Total ODA $ million**	**1 236**	**Total ODA $ million**	**1 865**
28.7	LLDCs	17.9	LLDCs	40.8	LLDCs	55.4	LLDCs	42.0
-	Other LICs	24.4	Other LICs	48.9	Other LICs	36.3	Other LICs	26.4
67.6	LMICs	47.4	LMICs	10.3	LMICs	7.5	LMICs	26.0
3.7	UMICs	10.3	UMICs	-	UMICs	0.7	UMICs	5.5
-	HICs	0.0	HICs	-	HICs	-	HICs	0.0
100.0	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
-	Europe	1.3	Europe	0.5	Europe	-	Europe	8.6
6.8	North of Sahara	8.6	North of Sahara	3.5	North of Sahara	2.7	North of Sahara	1.1
28.7	South of Sahara	27.0	South of Sahara	42.6	South of Sahara	59.9	South of Sahara	45.0
8.0	N. and C. America	16.2	N. and C. America	3.6	N. and C. America	5.3	N. and C. America	8.0
56.6	South America	29.0	South America	-	South America	1.0	South America	4.7
-	Middle East	3.2	Middle East	0.1	Middle East	0.3	Middle East	8.1
-	S. and C. Asia	2.4	S. and C. Asia	23.2	S. and C. Asia	19.3	S. and C. Asia	11.4
-	Far East Asia	12.4	Far East Asia	26.5	Far East Asia	11.4	Far East Asia	13.2
-	Oceania	0.0	Oceania	-	Oceania	-	Oceania	0.0
100.0	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Gross disbursements

Switzerland 1976-77		Switzerland 1986-87		Switzerland 1996-97	
India	14.6	Tanzania	3.7	India	2.5
Pakistan	9.0	India	3.4	Mozambique	2.3
Indonesia	6.4	Bolivia	2.7	Bolivia	2.2
Nepal	2.6	Mozambique	2.7	Tanzania	2.0
Kenya	2.6	Madagascar	2.5	Rwanda	1.5
Bangladesh	2.3	Senegal	2.5	Burkina Faso	1.4
Cameroon	2.3	Rwanda	2.0	Bosnia-Herzegovina	1.4
Peru	2.0	Nepal	1.9	Nepal	1.3
Rwanda	1.4	Mali	1.9	Pakistan	1.2
Burkina Faso	1.2	Indonesia	1.7	Peru	1.2
Madagascar	1.1	Pakistan	1.7	Madagascar	1.1
Bolivia	1.0	Cameroon	1.5	South Africa	1.1
Lebanon	0.9	Honduras	1.4	Viet Nam	1.1
Turkey	0.9	Burundi	1.4	Bangladesh	1.0
Chad	0.6	Peru	1.3	Egypt	1.0
Total above	**49.0**	**Total above**	**32.5**	**Total above**	**22.4**
Multilateral ODA	32.0	Multilateral ODA	26.3	Multilateral ODA	32.7
Unallocated	9.5	Unallocated	19.8	Unallocated	22.9
Total ODA $ million	**149**	**Total ODA $ million**	**488**	**Total ODA $ million**	**978**
LLDCs	23.4	LLDCs	50.3	LLDCs	44.6
Other LICs	51.5	Other LICs	27.8	Other LICs	27.6
LMICs	23.9	LMICs	20.2	LMICs	23.7
UMICs	1.1	UMICs	1.6	UMICs	4.1
HICs	0.1	HICs	0.0	HICs	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	4.3	Europe	0.5	Europe	8.1
North of Sahara	1.3	North of Sahara	2.7	North of Sahara	2.5
South of Sahara	22.8	South of Sahara	54.8	South of Sahara	40.8
N. and C. America	0.9	N. and C. America	6.7	N. and C. America	6.9
South America	6.9	South America	10.6	South America	11.3
Middle East	3.2	Middle East	1.7	Middle East	2.8
S. and C. Asia	48.3	S. and C. Asia	16.7	S. and C. Asia	18.2
Far East Asia	12.2	Far East Asia	6.2	Far East Asia	9.2
Oceania	0.0	Oceania	0.1	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

United Kingdon 1976-77		United Kingdon 1986-87
India	15.3	India
Pakistan	3.7	Bangladesh
Bangladesh	2.9	Malaysia
Kenya	2.8	Kenya
Malawi	2.1	Zambia
Zambia	1.6	Sudan
Solomon Islands	1.4	Pakistan
Sudan	1.0	Ghana
Tanzania	1.0	Tanzania
Nigeria	1.0	Malawi
Swaziland	0.9	Mozambique
Vanuatu	0.9	Sri Lanka
Fiji	0.9	Egypt
Malaysia	0.9	Gibraltar
Indonesia	0.8	St. Helena
Total above	**36.9**	**Total above**
Multilateral ODA	39.4	Multilateral ODA
Unallocated	7.1	Unallocated
Total ODA $ million	**1 101**	**Total ODA $ million**
LLDCs	28.1	LLDCs
Other LICs	47.2	Other LICs
LMICs	14.6	LMICs
UMICs	9.1	UMICs
HICs	1.1	HICs
Total Bilateral	**100.0**	**Total Bilateral**
Europe	2.4	Europe
North of Sahara	1.1	North of Sahara
South of Sahara	29.3	South of Sahara
N. and C. America	6.0	N. and C. America
South America	4.4	South America
Middle East	2.3	Middle East
S. and C. Asia	43.4	S. and C. Asia
Far East Asia	3.9	Far East Asia
Oceania	7.1	Oceania
Total Bilateral	**100.0**	**Total Bilateral**

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

	1996-97	
8.7	India	5.2
2.9	Zambia	2.4
2.4	Guyana	2.4
2.3	Uganda	2.2
2.3	Bangladesh	2.1
1.8	Tanzania	2.0
1.7	Ex-Yugoslavia. Uns	1.8
1.6	Malawi	1.7
1.5	Mozambique	1.6
1.4	Pakistan	1.6
1.2	Indonesia	1.6
1.0	China	1.5
0.9	Kenya	1.4
0.9	Ghana	1.1
0.9	South Africa	1.0
31.5	**Total above**	**29.5**
41.0	Multilateral ODA	42.1
12.0	Unallocated	14.0
1 941	**Total ODA $ million**	**3 415**
38.1	LLDCs	38.1
37.9	Other LICs	36.3
11.1	LMICs	18.0
10.8	UMICs	7.4
2.1	HICs	0.1
100.0	**Total Bilateral**	**100.0**
2.7	Europe	4.9
2.1	North of Sahara	0.7
42.1	South of Sahara	42.9
4.6	N. and C. America	6.3
2.8	South America	8.1
2.0	Middle East	2.7
32.8	S. and C. Asia	24.3
7.4	Far East Asia	9.3
3.5	Oceania	0.9
100.0	**Total Bilateral**	**100.0**

United States					
1976-77		1986-87		1996-97	
Israel	14.2	Israel	15.7	Israel	12.5
Egypt	7.2	Egypt	11.2	Egypt	7.4
Pakistan	4.0	El Salvador	3.2	Bosnia-Herzegovina	1.7
India	3.3	Philippines	3.1	India	1.6
Indonesia	2.5	Pakistan	2.1	Peru	1.5
Bangladesh	2.4	Northern Marianas Isl.	2.0	Bolivia	1.4
Korea, Rep.	2.3	Honduras	1.7	Jordan	1.0
Northern Marianas Isl.	1.7	India	1.6	South Africa	1.0
Jordan	1.6	Bangladesh	1.6	Micronesia, Fed. States	0.9
Philippines	1.5	Costa Rica	1.5	El Salvador	0.9
Brazil	0.7	Sudan	1.3	Haiti	0.9
Sri Lanka	0.7	Guatemala	1.2	Viet Nam	0.8
Morocco	0.7	Indonesia	1.0	Philippines	0.7
Tanzania	0.6	Jamaica	1.0	Ethiopia	0.6
Chile	0.6	Bolivia	1.0	Mozambique	0.6
Total above	**44.1**	**Total above**	**48.9**	**Total above**	**33.6**
Multilateral ODA	32.0	Multilateral ODA	19.7	Multilateral ODA	24.2
Unallocated	12.1	Unallocated	14.8	Unallocated	26.3
Total ODA $ million	**5 170**	**Total ODA $ million**	**9 999**	**Total ODA $ million**	**9 160**
LLDCs	17.2	LLDCs	20.7	LLDCs	19.8
Other LICs	23.5	Other LICs	15.0	Other LICs	23.4
LMICs	45.2	LMICs	58.0	LMICs	52.6
UMICs	4.2	UMICs	2.3	UMICs	4.2
HICs	9.9	HICs	4.1	HICs	-
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	4.2	Europe	2.0	Europe	5.0
North of Sahara	14.0	North of Sahara	18.5	North of Sahara	15.2
South of Sahara	8.1	South of Sahara	13.2	South of Sahara	15.9
N. and C. America	5.4	N. and C. America	17.4	N. and C. America	7.7
South America	5.6	South America	4.1	South America	7.5
Middle East	29.0	Middle East	25.8	Middle East	29.5
S. and C. Asia	19.2	S. and C. Asia	9.4	S. and C. Asia	10.2
Far East Asia	11.5	Far East Asia	6.6	Far East Asia	4.9
Oceania	3.1	Oceania	3.0	Oceania	4.1
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Gross disbursements

1976-77		TOTAL DAC 1986-87
India	5.5	Israel
Israel	5.1	Egypt
Egypt	3.7	India
Pakistan	3.4	Indonesia
Indonesia	3.4	Bangladesh
Bangladesh	2.6	Philippines
Papua New Guinea	1.5	China
Tanzania	1.5	Pakistan
Korea, Rep.	1.5	Tanzania
Tunisia	1.2	Thailand
Viet Nam	1.2	Turkey
Morocco	1.1	Sudan
Congo, Dem. Rep.	1.0	Kenya
Philippines	1.0	Mozambique
Kenya	0.9	Sri Lanka
Total above	**34.6**	**Total above**
Multilateral ODA	32.4	Multilateral ODA
Unallocated	8.1	Unallocated
Total ODA $ million	**15 637**	**Total ODA $ million**
LLDCs	24.2	LLDCs
Other LICs	27.6	Other LICs
LMICs	37.3	LMICs
UMICs	4.6	UMICs
HICs	6.2	HICs
Total Bilateral	**100.0**	**Total Bilateral**
Europe	3.6	Europe
North of Sahara	11.2	North of Sahara
South of Sahara	22.4	South of Sahara
N. and C. America	3.9	N. and C. America
South America	6.3	South America
Middle East	11.4	Middle East
S. and C. Asia	21.4	S. and C. Asia
Far East Asia	13.7	Far East Asia
Oceania	6.1	Oceania
Total Bilateral	**100.0**	**Total Bilateral**

Table 34

Major Recipients of Individual DAC Members' Aid
(continued)

Per cent of total ODA

			EC					
		1996-97	1976-77		1986-87		1996-97	
4.1	Indonesia	3.0	Turkey	11.0	Ethiopia	5.6	Morocco	3.7
4.0	China	3.0	Bangladesh	5.7	India	5.1	Egypt	2.9
3.3	Egypt	3.0	Congo, Dem. Rep.	5.1	Sudan	4.4	Bosnia-Herzegovina	2.5
3.0	India	2.7	Niger	4.8	Senegal	4.3	Tunisia	2.5
2.2	Israel	2.0	India	4.6	Turkey	3.6	Ex-Yugoslavia. Uns	2.4
2.1	Philippines	1.8	Côte D'Ivoire	4.6	Egypt	2.9	Palestinian Adm. Areas	2.2
2.0	Thailand	1.5	Somalia	4.2	Côte D'Ivoire	2.2	Jordan	1.9
1.7	Bangladesh	1.3	Cameroon	3.1	Tanzania	2.2	India	1.8
1.6	Mozambique	1.0	Senegal	2.8	Papua New Guinea	2.2	Mauritania	1.8
1.2	Pakistan	1.0	Egypt	2.5	Bangladesh	1.9	Bangladesh	1.7
1.1	Tanzania	1.0	Madagascar	2.4	Mozambique	1.8	Côte D'Ivoire	1.5
1.1	Viet Nam	1.0	Ethiopia	2.2	Chad	1.7	Angola	1.5
1.1	Bosnia-Herzegovina	0.9	Mauritania	2.0	Mali	1.7	Slovenia	1.3
1.0	Bolivia	0.9	Burkina Faso	2.0	Ghana	1.6	Jamaica	1.2
0.9	Nicaragua	0.9	Mali	2.0	Thailand	1.5	Mozambique	1.2
30.4	**Total above**	**25.0**	**Total above**	**58.7**	**Total above**	**42.7**	**Total above**	**30.1**
27.2	Multilateral ODA	27.3	Multilateral ODA	0.0	Multilateral ODA	0.0	Multilateral ODA	2.7
11.5	Unallocated	15.2	Unallocated	7.4	Unallocated	18.4	Unallocated	21.8
41 093	**Total ODA $ million**	**59 418**	**Total ODA $ million**	**524**	**Total ODA $ million**	**1 615**	**Total ODA $ million**	**5 590**
31.2	LLDCs	24.6	LLDCs	52.8	LLDCs	50.9	LLDCs	33.2
23.2	Other LICs	29.2	Other LICs	25.6	Other LICs	23.9	Other LICs	20.8
35.6	LMICs	35.7	LMICs	19.4	LMICs	23.0	LMICs	38.4
5.4	UMICs	6.9	UMICs	1.3	UMICs	1.8	UMICs	7.3
4.6	HICs	3.5	HICs	0.8	HICs	0.3	HICs	0.3
100.0	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
2.8	Europe	4.2	Europe	13.7	Europe	6.3	Europe	11.2
9.4	North of Sahara	7.9	North of Sahara	2.6	North of Sahara	5.9	North of Sahara	12.0
30.6	South of Sahara	28.8	South of Sahara	58.3	South of Sahara	57.3	South of Sahara	42.8
7.8	N. and C. America	6.4	N. and C. America	1.5	N. and C. America	5.2	N. and C. America	8.0
4.9	South America	7.0	South America	1.7	South America	3.9	South America	4.4
9.0	Middle East	7.7	Middle East	4.8	Middle East	1.5	Middle East	6.8
14.9	S. and C. Asia	12.4	S. and C. Asia	13.9	S. and C. Asia	10.6	S. and C. Asia	9.1
15.9	Far East Asia	21.1	Far East Asia	2.6	Far East Asia	3.8	Far East Asia	4.3
4.7	Oceania	4.7	Oceania	1.0	Oceania	5.3	Oceania	1.4
100.0	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Table 35

ODA from Non-DAC Donors

Net disbursements $ million

	1993	1994	1995	1996	1997
OECD Non-DAC					
Czech Republic	20	25	..	..	..
Greece	90 [a]	122 [a]	152 [a]	184	173
Iceland	7	6	..	..	..
Korea	112	140	116	159	186
Turkey	73	58	107	88	..
Arab countries					
Kuwait	395	555	384	426	373
Saudi Arabia	549	317	192	327	235
UAE	239	100	65	31	..
Other donors					
Chinese Taipei	61	79	92	89	65
India	25	28	..	..	..
TOTAL	**1 571**	**1 430**	**1 108**	**1 304**	**1 032**
of which: Bilateral					
OECD Non-DAC					
Czech Republic	15	21	..	..	..
Greece	13 [a]	30 [a]	27 [a]	27	36
Iceland	3	2	..	..	..
Korea	60	60	71	123	111
Turkey	58	20	84	..	..
Arab countries					
Kuwait	349	494	357	377	355
Saudi Arabia	343	176	134	177	79
UAE	232	92	55	29	..
Other donors					
Chinese Taipei	57	71	78	89	65
India	14	15	..	..	..
TOTAL	**1 144**	**982**	**807**	**823**	**646**

a) Comprises total aid disbursements to both Part I countries (ODA) and Part II countries (OA).

Note: China also provides aid, but does not disclose the amount.

Table 36

Debt Service Ratios[a] by Region

	1990	1991	1992	1993	1994	1995	1996
Sub-Saharan Africa	**21**	**19**	**20**	**20**	**18**	**16**	**13**
of which:							
LLDCs	20	21	17	17	17	29	15
Nigeria	22	16	23	10	13	12	13
South Africa	12	10	9	10	7	9	9
Other countries	22	20	21	27	22	17	16
Latin America and Caribbean	**24**	**25**	**31**	**33**	**27**	**25**	**27**
of which:							
Argentina	25	36	25	90	35	36	39
Brazil	26	22	40	29	32	35	35
Jamaica	28	46	34	23	21	20	17
Mexico	23	27	37	33	27	24	29
Peru	11	21	25	60	17	12	21
South and East Asia	**16**	**14**	**13**	**15**	**13**	**13**	**14**
of which:							
China	11	12	10	11	9	11	9
India	27	27	26	23	26	28	26
Indonesia	32	31	30	32	31	30	36
Korea	10	8	8	10	7	8	9
Malaysia	9	8	6	8	7	8	9
Pakistan	32	25	24	25	35	31	29
Philippines	27	24	25	23	18	16	13
Thailand	16	11	12	17	15	14	15
North Africa and Middle East [b]	**27**	**24**	**22**	**21**	**21**	**16**	**14**
of which:							
Egypt	37	26	24	18	25	20	11
Morocco	32	32	30	35	33	29	30
Tunisia	29	28	21	22	20	19	17
Overall total	**21**	**20**	**20**	**21**	**18**	**17**	**16**
For reference:							
Major debtor countries [c]	21	20	21	22	18	22	18
LLDCs	20	20	16	15	15	24	13

a) Long and short-term interest plus amortization payments (including IMF) as a percentage of exports of goods and services (including private transfers).
b) Excluding Iraq.
c) Algeria, Argentina, Brazil, China, Egypt, India, Indonesia, Israel, Korea, Malaysia, Mexico, Philippines, Thailand, Turkey.
Source: OECD, *World Debt Tables* and *International Financial Statistics*, 1998.

Table 37

Economic Indicators for DAC Member Countries

1997 data

	GNP per capita ($)	Real GDP growth (%)	Inflation[a] (%)	Unemployment rate (%)	Budget surplus (+) or deficit (-) as % of GDP	Current external balance as % of GDP	Total government receipts as % of GDP
Australia	20 400	2.8	2.0	8.6	0.2	-3.2	35.2
Austria	25 600	2.5	1.4	6.4	-1.9	-2.2	47.9
Belgium	24 200	3.0	1.4	12.7	-1.9	5.6 [b]	49.9
Canada	19 700	3.7	0.5	9.2	0.9	-1.5	43.5
Denmark	31 800	3.3	1.9	7.7	0.2	0.5	56.7
Finland	22 500	6.1	1.1	12.6	-1.4	5.5	52.8
France	23 900	2.3	0.9	12.4	-3.0	2.7	50.7
Germany	25 400	2.2	0.6	11.4	-2.6	-0.2	45.1
Ireland	16 300	9.8	2.3	10.3	1.5	2.8	36.2
Italy	20 100	1.5	2.6	12.3	-2.7	2.9	47.9
Japan	33 700	0.8	0.6	3.4	-3.3	2.3	31.9
Luxembourg	41 200	4.8	2.4	3.6	..	5.6 [b]	..
Netherlands	23 600	3.6	2.2	5.5	-0.9	6.1	47.8
New Zealand	15 500	3.1	0.1	6.6	2.0	-7.6	40.4
Norway	34 600	3.4	2.8	4.1	7.5	5.2	51.7
Portugal	10 100	3.7	2.8	6.8	-2.5	-1.8	41.4
Spain	13 500	3.5	2.0	20.8	-2.6	0.4	39.6
Sweden	24 700	1.8	1.2	8.0	-0.8	2.8	61.2
Switzerland	37 300	1.7	-0.2	5.2	..	8.2	54.9
United Kingdom	22 500	3.5	2.7	6.9	-2.0	0.6	39.0
United States	30 200	3.9	1.9	4.9	0.4	-1.9	31.9
TOTAL DAC	**26 500**	**3.2**	**1.5**	**7.2**	**-1.1**	**0.1**	**37.8**

a) GDP deflators.
b) Data combined for Belgium-Luxembourg.
Source: *OECD Economic Outlook*, December 1998 and country submissions.

	1980	1981	1982	1983
Australia	62.33	68.85	67.80	65.14
Austria	48.27	41.81	41.10	40.47
Belgium	58.00	48.21	41.87	39.60
Canada	64.49	69.80	73.61	77.65
Denmark	51.56	44.90	42.44	41.62
Finland	56.11	54.06	52.53	49.22
France	58.46	50.64	46.78	44.27
Germany	52.14	43.62	42.41	41.62
Ireland	58.53	54.00	54.71	53.16
Italy	49.21	44.15	43.43	44.52
Japan	38.10	40.78	36.75	39.21
Luxembourg	60.62	51.17	46.08	43.98
Netherlands	61.73	51.82	51.03	48.74
New Zealand	48.47	50.53	48.92	45.47
Norway	64.17	62.32	61.18	57.90
Portugal	41.16	39.33	36.79	32.85
Spain	53.51	46.82	44.82	38.32
Sweden	63.10	57.74	50.38	45.43
Switzerland	44.59	40.22	41.53	41.24
United Kingdom	66.05	64.17	59.59	54.35
United States	54.74	59.89	63.67	66.38
TOTAL DAC	**53.49**	**51.03**	**49.53**	**49.12**
EC	46.52	41.37	40.03	39.47

Table 38

Deflators for Resource Flows from DAC Donors[a] (1996 = 100)

1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1997
67.81	57.04	58.10	65.76	80.00	86.96	89.66	91.46	87.40	81.92	89.09	92.64	96.67
38.00	37.88	52.73	65.02	67.62	64.84	78.05	78.86	87.40	84.88	88.85	102.78	87.95
36.84	38.01	52.34	63.96	66.32	64.75	78.75	79.50	87.55	84.83	89.59	103.34	87.84
76.40	74.24	74.99	82.31	92.71	100.80	105.43	110.20	105.86	100.40	95.96	97.98	98.99
38.83	39.59	54.22	67.15	70.55	68.29	83.41	82.69	89.56	84.14	87.85	101.83	89.32
49.64	50.72	64.84	78.28	88.04	91.06	108.15	104.81	95.13	76.37	84.75	103.84	89.53
41.48	42.67	58.24	69.09	71.70	68.97	83.31	83.07	90.39	86.59	89.67	101.33	88.53
38.14	37.65	52.65	64.78	67.23	64.40	77.30	78.12	87.85	86.11	89.91	103.90	87.32
49.25	50.79	68.09	77.23	81.77	80.22	93.10	91.95	99.43	89.14	91.94	98.99	96.25
42.94	43.07	59.48	72.60	77.20	77.83	95.94	99.78	105.16	86.05	86.76	90.24	92.98
40.25	40.93	58.94	68.75	78.08	74.06	72.16	79.76	86.15	98.75	107.64	116.16	90.44
40.64	40.72	55.61	67.17	68.67	66.30	80.86	80.27	88.95	83.36	90.68	103.92	88.18
43.96	43.21	58.66	70.44	73.03	68.90	82.10	82.13	89.32	86.19	90.02	103.73	88.37
41.71	41.46	50.06	64.39	77.05	74.87	77.50	75.80	71.67	74.01	82.46	93.64	97.39
55.05	54.98	63.31	74.30	80.64	80.45	92.14	91.18	94.70	84.75	85.03	97.92	94.09
31.00	32.50	44.90	52.02	56.90	58.47	72.54	80.14	94.91	84.40	86.45	100.61	90.36
38.18	38.87	52.46	62.92	70.49	74.27	92.57	97.26	105.51	88.59	87.49	98.53	88.47
45.31	46.44	59.94	70.55	77.74	79.82	94.64	99.72	104.61	80.27	82.98	93.05	88.92
38.14	37.33	52.56	65.14	68.27	62.95	77.30	79.41	83.20	81.28	89.28	104.54	85.33
50.08	51.34	59.97	70.36	81.08	79.97	92.61	97.51	101.48	89.60	92.84	98.07	107.72
68.89	71.25	73.12	75.36	78.12	81.40	84.93	88.30	90.73	93.13	95.35	97.78	101.98
47.96	**48.43**	**60.50**	**69.96**	**75.23**	**74.41**	**83.46**	**86.35**	**91.80**	**89.63**	**93.46**	**102.47**	**92.90**
37.43	38.33	52.20	63.69	68.08	66.59	80.83	83.02	90.87	85.28	88.93	100.54	90.86

a) Including the effect of exchange rate changes, *i.e.* applicable to US dollar figures only.

Table 39

Gross National Product and Population of DAC Member Countries

	Gross National Product ($ billion)				Population (thousands)			
	1986-87 average	1995	1996	1997	1986-87 average	1995	1996	1997
Australia	174	335	377	379	16 140	18 050	18 290	18 530
Austria	105	233	228	206	7 570	8 030	8 060	8 070
Belgium	129	270	267	246	9 865	10 050	10 160	10 170
Canada	377	548	566	598	25 505	29 730	29 970	30 290
Denmark	88	169	170	168	5 125	5 250	5 260	5 280
Finland	77	121	119	115	4 925	5 120	5 130	5 140
France	802	1 538	1 537	1 400	55 685	58 000	58 380	58 610
Germany	1 011	2 403	2 331	2 083	77 705	82 000	81 880	82 060
Ireland	24	54	58	60	3 540	3 590	3 620	3 660
Italy	676	1 080	1 214	1 146	57 275	57 060	57 470	56 870
Japan	2 174	5 152	4 648	4 246	121 790	125 570	125 860	126 170
Luxembourg	8	18	19	17	380	390	420	420
Netherlands	194	397	399	365	14 615	15 500	15 490	15 490
New Zealand	29	54	59	58	3 295	3 580	3 640	3 760
Norway	75	144	155	152	4 180	4 370	4 370	4 390
Portugal	32	103	106	101	9 900	10 000	9 940	9 950
Spain	257	555	574	531	38 695	39 240	39 270	39 320
Sweden	142	223	239	219	8 385	8 840	8 900	8 850
Switzerland	160	316	304	265	6 595	7 060	7 090	7 090
United Kingdom	617	1 120	1 167	1 308	56 845	58 400	58 780	58 110
United States	4 361	7 238	7 638	8 060	241 760	264 000	265 560	266 790
TOTAL DAC	**11 512**	**22 070**	**22 174**	**21 723**	**769 775**	**813 830**	**817 540**	**819 020**
of which:								
EU Members	4 163	8 282	8 427	7 966	350 510	361 470	362 760	362 000

Table 40

Net Official Aid Disbursements to Countries on Part II of the DAC List

	$ million					As % of GNP				
	1993	1994	1995	1996 [b]	1997 [b]	1993	1994	1995	1996 [b]	1997 [b]
Australia	6	4	4	10	0	0.00	0.00	0.00	0.00	0.00
Austria	389	261	313	226	181	0.21	0.13	0.13	0.10	0.09
Belgium	81	86	89	70	59	0.04	0.04	0.03	0.03	0.02
Canada	80	73	250	181	157	0.01	0.01	0.05	0.03	0.03
Denmark	175	37	170	120	133	0.14	0.03	0.10	0.07	0.08
Finland	38	51	76	57	71	0.05	0.05	0.06	0.05	0.06
France	606	650	770	711	308	0.05	0.05	0.05	0.05	0.02
Germany	2 416	2 527	4 514	1 329	660	0.13	0.12	0.19	0.06	0.03
Ireland	9	16	21	1	1	0.02	0.04	0.04	0.00	0.00
Italy	242	196	286	294	241	0.02	0.02	0.03	0.02	0.02
Japan	530 [a]	247	250	184	84	0.01	0.01	0.00	0.00	0.00
Luxembourg	7	7	9	2	2	0.05	0.05	0.05	0.01	0.01
Netherlands	272	118	305	13	7	0.09	0.04	0.08	0.00	0.00
New Zealand	1	1	1	0	0	0.00	0.00	0.00	0.00	0.00
Norway	74	79	61	50	55	0.07	0.07	0.04	0.03	0.04
Portugal	13	28	22	18	18	0.02	0.03	0.02	0.02	0.02
Spain	87	157	120	98	3	0.02	0.03	0.02	0.02	0.00
Sweden	41	91	152	178	148	0.02	0.05	0.07	0.07	0.07
Switzerland	93	124	102	97	75	0.04	0.05	0.03	0.03	0.03
United Kingdom	285	293	406	362	337	0.03	0.03	0.04	0.03	0.03
United States	1 647	2 422	1 280	1 694	2 516	0.03	0.03	0.02	0.02	0.03
TOTAL DAC	**7 092**	**7 468**	**9 202**	**5 694**	**5 056**	**0.04**	**0.04**	**0.04**	**0.03**	**0.02**
of which:										
EU Members	4 662	4 518	7 254	3 478	2 169	0.07	0.06	0.09	0.04	0.03

a) Including aid to Part I CEECs/NIS Countries.
b) For details of the countries that transferred to Part II of the DAC List of Aid Recipients in 1996 and 1997, see the List at the end of this volume.

	Australia 1995	Australia 1996	Australia 1997	Austria 1995	Austria 1996	Austria 1997
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	4	10	0	313	226	181
OA as % of GNP	**0.00**	**0.00**	**0.00**	**0.13**	**0.10**	**0.09**
A. Bilateral	2	7	0	235	186	145
1. Grants	2	7	0	235	186	145
of which: Technical Co-operation	2	7	0	21	21	15
Food Aid	-	-	-	0	-	-
2. Loans	-	-	-	-	-	0
B. Multilateral OA	2	2	-	79	40	36
Grants and Capital Subscriptions	-	-	-	8	3	1
of which: to EC	-	-	-	52	37	34
to EBRD	2	2	-	19	0	-
II. Other Official Flows (OOF)	-	-	-	15	4	-
1. Official Export Credits	-	-	-	-	- 0	-
2. Other	-	-	-	15	4	-
III. Grants by NGOs	-	-	-	7	5	-
IV. Private Flows	-	-	-	522	355	726
1. Direct Investment	-	-	-	522	355	728
2. Portfolio Investment	-	-	-	-	-	-
3. Export Credits	-	-	-	-	-	- 2
V. Total Resource Flows	**4**	**10**	**0**	**858**	**590**	**907**
Memo:						
Change in claims (long- and short-term)						
Banks: financial (export credits)	-	-	-	-	-	-
Banks: other portfolio	-	-	-	1 325	905	1 772
Non-bank export credits	-	-	4	-	-	-
TOTAL	**-**	**-**	**4**	**1 325**	**905**	**1 772**

	France 1995	France 1996	France 1997	Germany 1995	Germany 1996	Germany 1997
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	770	711	308	4 514	1 329	660
OA as % of GNP	**0.05**	**0.05**	**0.02**	**0.19**	**0.06**	**0.03**
A. Bilateral	365	417	308	4 107	886	302
1. Grants	355	405	-	4 027	883	419
of which: Technical Co-operation	66	100	-	490	666	313
Food Aid	-	-	-	-	-	-
2. Loans	11	12	-	81	4	- 117
B. Multilateral OA	404	294	-	407	442	358
Grants and Capital Subscriptions	4	27	-	0	-	0
of which: to EC	334	267	-	347	415	344
to EBRD	67	-	-	59	28	14
II. Other Official Flows (OOF)	-	-	-	4 124	908	465
1. Official Export Credits	-	-	-	73	-	19
2. Other	-	-	-	4 051	908	447
III. Grants by NGOs	-	-	-	74	61	81
IV. Private Flows	2 200	4 713	5 395	-1 214	4 395	7 210
1. Direct Investment	1 168	1 044	1 743	2 613	3 368	2 909
2. Portfolio Investment	1 271	3 886	3 165	-4 605	175	3 785
3. Export Credits	- 239	- 218	487	778	852	516
V. Total Resource Flows	**2 970**	**5 424**	**5 703**	**7 499**	**6 693**	**8 417**
Memo:						
Change in claims (long- and short-term)						
Banks: financial (export credits)	- 134	- 87	258	710	618	587
Banks: other portfolio	907	- 40	3 555	- 632	2 259	1 115
Non-bank export credits	15	- 23	1 312	108	93	543
TOTAL	**788**	**- 150**	**5 125**	**186**	**2 970**	**2 245**

Table 41

The Flows of Financial Resources to Countries on Part II of the DAC List

$ million

Belgium			Canada			Denmark			Finland		
1995	1996	1997	1995	1996	1997	1995	1996	1997	1995	1996	1997
89	70	59	250	181	157	170	120	133	76	57	71
0.03	**0.03**	**0.02**	**0.05**	**0.03**	**0.03**	**0.10**	**0.07**	**0.08**	**0.06**	**0.05**	**0.06**
14	14	11	225	181	157	138	109	92	42	50	50
14	14	11	225	181	157	105	100	78	40	47	41
14	14	11	0	22	29	75	68	67	18	27	22
-	0	-	-	-	-	4	3	-	-	-	-
-	-	-	-	-	-	33	9	14	2	3	10
75	56	48	25	-	-	32	11	41	35	7	20
-	-	-	-	-	-	5	7	-	5	3	1
57	55	48	-	-	-	18	-	39	19	-	19
18	1	-	25	-	-	9	4	3	11	4	0
41	- 4	- 3	- 9	- 132	- 86	-	26	24	- 3	9	- 30
-	-	-	17	- 4	32	-	19	6	- 6	8	- 28
41	- 4	- 3	- 26	- 127	- 118	-	7	17	3	1	- 2
2	0	-	-	-	-	2	5	2	-	-	-
258	4 109	14 612	-	3	13	192	248	201	41	160	358
180	169	709	-	-	-	192	248	201	66	209	318
47	4 007	13 912	-	-	-	-	-	-	- 29	- 64	- 5
31	- 67	- 8	-	3	13	-	- 0	-	4	16	46
391	**4 175**	**14 668**	**241**	**52**	**84**	**365**	**398**	**360**	**115**	**226**	**399**
- 1	2	- 15	-	-	-	- 9	- 9	112	16	7	31
256	- 136	381	- 25	- 91	107	18	- 3	- 97	- 59	- 42	75
5	4	6	- 0	3	13	- 16	- 16	24	- 1	0	3
260	**- 130**	**372**	**- 25**	**- 88**	**120**	**- 7**	**- 28**	**39**	**- 44**	**- 35**	**109**

$ million

Ireland			Italy			Japan			Luxembourg		
1995	1996	1997	1995	1996	1997	1995	1996	1997	1995	1996	1997
21	1	1	286	294	241	250	184	84	9	2	2
0.04	**0.00**	**0.00**	**0.03**	**0.02**	**0.02**	**0.00**	**0.00**	**0.00**	**0.05**	**0.01**	**0.01**
2	1	1	12	12	6	144	157	67	3	2	2
2	1	1	5	12	5	141	147	62	3	2	2
1	1	1	2	5	2	45	60	59	-	-	-
-	-	-	-	5	2	-	-	-	-	-	-
-	-	-	7	-	1	3	10	5	-	-	-
19	-	-	274	283	235	106	27	17	7	-	-
-	-	-	4	1	-	6	7	-	-	-	-
19	-	-	199	268	235	-	-	-	5	-	-
-	-	-	72	14	-	100	20	17	2	-	-
-	-	-	2 109	64	15	386	898	397	-	-	-
-	-	-	-	33	-	110	68	- 134	-	-	-
-	-	-	2 109	32	15	275	830	531	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-2 445	218	3 269	212	1 928	3 161	-	-	-
-	-	-	104	153	956	163	1 315	4 860	-	-	-
-	-	-	-1 750	706	2 798	335	1 652	-	-	-	-
-	-	-	- 799	- 641	- 485	- 286	-1 039	-	-	-	-
21	**1**	**1**	**- 49**	**577**	**3 525**	**848**	**3 010**	**3 642**	**9**	**2**	**2**
-	-	-	- 284	- 356	- 168	- 21	- 18	- 12	- 0	- 0	4
61	354	934	3	- 217	107	- 914	- 602	776	- 362	204	1 852
-	-	-	- 99	- 134	38	- 329	- 989	-3 899	-	-	-
61	**354**	**934**	**- 380**	**- 707**	**- 23**	**-1 264**	**-1 609**	**-3 135**	**- 362**	**204**	**1 856**

	Netherlands 1995	Netherlands 1996	Netherlands 1997	New Zealand 1995	New Zealand 1996	New Zealand 1997
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	305	13	7	1	0	0
OA as % of GNP	**0.08**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
A. Bilateral	149	13	7	-	0	0
1. Grants	76	13	7	-	0	0
of which: Technical Co-operation	65	-	-	-	0	0
Food Aid	-	-	-	-	-	-
2. Loans	73	-	-	-	-	-
B. Multilateral OA	156	-	-	1	-	-
Grants and Capital Subscriptions	11	-	-	-	-	-
of which: to EC	126	-	-	-	-	-
to EBRD	19	-	-	1	-	-
II. Other Official Flows (OOF)	-	- 6	119	-	-	-
1. Official Export Credits	-	- 6	119	-	-	-
2. Other	-	-	-	-	-	-
III. Grants by NGOs	-	-	-	-	0	-
IV. Private Flows	- 16	- 36	3 451	-	-	-
1. Direct Investment	-	45	-	-	-	-
2. Portfolio Investment	-	- 78	-	-	-	-
3. Export Credits	- 16	- 2	-	-	-	-
V. Total Resource Flows	**290**	**- 29**	**3 577**	**1**	**0**	**0**
Memo:						
Change in claims (long- and short-term)						
Banks: financial (export credits)	23	2	- 2	-	-	-
Banks: other portfolio	481	1 080	291	-	-	-
Non-bank export credits	- 39	- 15	- 65	-	-	-
TOTAL	**465**	**1 067**	**224**	**-**	**-**	**-**

	Switzerland 1995	Switzerland 1996	Switzerland 1997	United Kingdom 1995	United Kingdom 1996	United Kingdom 1997
NET DISBURSEMENTS						
I. Official Aid (OA) (A+B)	102	97	75	406	362	337
OA as % of GNP	**0.03**	**0.03**	**0.03**	**0.04**	**0.03**	**0.03**
A. Bilateral	88	76	75	127	134	140
1. Grants	88	76	75	127	134	142
of which: Technical Co-operation	30	28	28	119	130	141
Food Aid	0	0	1	-	-	-
2. Loans	-	-	-	-	-	- 2
B. Multilateral OA	14	21	-	279	228	197
Grants and Capital Subscriptions	-	8	-	-	-	-
of which: to EC	-	-	-	246	228	197
to EBRD	14	13	-	33	0	-
II. Other Official Flows (OOF)	2	4	2	-	-	- 1
1. Official Export Credits	2	4	2	-	-	-
2. Other	-	-	-	-	-	- 1
III. Grants by NGOs	12	-	9	4	13	22
IV. Private Flows	691	- 257	3 896	1 016	4 849	12 460
1. Direct Investment	723	- 257	66	395	1 287	-
2. Portfolio Investment	-	-	-	600	3 500	-
3. Export Credits	- 32	-	-	21	62	-
V. Total Resource Flows	**807**	**- 155**	**3 982**	**1 426**	**5 224**	**12 818**
Memo:						
Change in claims (long- and short-term)						
Banks: financial (export credits)	-	-	-	20	161	- 474
Banks: other portfolio	- 187	- 213	20	1 957	3 284	15 846
Non-bank export credits	- 76	- 84	- 90	- 3	- 29	- 368
TOTAL	**- 263**	**- 297**	**- 70**	**1 974**	**3 416**	**15 004**

Table 41

The Flows of Financial Resources to Countries on Part II of the DAC List *(continued)*

$ million

Norway			Portugal			Spain			Sweden		
1995	1996	1997	1995	1996	1997	1995	1996	1997	1995	1996	1997
61	50	55	22	18	18	120	98	3	152	178	148
0.04	**0.03**	**0.04**	**0.02**	**0.02**	**0.02**	**0.02**	**0.02**	**0.00**	**0.07**	**0.07**	**0.07**
57	50	55	0	0	0	- 2	2	3	98	127	104
57	50	55	0	0	0	3	2	3	98	127	104
-	50	54	0	0	0	-	2	2	52	84	42
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	- 5	-	- 0	-	-	-
3	-	-	22	18	18	122	96	-	54	51	44
3	-	-	-	-	-	-	-	-	5	1	-
-	-	-	18	17	17	95	96	-	47	50	44
-	-	-	3	1	0	27	-	-	2	-	-
52	-	0	-	3	2	-	-	-	-	23	12
-	-	-	-	-	-	-	-	-	-	-	-
52	-	0	-	3	2	-	-	-	-	23	12
-	-	-	-	-	-	-	-	-	-	-	-
-	- 146	286	166	- 4	117	18	- 102	389	- 230	- 107	577
-	- 154	206	- 0	3	96	18	- 102	389	- 226	- 84	424
-	-	-	-	-	-	-	-	-	-	- 0	- 0
-	8	81	166	- 7	21	-	-	-	- 4	- 22	153
113	**- 96**	**342**	**188**	**17**	**137**	**138**	**- 4**	**392**	**- 78**	**94**	**737**
60	- 2	83	-	-	-	50	4	- 32	- 9	- 16	17
- 25	15	23	-	-	-	- 42	- 32	71	- 1	61	226
- 3	11	- 1	- 2	-	- 4	- 0	-	18	8	- 11	30
32	**24**	**105**	**- 2**	**-**	**- 4**	**8**	**- 28**	**57**	**- 2**	**34**	**273**

$ million

United States			Total DAC Countries			EC		
1995	1996	1997	1995	1996	1997	1995	1996	1997
1 280	1 695	2 516	9 202	5 695	5 056	1 241	1 434	1 441
0.02	**0.02**	**0.03**	**0.04**	**0.03**	**0.02**	**-**	**-**	**-**
1 280	1 613	2 516	7 087	4 037	4 043	1 216	1 434	1 441
1 165	1 582	2 537	6 766	3 969	3 844	1 323	1 340	1 238
1 079	830	589	2 077	2 116	1 372	1 064	380	328
44	26	45	48	34	48	3	1	-
115	31	- 21	321	68	- 110	- 107	95	203
-	82	-	2 115	1 658	1 014	25	-	-
-	-	-	51	56	3	-	-	-
-	-	-	1 581	1 433	977	-	-	-
-	82	-	483	169	34	25	-	-
- 9	- 23	7	6 709	1 775	922	- 51	387	493
- 20	- 23	- 20	177	98	- 4	-	-	-
11	-	27	6 532	1 677	927	- 51	387	493
297	295	1 047	398	379	1 161	-	-	-
1 720	2 939	14 740	3 133	23 266	70 863	-	-	-
1 311	2 513	11 352	7 230	10 112	24 956	-	-	-
1 106	578	2 723	-3 024	14 361	26 379	-	-	-
- 697	- 152	665	-1 073	-1 207	1 487	-	-	-
3 288	**4 906**	**18 310**	**19 441**	**31 115**	**78 002**	**1 190**	**1 822**	**1 934**
604	-	-	1 024	305	391	-	-	-
137	1 612	-1 852	2 899	8 400	25 200	-	-	-
4	-	-	- 426	-1 190	-2 436	-	-	-
745	**1 612**	**-1 852**	**3 497**	**7 514**	**23 155**	**-**	**-**	**-**

Note: A substantial part of the increase in private flows to Part II countries in 1996 and 1997 is due to the transfer of countries from Part I to Part II of the DAC List of Aid Recipients (for a complete list of countries, please refer to the end of this volume).

Totals may not sum due to gaps in reporting.

Table 42

OA Receipts[a] and Selected Indicators for Countries and Territories on Part II of the DAC List of Aid Recipients

	Net OA Receipts ($ million)					GNP/CAP (e)	Population	Current GNP	OA/GNP
	1993	1994	1995	1996	1997	1996 *US$*	1996 *million*	1996 *$ million*	1996 *per cent*
MADCTs									
Bahamas (b)	-	-	-	- 0.2	3	..	0.28	3 300	- 0.01
Bermuda (c)	-	-	-	-	- 8	34 260	0.06	..	-
Brunei (b)	-	-	-	3	0.3	..	0.29	8 000	0.04
Cayman Islands (c)	-	-	-	-	- 3	..	0.04	..	-
Chinese Taipei (c)	-	-	-	-	4	13 300	21.39	274 587	-
Cyprus (c)	-	-	-	-	49	..	0.74	8 486	-
Falkland Islands (c)	-	-	-	-	- 0.2	..	0.00	..	-
Hong Kong, China (c)	-	-	-	-	8	24 150	6.31	154 165	-
Israel (c)	-	-	-	-	1 191	..	5.69	100 000	-
Kuwait (b)	-	-	-	4	2	21 980	1.59	36 266	0.01
Qatar (b)	-	-	-	2	1	..	0.66	7 500	0.03
Singapore (b)	-	-	-	15	1	30 590	3.04	94 403	0.02
United Arab Emirates (b)	-	-	-	9	4	..	2.53	46 000	0.02
MADCTs, Total	**-**	**-**	**-**	**34**	**1 252**	**..**	**42.63**	**(732 707)**	**0.00**
CEECs/NIS									
Belarus	186	119	223	74	43	1 890	10.30	20 439	0.36
Bulgaria	115	158	114	178	206	1 160	8.36	9 441	1.89
Czech Republic	100	149	148	131	107	4 980	10.32	55 737	0.23
Estonia	42	44	58	63	65	3 210	1.47	4 365	1.45
Hungary	166	200	- 244	197	152	4 340	10.19	43 411	0.45
Latvia	33	53	64	80	81	2 370	2.49	5 135	1.55
Lithuania	62	71	180	92	102	1 940	3.71	7 970	1.16
Moldova (d)	28	54	67	38	-	590	4.33	2 253	1.70
Poland	1 031	1 806	3 790	1 147	641	3 230	38.62	134 171	0.86
Romania	168	145	276	235	197	1 460	22.61	32 789	0.72
Russia	2 420	1 848	1 611	1 246	718	2 400	147.74	421 484	0.30
Slovak Republic	51	79	98	145	67	3 390	5.34	18 736	0.78
Ukraine	328	290	320	389	176	1 200	50.72	43 986	0.88
CEEC Unallocated	480	757	472	494	391	..	..	..	..
NIS Unallocated	624	1 030	731	667	924	..	..	..	..
CEEC/NIS Unalloc.	119	61	512	329	164	..	..	..	..
CEEC/NIS Part II Total	**5 953**	**6 863**	**8 420**	**5 506**	**4 034**	**..**	**316.18**	**(799 917)**	**0.69**
Part II Unallocated	-	-	-	62	348	..	..	..	..
PART II COUNTRIES, TOTAL	**5 953**	**6 863**	**8 420**	**5 602**	**5 634**	**..**	**358.81**	**(1 532 624)**	**0.37**

a) OA receipts are total net OA flows from DAC countries, multilateral organisations and Arab countries.
b) These countries transferred to Part II of the DAC List of Aid Recipients on 1 January 1996; through 1995 aid to these countries is counted as ODA (see Table 25).
c) These countries transferred to Part II on 1 January 1997; through 1996 aid to these countries is counted as ODA (see Table 25).
d) Moldova transferred to Part I on 1 January 1997; from 1997 aid to Moldova is counted as ODA (see Table 25).
e) World Bank Atlas Basis.

Note: *More advanced developing countries and territories* (MADCTs) comprise countries which transferred to Part II of DAC List of Aid Recipients in 1996 or 1997, as per notes *b)* and *c)* above.

Source: World Bank, Secretariat estimates. Group totals and averages are calculated on available data only.

Part I: Developing Countries and Territories (Official Development Assistance)					Part II: Countries and Territories in Transition (Official Aid)	
LLDCs	Other LICs (per capita GNP < $765 in 1995)	LMICs (per capita GNP $766-$3 035 in 1995)	UMICs (per capita GNP $3 036-$9 385 in 1995)	HICs (per capita GNP > $9 385 in 1995)[1]	CEECs/NIS	More Advanced Developing Countries and Territories[2]
Afghanistan Angola Bangladesh Benin Bhutan Burkina Faso Burundi Cambodia Cape Verde Central African Republic Chad Comoros Congo, Dem. Rep. Djibouti Equatorial Guinea Eritrea Ethiopia Gambia Guinea Guinea Bissau Haiti Kiribati Laos Lesotho Liberia Madagascar Malawi Maldives Mali Mauritania Mozambique Myanmar Nepal Niger Rwanda Sao Tome and Principe Sierra Leone Solomon Islands Somalia Sudan Tanzania Togo Tuvalu Uganda Vanuatu Western Samoa Yemen Zambia	* Albania * Armenia * Azerbaijan Bosnia and Herzegovina Cameroon China Congo, Rep. Côte d'Ivoire * Georgia Ghana Guyana Honduras India Kenya * Kyrgyz Rep. Mongolia Nicaragua Nigeria Pakistan Senegal Sri Lanka * Tajikistan Viet Nam Zimbabwe	Algeria Belize Bolivia Botswana Colombia Costa Rica Cuba Dominica Dominican Republic Ecuador Egypt El Salvador Fiji Grenada Guatemala Indonesia Iran Iraq Jamaica Jordan * Kazakstan Korea, Democratic Republic of Lebanon Macedonia (former Yugoslav Republic) Marshall Islands Micronesia, Federated States * Moldova[3] Morocco Namibia Niue Palau Islands Palestinian Administered Areas Panama Papua New Guinea Paraguay Peru Philippines St Vincent and Grenadines Suriname Swaziland Syria Thailand ● Timor ● Tokelau Tonga Tunisia Turkey * Turkmenistan * Uzbekistan Venezuela ● Wallis and Futuna Yugoslavia, Federal Republic	Brazil Chile Cook Islands Croatia Gabon Malaysia Mauritius ● Mayotte Mexico Nauru South Africa St Lucia Trinidad and Tobago Uruguay **Threshold for World Bank Loan Eligibility ($5 295 in 1995)** ● Anguilla Antigua and Barbuda Argentina Bahrain Barbados Libya[1] Malta ● Montserrat Oman Saudi Arabia Seychelles Slovenia ● St Helena St Kitts and Nevis ● Turks and Caicos Islands	● Aruba[1] ● French Polynesia[1] ● Gibraltar[1] Korea, Rep. of[1] ● Macao[1] ● Netherlands Antilles[1] ● New Caledonia[1] Northern Marianas[1] ● Virgin Islands (UK)[1]	* Belarus * Bulgaria * Czech Republic * Estonia * Hungary * Latvia * Lithuania * Poland * Romania * Russia * Slovak Republic * Ukraine	Bahamas ● Bermuda Brunei ● Cayman Islands Chinese Taipei Cyprus ● Falkland Islands ● Hong Kong, China Israel Kuwait Qatar Singapore United Arab Emirates

* Central and Eastern European Countries and New Independent States of the former Soviet Union (CEECs/NIS) ● Territory

1. These countries and territories will progress to Part II on 1 January 2000 unless an exception is agreed.
2. The recipients shown in blue in this column were in Part I of the DAC List up until the end of 1996. Aid to them up to and including 1996 is included in Official Development Assistance to High Income Countries. They were transferred to Part II on 1 January 1997. The other recipients in this column transferred to Part II on 1 January 1996. Aid to them up to and including 1995 is included in Official Development Assistance to High Income Countries.
3. Moldova transferred to Part I on 1 January 1997. Aid to Moldova up to and including 1996 is included in Official Aid to CEECs/NIS.

Note: Under the policy adopted by the DAC in 1993, the DAC List of Aid Recipients is in two parts, with periodic reviews under established criteria which may result in the transfer of particular recipients from one part to another, notably from Part I to Part II (see the *1996 Development Co-operation Report*, p. A101).

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