



# CONCORD AIDWATCH 2017

**EU AID UNCOVERED**  
HOW TO REACH  
THE TARGET ON TIME

**CONCORD**

European NGO confederation for relief and development

# ABOUT CONCORD

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## ABOUT THE AIDWATCH REPORT

CONCORD AidWatch has monitored and made recommendations on the quality and quantity of aid provided by EU member states and the European Commission since 2005. With the AidWatch publications, CONCORD members want to hold EU leaders accountable for their commitments to dedicate 0.7% of their Gross National Income to development assistance and to use this aid in a genuine and effective way. The AidWatch initiative carries out ongoing advocacy, research, media activities and campaigns on a wide range of aid-related issues throughout the year.

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# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>6</b>
<b>PART ONE - OVERVIEW</b>	<b>9</b>
<b>1. INTRODUCTION</b>	<b>10</b>
1.1 EU AID IN CONTEXT	10
1.2 AIDWATCH 2017	10
1.3 STRUCTURE OF THIS REPORT	10
<b>2. A SPOTLIGHT ON EUROPEAN AID SPENDING</b>	<b>11</b>
2.1 ODA FIGURES ARE ON THE INCREASE...	11
2.2 ... BUT THE EU IS STILL MISSING ITS TARGET	11
2.3 LDCs ARE LEFT BEHIND	11
<b>3. DISTINGUISHING “GENUINE AID” FROM “INFLATED AID”</b>	<b>13</b>
3.1 THE SCALE OF AID INFLATION	13
3.2 THE GAP TO THE 0.7% AID TARGET: WIDER THAN OFFICIALLY REPORTED	14
3.3 IN-DONOR-COUNTRY REFUGEE COSTS: A LARGE PROPORTION OF THE AID INCREASES	15
<b>4. A NEW DIRECTION FOR EUROPEAN DEVELOPMENT COOPERATION</b>	<b>17</b>
4.1 THE NEW EU DEVELOPMENT CONSENSUS: DOUBLE STANDARDS FOR DEVELOPMENT COOPERATION	17
4.2 USING AID TO CURB MIGRATION IS MISGUIDED	17
4.3 EU’s SECURITY AGENDA CONFLICTS WITH DEVELOPMENT COOPERATION	18
4.4 IS AIDING THE PRIVATE SECTOR IN DEVELOPMENT PROVIDING ADDED VALUE?	18
4.5 EUROPEAN CLIMATE FINANCE IN THE TRUMP ERA	20
4.6 A SECOND CHANCE TO MAKE THE EU’s GENDER ACTION PLAN (GAP II) SUCCEED	20
<b>5. CONCLUSION AND RECOMMENDATIONS</b>	<b>22</b>
<b>PART TWO - COUNTRY PAGES</b>	<b>23</b>
<b>ANNEXES</b>	<b>53</b>
ANNEX 1 – METHODOLOGY	53
ANNEX 2 – ABBREVIATIONS	55
ANNEX 3 – TABLES	56

# EXECUTIVE SUMMARY

Significant political events and upheaval took place in 2016, with many far-reaching impacts, including on the European Union's aid spending and development cooperation. The rising number of terrorist attacks across Europe has created an atmosphere of fear and beleaguerment, while the UK's intention to withdraw from the EU has challenged the European project as we know it. EU governments and international institutions alike are failing in their response to refugees seeking asylum, and to the humanitarian crises in the Mediterranean. Finally, the arrival of President Trump has ushered in a new era of US unilateralism. In this international context, the aid and development system is under even greater pressure than before; and global leadership is needed more than ever if we are to deliver the 2030 Agenda for Sustainable Development and achieve its goals. To succeed in this, the role of official development assistance (ODA) is central.

Promisingly, the EU and its 28 member states (EU28) have remained the biggest development donor, with a stable increase in total aid over the last five years. In 2016, EU member states disbursed €75.46 bn of ODA, with ten states increasing their total ODA by over 25%. This is welcome news, but it needs to be put into perspective: EU governments' aid contributions still fall considerably below their collective ODA commitment to deliver 0.7% of EU's gross national income (GNI). Also, more than half of the increases in aid from EU governments in the last two years are the result of spending on areas that do not in fact contribute to development outcomes in partner countries (mainly in-donor-country refugee costs, and debt relief). This "inflated aid"<sup>1</sup> accounts for 20% of the total ODA reported by the EU28 in 2016. At this rate, once inflated aid is discounted, the EU28 will not be able to close the gap to 0.7% before 2052: twenty years later than the target for 2030, and long past their initial 2015 target for a promise made almost half a century ago.

Trends in development policies are equally troubling. In 2016 and 2017 the EU introduced various key policy frameworks that embraced recent international agreements on development and the environment, including the 2030 Agenda. And yet, EU leaders' words are speaking louder than their actions. The increased emphasis on domestic objectives – such as migration control, tackling security threats and promoting commercial expansion – dilutes the primacy of the EU's international development goals and undermines the hard-fought aid effectiveness principles. By orienting development policies towards serving Europe too, the EU is performing below its own standards and expectations, and failing to meet its international commitments. At a time of such geopolitical uncertainty, if the EU continues along this path it will not fulfil its potential as a global leader with a key role in tackling the challenges of the 21st century.

These trends need to be halted. The role of development professionals in EU institutions and member states is vital in upholding development effectiveness principles. Some countries are managing to reach the 0.7% target while keeping inflated aid levels low. The role of civil society is paramount for scrutinising donors' actions and resisting any further shifts by EU governments that undermine the integrity of aid and development cooperation.

## RECOMMENDATIONS FROM CONCORD EUROPE

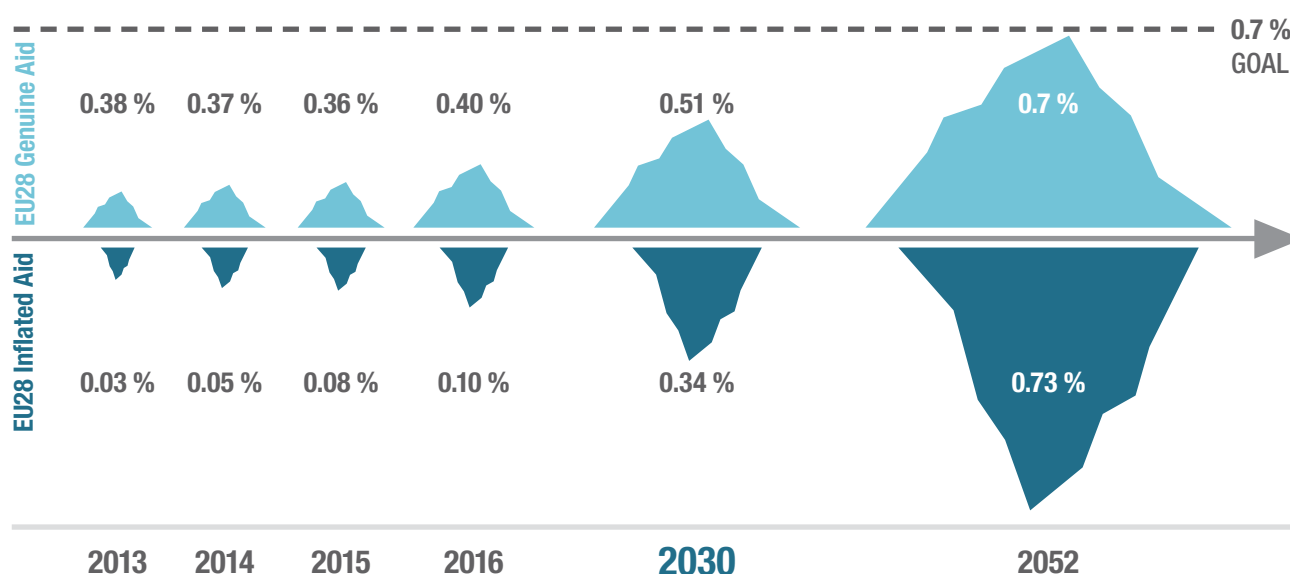
CONCORD calls on the EU and its member states to uphold their treaty obligations on development cooperation, and their international development commitments, by taking the following steps:

### ON EUROPEAN AID, THE EU AND ITS MEMBER STATES SHOULD:

- ensure that ODA remains focused on poverty eradication in developing countries, through "genuine" ODA consistent with the Busan aid effectiveness principles;
- meet their aid targets (0.7% ODA/GNI by 2030, at least 0.15% of GNI to Least Developed Countries (LDCs) by 2020 and 0.2% of GNI to LDCs by 2025);
- avoid using aid to cover a country's national costs of receiving refugees and, ultimately, phase out entirely the reporting of in-donor refugee costs as ODA. In the meantime, donors should closely monitor their increased spending on in-donor-country refugee costs using a transparent system, and should apply existing OECD DAC rules strictly;
- ensure that the modernisation of ODA rules is designed primarily to increase the system's consistency and transparency, and its alignment with development effectiveness principles – that it is not designed to suit donors by relaxing ODA definitions and restrictions even further, thereby allowing them to report spending not geared towards poverty eradication and sustainable development as ODA.

<sup>1</sup> See Annex 1 for a full explanation of CONCORD's methodology for counting inflated aid.

## Estimated timescale for keeping the 0.7% promise: genuine vs inflated EU aid



Source: OECD DAC database and CONCORD calculations

### ON EUROPEAN DEVELOPMENT POLICY, THE EU AND ITS MEMBER STATES SHOULD:

- prioritise fighting poverty in developing countries, particularly the poorest, and fostering sustainable development, as stipulated in the Lisbon Treaty's global development objectives – and they should not allow these objectives to be subjugated to domestic political agendas;
- optimise the implementation of the European Development Consensus by actively promoting developing countries' leadership of their own sustainable development strategies. This also means promoting active participation by civil society organisations in all EU development processes, and avoiding using aid as an instrument to serve donor-country objectives on immigration and security;
- ensure that all instruments (new and old) to promote private sector engagement in development are aligned with the development effectiveness principles, including the principle of ownership of development priorities by developing countries, and with agreed international commitments on environmental sustainability, human rights, decent work, gender equality and the elimination of all forms of discrimination. In particular, ensure that the use of these instruments will not divert resources from other development priorities;
- use the mid-term review of the current Multi-Annual Financial Framework (MFF) as an opportunity for the EU to revise current programmes and ensure that they all contribute to the successful implementation of Gender Action Plan II (GAP II). All member states must allocate sufficient funding and adjust their development programmes to deliver on their commitments to GAP II by 2020;
- continue to play a leading role in implementing global climate agreements, making improvements to climate finance reporting and ending fossil-fuel incentive schemes.

# PART ONE OVERVIEW

# 1. INTRODUCTION

## 1.1 EU AID IN CONTEXT

2016 was a year marked by destabilising shocks and turmoil for the European Union. Europe experienced the most challenging migratory movements of people towards its territory since the Second World War. The UK vote to leave the EU, triggering the process for UK withdrawal, further added to uncertainty about the future. These events, coupled with terrorist attacks within Europe's borders, led the EU to make policy choices that reinforce "Fortress Europe". In the US, meanwhile, the election of President Trump with an "America First" foreign policy has also brought a more isolationist influence to international relations. In this situation, international agreements are under greater threat than before. Policy decisions made in 2016 could undermine prospects for the achievement of Agenda 2030 and the Sustainable Development Goals (SDGs) overall, but also in providing a framework for development finance. EU decision makers must act to ensure that this does not happen, and that EU aid is used to meet the SDGs by 2030.

## 1.2 AIDWATCH 2017

The CONCORD AidWatch Report 2017 presents a detailed analysis of recent aid spending by the EU and its member states, and makes recommendations for how the EU can provide transparent, accountable aid with the primary purpose of ending poverty and achieving sustainable development.

CONCORD AidWatch is deeply concerned about decisions and actions on development finance taken recently by the European Union and its member states. CONCORD's analysis exposes a changing EU development agenda that seems increasingly set to serve European interests at the expense of impoverished people in developing countries. Recent trends show that, while the EU and its 28 member states (EU28) together remain the biggest global aid donor, with a stable increase in total aid over the last five years, contributions continue to fall short of the collective ODA target of 0.7% of EU gross national income (GNI). Moreover, over the last two years, more than half of the increase in aid from EU governments was spent on areas such as in-donor-country refugee costs and debt relief: areas that do not contribute new or additional aid to benefit developing countries.

This shift in priorities for EU development cooperation was also reflected in several of the EU's recent development policy frameworks, introduced over the last two years. They include the new European Consensus on Development, the EU-Turkey migration deal, and the European External Investment Plan (EIP). The new priorities set a trend towards repurposing aid as an instrument to advance domestic EU agendas: they place heavier emphasis on migration control, tackling security threats, and the commercial expansion of the EU. At the same time, they

weaken the EU's development commitments: principally, fighting poverty, especially in the poorest countries, and fostering sustainable development. These commitments are enshrined in the Lisbon Treaty and, as such, must be upheld. Similarly, the EU institutions and EU28 are side-stepping proven and agreed effectiveness principles and approaches, and are undermining leadership in developing countries, while at the same time reducing the transparency and accountability of aid yet increasing the conditions placed on it.

CONCORD urges the EU to demonstrate the same leadership it showed when reacting to President Trump's announcement of the US's withdrawal from the Paris climate agreement. Then it reiterated its commitment to the Paris Agreement, and its financial pledge to assist developing countries in the struggle against climate change; now it needs to champion the global development policy that will help achieve the 2030 Agenda and the SDGs. Over the past 20 years donors have made real improvements, by focusing aid more on fighting poverty, and making it more effective. Using aid now to serve their own interests will undo those improvements.

## 1.3 STRUCTURE OF THIS REPORT

In the report's first chapter, following the introduction the analysis begins by reviewing the quantity and effectiveness of EU aid (Section 2). The next part distinguishes genuine aid from inflated aid (Section 3), moving on to assess critically the most significant European development policy choices in 2016 (Section 4). Based on the key findings of the analysis, the report makes recommendations to EU donors (Section 5). In its second chapter, the AidWatch report will provide an analysis of the quantity and quality of aid for each EU member state, as well as the EU institutions. The methodology used for calculating inflated aid, abbreviations and data tables may be found in the annexes to the report (Annexes 1, 2 and 3).



## 2. A SPOTLIGHT ON EUROPEAN AID SPENDING

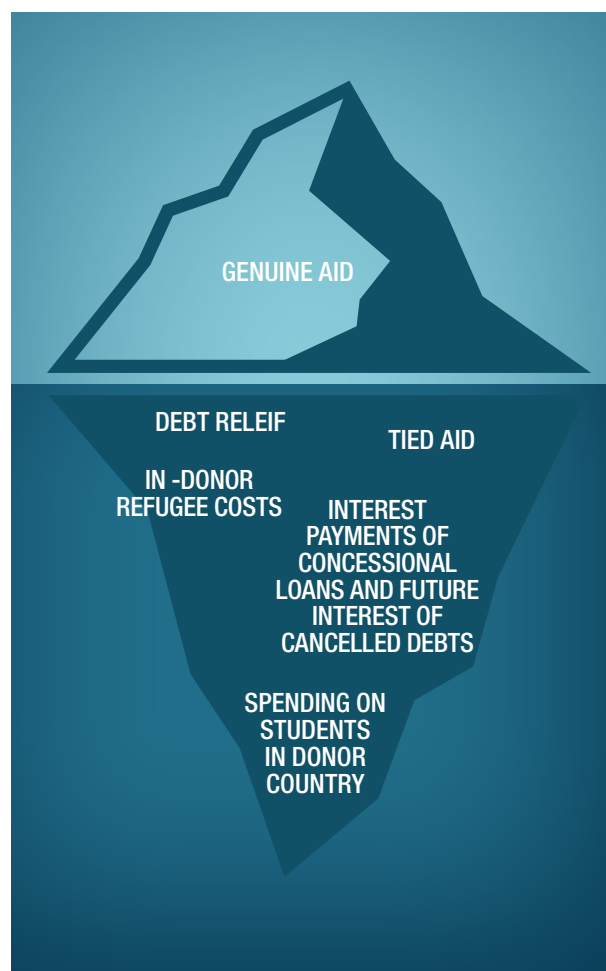
### 2.1 ODA FIGURES ARE ON THE INCREASE...

The fact that, in 2016, the EU and its member states again reported a collective total increase in aid – €75.46 bn in official development assistance (ODA), representing a 27% increase over two years – is to be welcomed. This follows a five-year upward trend, with the EU remaining the world's largest donor. The majority of EU member states (23 out of the 28) increased their aid, ten of them increasing their total ODA by over 25%, including Spain (193%) and Germany (36%). Denmark, Luxembourg, Sweden, the United Kingdom and, for the first time, Germany, together cohabit the “0.7% Club” of donors who have kept their aid promises. Of these, Luxembourg and Sweden must be credited for outstanding individual performances. They are the only two EU member states that exceeded the 0.7% target in 2016 by spending their aid on delivering a “genuine” developmental impact in a developing country. In a progressive move, the Luxembourg government has committed to not reporting in-donor-country refugee costs as ODA, and 0.95% of its total 1.01% GNI is currently spent on “genuine” development activities.

### 2.2 ... BUT THE EU IS STILL MISSING ITS TARGET

In spite of this background, European aid still falls short of the collective 0.7% (ODA/EU GNI) promise, and for the most part the aid increases have not been used for development purposes in developing countries. This report shows that overall the EU is retreating from, rather than making progress with, its aid promise, with its total collective ODA in 2016 amounting to just 0.50% GNI, 0.2 percentage points below the global goal of 0.7% GNI. Some traditional aid champions cut their aid in 2016: the Netherlands, for example, by 14% and Denmark by 8%. Spain's significant aid increase was due in large part to debt relief for Cuba, rather than to tackling poverty in partner countries: the so-called “Cuban soufflé” (a €1.95 bn payment for debt relief) accounted for 53% of the ODA Spain reported in 2016. Similarly, Germany also reached its 0.7% by spending 25% of its reported ODA on in-donor refugee costs, with the result that in 2016 Germany was the largest recipient of its own international aid. Disaggregating “genuine aid” spending from the total aid figures reported by the EU reveals the degree to which the figures are “inflated”.

With the UK withdrawing from the EU, the figures could look worse in years to come. Subtracting the UK's aid from the EU's 2016 figures shows that, without the UK, the 27 remaining



member states would have contributed a collective average of 0.46% (compared to 0.50%) GNI to ODA in 2016. If it is to reach the 0.7% global goal by 2030, the EU will have to do better to bridge the gap left by the departing UK.

### 2.3 LDCs ARE LEFT BEHIND

The EU has also undertaken to target aid at the world's poorest countries. Along with other OECD donors, it is committed to spending 0.15-0.2% ODA/GNI in the world's least developed countries. As a whole, OECD donors' spending there shrank in 2016,<sup>2</sup> with only seven of them meeting the international commitment of 0.15-0.2% ODA/GNI in LDCs.<sup>3</sup> Six of these seven donors were EU member states: Luxembourg, Sweden, the UK, Denmark, Belgium and the Netherlands.<sup>4</sup> Six EU donors

<sup>2</sup> <http://www.oecd.org/development/stats/development-aid-rises-again-in-2016-but-flows-to-poorest-countries-dip.htm>

<sup>3</sup> *The 2011 Istanbul Programme of Action for LDCs established that OECD DAC donors should contribute 0.15-0.20% of their gross national income (GNI) as ODA to LDCs. For more information see: <http://unohrls.org/UserFiles/File/IpOA.pdf>*

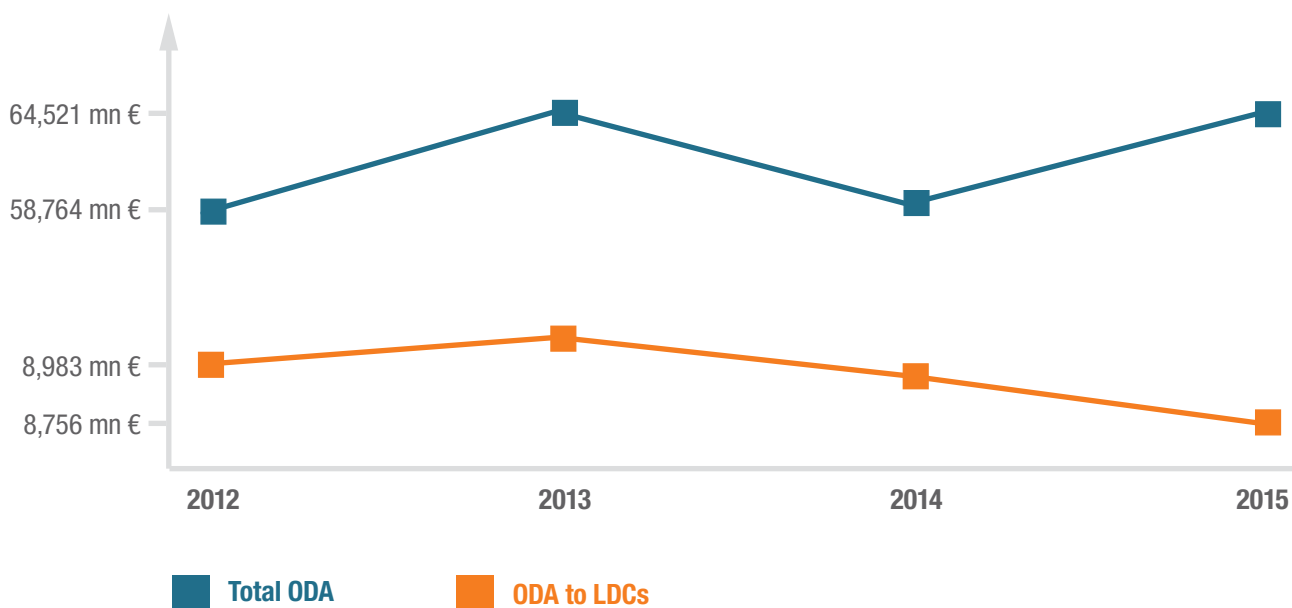
<sup>4</sup> *See: Development Initiatives (2017): Aid spending by Development Assistance Committee (DAC) donors in 2016. Factsheet. April 2017. Accessible at: <http://devinit.org/wp-content/uploads/2017/04/aid-spending-by-Development-Assistance-Committee-DAC-donors-in-2016.pdf>*

actually increased their aid contributions to LDCs in 2016 (Belgium, Denmark, Hungary, Italy, the Netherlands and Poland), while three (France, Sweden and the UK) reduced theirs.

According to the latest available data, total EU bilateral aid to LDCs in 2015 represented just 14.6% of total European aid. This in turn represented only 0.06% of EU28 GNI – half of the amount required to honour the international LDC commitment.

The €8.8 bn spent in LDCs in 2015 was €2 bn less than the €10.9 bn EU donors allocated to in-donor-country refugee costs in 2016. **While total ODA from EU28 increased by 10% between 2012 and 2015, the ODA from EU member states to LDCs decreased by 2.5% (see Graph 1).** This gives some indication of how donors are putting their own interests ahead of their treaty obligations, and ahead of people in the poorest countries in the world.

**Graph 1: EU28 ODA to LDCs 2012-2015** (€ million, constant 2015)



Source: OECD DAC Database

### 3. DISTINGUISHING “GENUINE AID” FROM “INFLATED AID”

In European aid budgets, the growing share of spending on in-donor-country refugee costs is a useful illustration of why aid reporting should follow stricter rules – rules that guarantee that it is actually spent on fighting poverty in developing countries. For a more accurate picture of EU development cooperation, it is crucial to be able to distinguish between the portions of aid budgets that are focused on reducing poverty and supporting the countries and people that have the least, and the amount used to cover costs at home. To help distinguish, CONCORD developed the concept of “inflated aid”, which enables it to account for, and calculate, the aid that is not spent on achieving genuine development outcomes for people in partner countries. This approach has been used to monitor European aid spending since 2005 (see text box 1 for details).

The analysis of 2016 aid figures using CONCORD’s methodology reveals a different account of EU spending from the one officially reported to OECD-DAC (see Graph 2).

#### 3.1 THE SCALE OF AID INFLATION

Graph 1 shows that one fifth (€15.40 bn) of the total aid reported by the EU member states in 2016 is actually inflated. CONCORD’s calculations show that, as a proportion of total European aid, “inflated aid” has increased by 43% compared to 2015, when it was 16.7% of total EU ODA. Four EU countries show significant rises, namely Spain (54.3%), Austria (45.3%), Italy (37.5%) and Germany (28.1%) (see Graphs 3 and 4). Looking at EU bilateral aid alone only worsens the statistics, with more than 30% of all EU member states’ bilateral aid being inflated. Largely as a result of tied aid and interest repayments, 17% of spending by the EU institutions was assessed as being inflated. The volume of aid that is “tied” to the procurement of goods and services in donor countries may actually be higher than officially reported by EU donors. The reported figures reflect only

#### TEXT BOX 1: CONCORD’S AID ACCOUNTING APPROACH

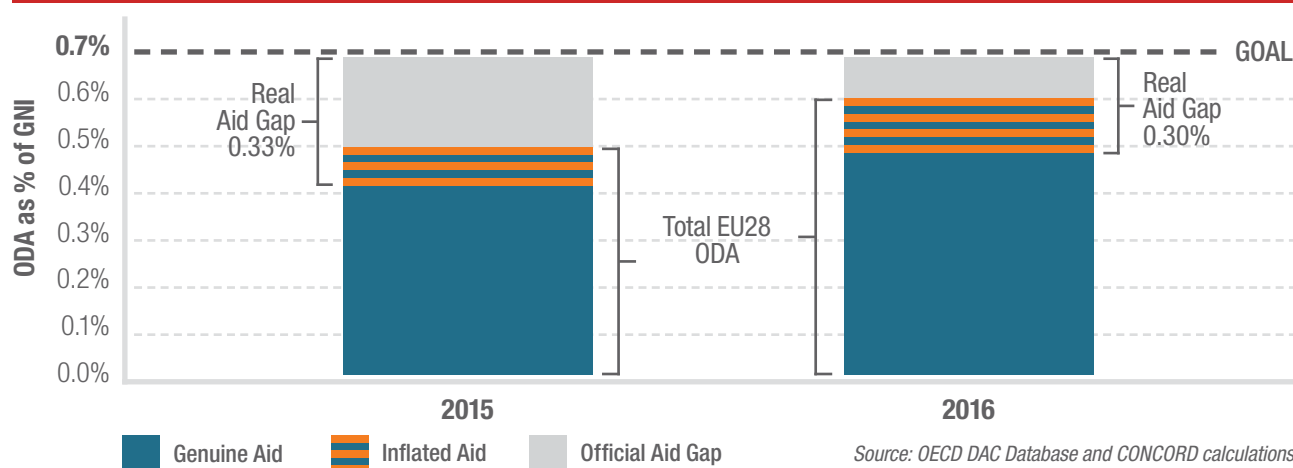
In essence, “inflated aid” refers to all financial flows that – although formally reported as aid by donors under DAC rules – do not genuinely contribute to development. In CONCORD’s view, there is a distinction between instruments and budget lines that contribute new funds to meet development needs and those that do not. CONCORD believes that, assessed against aid effectiveness principles, some aid reported to the DAC should not be regarded as a “genuine” transfer of resources to developing countries. Using this logic, the following items should be discounted from reported ODA in order to obtain “genuine aid” figures:

- spending on refugees in the donor country,
- tied aid,
- spending on students in the donor country,
- interest repayments on concessional loans and future interest on cancelled debts,
- debt relief.

*See Annex I on methodology for a fuller explanation of the concept and the calculations.*

formal restrictions on the countries that can supply goods and services. What the figures do not show is aid that is informally restricted to certain countries, through practical obstacles such as a lack of information, or unnecessarily narrow specifications, which prevent suppliers from other countries from being able to compete. It is impossible to quantify this fully, but figures from

Graph 2: Inflated vs genuine aid as % of GNI, 2015 and 2016



the OECD in 2014 do ring alarm bells: they show that 40% of the total value of aid contracts reported by European donors and analysed by the OECD was awarded back to firms in the donor country that advertised the tender (a figure that reached 80% in the case of the UK).<sup>5</sup>

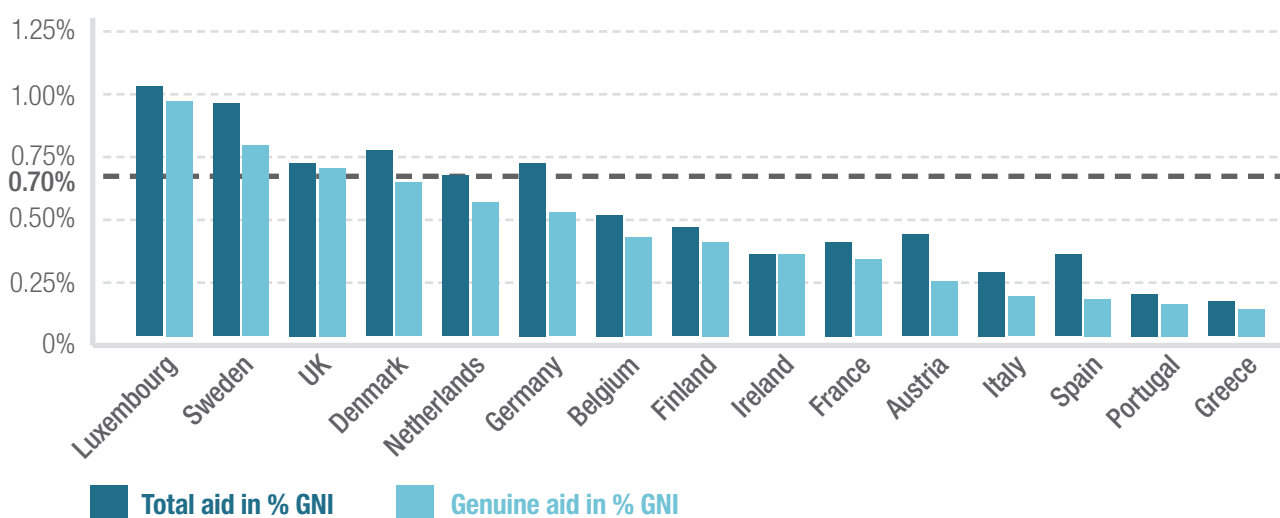
More positively, between 2014 and 2016 the total amount of “genuine” aid contributed by EU donors increased overall by 15%. In 13 EU countries,<sup>6</sup> more than 90% of their total ODA in 2016 was “genuine”, with nine member states<sup>7</sup> increasing their genuine aid contributions by more than 25% (see Annex 3 for more detailed information). Nevertheless, the fact remains

that inflated aid has more than doubled since 2014 and is a rapidly expanding feature of European development assistance (See graphs 3 and 4).

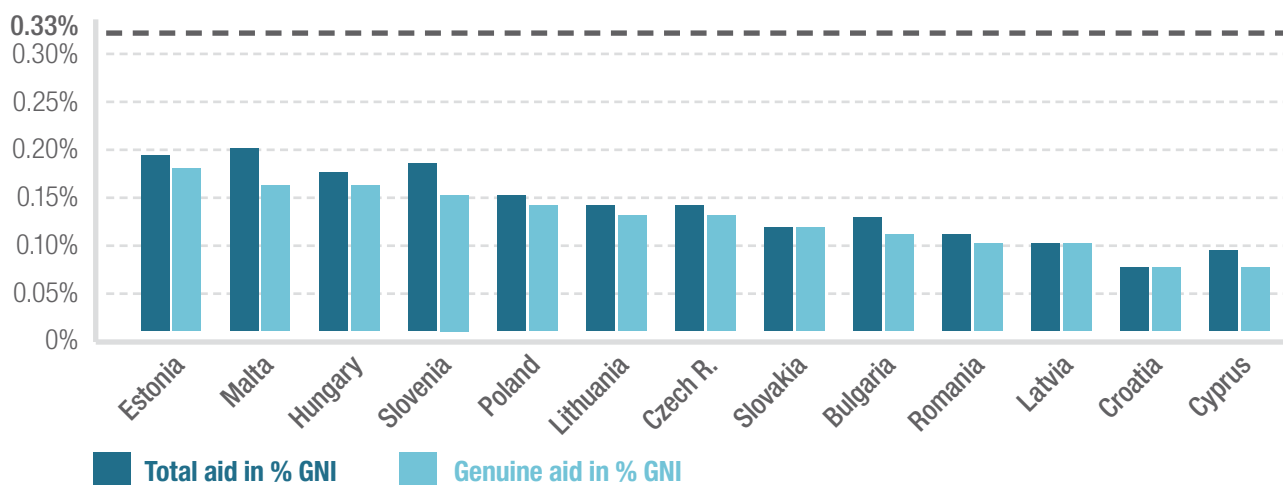
### 3.2 THE GAP TO THE 0.7% AID TARGET: WIDER THAN OFFICIALLY REPORTED

The analysis using CONCORD’s methodology also reveals that the gap between current European aid levels and the amount needed to reach 0.7% ODA/GNI is wider than that reported. In 2016, the EU aid gap, based on EU donor ODA figures reported to the DAC, amounted to €29.25 bn. When the

**Graph 3: Genuine vs Total ODA as % of GNI in the EU15, 2016**



**Graph 4: Genuine vs Total ODA as % of GNI in the EU13, 2016**



<sup>5</sup> OECD DAC 2017 Report on the DAC Untying Recommendation. DCD/DAC(2017)6/Final. April 2017

<sup>6</sup> Ten of them are EU13 countries (Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovak Republic), plus Ireland, Luxembourg and the UK

<sup>7</sup> Bulgaria, the Czech Republic, Germany, Hungary, Malta, Poland, Slovakia, Slovenia and Spain

**Table 1: The gap to the 0.7% aid goal in 2016: official vs real gap**

Total EU28 GNI	14,970,115.44	How much of the EU28 GNI does it represent?
EU28 ODA Commitment (0.7% of GNI)	104,790.81	0.7%
Total EU28 ODA	75,459.90	0.50%
Genuine aid	60,092.12	0.40%
Portion of inflated aid	15,404.80	0.10%
Aid Gap to 0.7% (considering all reported aid)	29,330.92	0.20%
Aid Gap to 0.7% (only considering genuine aid)	44,698.68	0.30%

Source: OECD DAC Database and CONCORD calculations. Figures in € million (2015 constant prices).

“inflated” aid is deducted from that figure, however, the “real EU aid gap” is €44.70 bn (see Table 1).

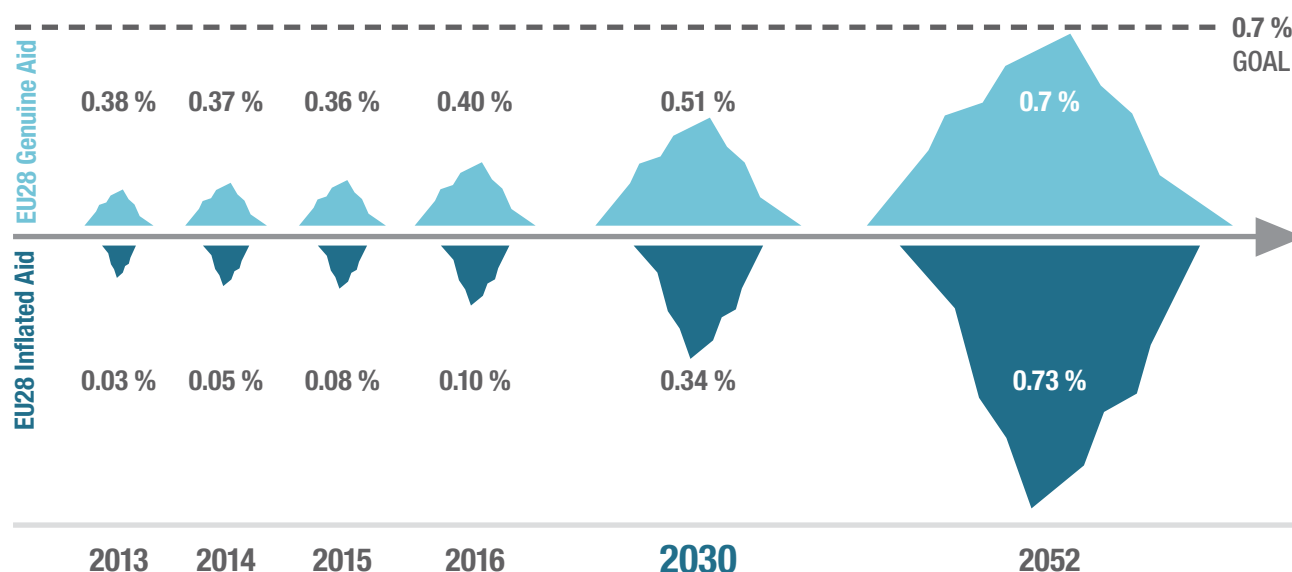
In 2012, that gap, based on official figures, was 0.31%, while the real gap was 0.35%. By 2016, the official gap decreased to 0.20% because of the rise in aid, but the real gap decreased only marginally by comparison, to 0.3%. While absolute EU aid figures are increasing steadily, genuine aid is lagging behind the overall rate of increase.

At the current rate of increase of total reported ODA, Europe would meet the goal of average 0.7% EU GNI by the year 2024. If “genuine” aid increases at the current rate, however, the 0.7% target will not be met before 2052. (See Graph 5).<sup>8</sup>

### 3.3 IN-DONOR-COUNTRY REFUGEE COSTS: A LARGE PROPORTION OF THE AID INCREASES

The share of in-donor-country refugee costs has rapidly become one of the main features of European development aid. Available data<sup>9</sup> indicates that EU donors reported a total of €10.88 bn for refugee costs in 2016. This is a 43.77% increase on the previous year, and a staggering three-fold increase since 2014. This means that one in seven euros invested by EU donors in aid is spent as in-donor-country refugee costs. These costs account for 30% of the total EU aid increase in 2016 (and over 45% since 2014). A number of EU donors contributed a significant share of their aid budgets to refugee costs in their own country: Austria stands out as the one with the highest

**Graph 5: Estimated timescale for keeping the 0.7% promise: genuine vs inflated EU aid**



Source: OECD DAC database and CONCORD calculations

<sup>8</sup> CONCORD estimates are based on a linear projection using official ODA data from the period 2012-2016.

<sup>9</sup> OECD's DAC database and information updated by CONCORD's National Platforms in 2017.

figure, with 38% of its aid budget being spent on refugees on its own territory. This is two and a half times the EU donor average, and far surpasses the 18% aid increase Austria reported to the DAC in 2016. Seven other countries also spent significant amounts in this way: they are Italy (34.3%), Germany (25.2%), Greece (22.35%), Denmark (17.3%), Belgium (16.8%), Sweden (16.8%) and Malta (16.1%).

The scale of spending on in-donor-country refugee costs is even more evident in the bilateral figures. Four member states spent over 50% of their bilateral aid in refugee costs at home: Greece (83.1%), Italy (71.4%), Bulgaria (69.2%) and Austria (61.5%).

Only three of the 28 EU donors did not “inflate” their reported ODA with in-donor-country refugee costs in 2016: they were Luxembourg, Cyprus and Croatia.

Some areas of expenditure on in-country refugee costs is allowed under current DAC rules. Permitted areas of spending include costs for the first twelve months of the refugees’ stay, temporary subsistence costs, and some costs for resettlement. There is, however, a serious risk that these costs will rise further in the coming years, at the expense of spending on fighting poverty in developing countries. As CSOs have consistently argued, DAC rules should stop accepting in-donor-country refugee costs as ODA. Although it is vital to support refugees in Europe, counting donor refugee costs as ODA is misleading: this type of spending has little to do with development aid and does not link directly with the core purpose of ODA, which is to alleviate poverty in developing countries.<sup>10</sup>

Following the international agreement on Agenda 2030, the EU has put in place a set of new external policy frameworks laying out how it intends to help implement the agenda. These policy frameworks are, however, designed to help tackle other escalating global threats too – with the result that they set the EU on a new course, and give it a new role in global development. This section summarises CONCORD’s assessment of EU development cooperation following recent decisions. The new European Consensus on Development reflects many of the policy shifts seen in 2016, including a stronger emphasis on changed objectives for development cooperation. These newly prominent objectives include tackling migration, increasing state security, and promoting the use of private and blended finance in development.

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<sup>10</sup> CSO recommendations on the clarification of DAC rules for reporting in-donor refugee costs as ODA [https://www.oecd.org/dac/CSO\\_recommendations\\_to\\_the\\_DAC\\_on\\_IDRC\\_May%202017.pdf](https://www.oecd.org/dac/CSO_recommendations_to_the_DAC_on_IDRC_May%202017.pdf).

# 4. A NEW DIRECTION FOR EUROPEAN DEVELOPMENT COOPERATION

## 4.1 THE NEW EU DEVELOPMENT CONSENSUS: DOUBLE STANDARDS FOR DEVELOPMENT COOPERATION

The new European Consensus on Development is a non-legally-binding framework for delivering on the internationally agreed sustainable development goals through external policy. Endorsed by all EU institutions and member states in June 2017, it sets the direction for EU development policy. The consensus does include the EU's obligations to fight poverty and foster sustainable development in developing countries, but member states have also introduced a different set of priorities for development cooperation, using aid to curb migration and to strengthen state security in partner countries. CONCORD is concerned that instrumentalising development cooperation to meet security, commercial and migration objectives risks displacing the fight against global poverty as the EU's primary objective for development cooperation.

The consensus, for example, does little to safeguard developing countries' leadership of their development processes – an aim reasserted by several international declarations over the last few years, including the Busan Agreement in 2011. This is particularly apparent in the case of cooperation with Middle-Income Countries (MICs), where the consensus promotes partnerships that combine potentially conflicting objectives relating to political, security, economic and financial concerns.<sup>11</sup> With such an approach, the full implementation of development effectiveness principles – such as country ownership of sustainable development strategies, and donors' alignment with those strategies – may be superseded by a push to accommodate other political priorities.

Encouragingly, the consensus does include many demands from civil society organisations (CSOs). The challenges and objectives it covers are comprehensive, including most issues linked to development cooperation. It supports sustainability, human rights and gender equality as fundamental principles for cooperation, and promotes complementarity with the main multilateral agreements on development and the environment (from Addis Ababa, to Sendai, to Paris).<sup>12</sup> The consensus also emphasises the need for the different development actors to take a coordinated approach in both policy and practice. This includes succeeding in implementing the principle of Policy Coherence for Development in all internal and external EU action. Final-

ly, it stipulates that development effectiveness principles apply to all forms of development cooperation. CONCORD therefore calls for the key principles of the consensus to be upheld, but it also calls on the EU to exercise caution when prioritising development action that neither supports poverty eradication nor represents the interests or expectations of EU citizens.

CONCORD's concerns in relation to migration, security, the private sector in development, climate change and gender issues are examined in further detail below.

## 4.2 USING AID TO CURB MIGRATION IS MISGUIDED

One EU response to the increased migration into Europe has been to use aid as an instrument, redirected towards the migratory countries, to stem the flow of people. The EU is doing this in three ways: first, aid is used to strengthen the capacity for refugee reception in donor countries. Aid for these purposes is increasing rapidly. With this level of spending on in-donor-country refugee costs, vital funding risks being diverted from much-needed aid for development in some of the poorest countries.

Secondly, unprecedented levels of aid are being used to address the “root causes of migration” in Africa. This ill-defined notion has in practice been interpreted to mean anything from financing food and nutrition to creating employment opportunities in order to prevent irregular migration, or implementing return and readmission policies – this despite the fact that a key “root cause” of migration is conflict, which requires political solutions, not development assistance.

Thirdly, aid allocated to containing migration places conditions on partner countries, which are expected, in return, to implement measures to prevent migration and control borders. The EU has already signed 17 readmission agreements with the countries people emigrate from,<sup>13</sup> and in the past year it has been pressuring countries (of origin or transit) to enter into migration compacts.<sup>14</sup> All of these agreements include a combination of objectives in which border control and development interventions are interlinked. Aid being associated with these activities is contentious. For example, the authorities in Belgium and Italy present aid used like this as positive conditionality (“more for more”).<sup>15</sup>

11 See for example paragraph 93 of the new European Consensus on Development (accessible at: [http://www.consilium.europa.eu/press-releases-pdf/2017/5/47244659538\\_en.pdf](http://www.consilium.europa.eu/press-releases-pdf/2017/5/47244659538_en.pdf))

12 The Addis Ababa Action Agenda of the Third International Conference on Financing for Development, the Sendai Framework for Disaster Risk Reduction and the Paris Climate Agreement.

13 [https://ec.europa.eu/home-affairs/what-we-do/policies/irregular-migration-return-policy/return-readmission\\_en](https://ec.europa.eu/home-affairs/what-we-do/policies/irregular-migration-return-policy/return-readmission_en).

14 [https://eeas.europa.eu/headquarters/headquarters-homepage/330/european-neighbourhood-policy-enp\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/330/european-neighbourhood-policy-enp_en)

15 [https://diplomatie.belgium.be/en/newsroom/news/2016/european\\_development\\_budgets\\_should\\_not\\_be\\_used\\_leverage\\_impose\\_migration\\_policy](https://diplomatie.belgium.be/en/newsroom/news/2016/european_development_budgets_should_not_be_used_leverage_impose_migration_policy)



Overall, EU migration management is at cross-purposes with development assistance. Migration “deterrence” has been at the centre of the EU’s policy response since 2015, and has influenced the framing of subsequent policy, e.g. the new Consensus on Development, the Emergency Trust Fund for Africa, etc.

### 4.3 EU’S SECURITY AGENDA CONFLICTS WITH DEVELOPMENT COOPERATION

In 2016 the EU launched new proposals<sup>16</sup> to upgrade support for security and development in partner countries. These proposals did not, however, highlight measures like fostering civil society organisations, local reconciliation, or political and legal environments in which active citizens can promote access to security and justice. Instead they emphasised the EU’s intention to invest in the “common challenges of terrorism, conflicts and extremism”. These are indeed common challenges that need tackling. However, development cooperation intended to build institutions or support initiatives to promote peace, justice and good governance, for example, is not the same as security cooperation when the latter’s overriding objective is to contain security risks – by fighting extremism, insurgency and migration – in partner countries, principally for the benefit of donor countries.

A number of EU donors have signalled their intention to concentrate more on strengthening state security in partner countries. The UK, for example, is explicit in its 2015 Aid Strategy that its aid will be used to advance national security interests. While strengthening national security in developing countries, if done properly, can benefit people there, caution is needed to ensure that development policy and humanitarian objectives are not subjugated to donor countries’ security or foreign policy priorities, or that lines between their respective mandates are not blurred.

Vague rules on reporting the aid spent on security have also made it difficult to track spending on activities relating to peace-building and security in developing countries. It is known that aid is increasingly skewed towards countries where threats to donors’ security are perceived, and that policy increasingly concentrates on containing risk in those countries. This is evident in the EU donors’ choice of their top 10 aid recipients.<sup>17</sup> As yet, however, the true extent of aid spending on military or security forces in partner countries has gone largely undetected in the aid reporting system. Aid rules do not permit spending on military or security forces unless it is explicitly for development purposes. Efforts by the DAC<sup>18</sup> in 2016 to tighten rules to improve donor reporting of spending in these areas, however, have prompted some donors to secure changes that will actually regularise new areas of spending on military or security forces that were previously not permitted. The impact of these changes will not begin to show until the aid budget cycle registers and reports them. CONCORD urges EU donors to put good development and humanitarian practice at the heart of their efforts to meet people’s needs and build stability. EU spending on security-linked programmes will require close monitoring to ensure that aid is not being diverted from spending on development priorities.

### 4.4 IS AIDING THE PRIVATE SECTOR IN DEVELOPMENT PROVIDING ADDED VALUE?

The EU is also promoting the role of the private sector in development. Its action plan for “A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries”<sup>19</sup> lays out its plans for encouraging more engagement from private sector actors. CONCORD recognises that the private sector has a positive contribution to make to the 2030 Agenda and the SDGs. However, the assumption by donors that the private sector is inherently good for development, and is an efficient means of achieving development results, has not been substantiated by the available evidence.<sup>20</sup>

Nevertheless, the EU now plans to launch the new European External Investment Plan at the next EU-Africa Summit, in November 2017. The EIP will bring together a number of blending facilities involving private finance, and will establish a new fund – the European Fund for Sustainable Development (EFSD) – supported by a new guarantee instrument that will protect private investors operating in challenging environments. In total, the EFSD’s initial capitalisation will amount to €3.35 bn investment from ODA funds up to 2020 (including a €0.75 bn contribution for the guarantee instrument). From this, the EU claims it will be able to leverage at least €44 bn of private investment (which could rise to €88 bn if member states decide to match the EU’s contribution to the fund).<sup>21</sup>

16 [http://europa.eu/rapid/press-release\\_IP-16-2405\\_en.htm](http://europa.eu/rapid/press-release_IP-16-2405_en.htm)

17 [https://public.tableau.com/views/AidAtAGlance/DACmembers?:embed=y&:display\\_count=no?&:showVizHome=no#1](https://public.tableau.com/views/AidAtAGlance/DACmembers?:embed=y&:display_count=no?&:showVizHome=no#1)

18 <http://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf>

19 [https://ec.europa.eu/europeaid/european-commission-communication-com2014263-stronger-role-private-sector-achieving-inclusive-and\\_en/](https://ec.europa.eu/europeaid/european-commission-communication-com2014263-stronger-role-private-sector-achieving-inclusive-and_en/) / [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/146174.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/146174.pdf)

20 <http://www.oecd.org/dac/peer-reviews/private-sector-engagement-for-sustainable-development-lessons-from-the-dac.htm>

21 For more information regarding the European External Investment Plan see: [https://ec.europa.eu/europeaid/eu-external-investment-plan-factsheet\\_en](https://ec.europa.eu/europeaid/eu-external-investment-plan-factsheet_en)



Following pressure from the European Parliament and CSOs, some additional improvements were made to the fund to bring it more into line with aid effectiveness principles (emphasising the untying of aid), and commitments to assess up-front the expected additionality of engaging private sector partners were introduced. The fund also prioritises companies that provide disclosure on relevant information and that publish a yearly assessment of investment decisions measured against the fund's objectives. No provision is made to mitigate aid diversion, however, or to make provision for effective participation by affected countries or communities. Moreover, there is no theory of change outlining whether a fund that is managed in this way will contribute to sustainable, pro-poor development.<sup>22</sup>

Eight regional investment facilities have been launched since the first European blending facility was introduced 10 years ago. Since then, CSOs have questioned whether these instruments add value to development, or not.<sup>23</sup> The EU promotes these blending facilities without any compelling evidence that they will not just target primarily large infrastructure projects with low added value for development,<sup>24</sup> drain resources away from public services, or promote the privatisation of the delivery of essential services. Considering that blending instruments are better suited to the economic and institutional environment of MICs, there is also a valid concern that, through the scaling-up of these aid modalities, financial assistance for LDCs will be further compromised. In future years, close monitoring and public scrutiny will be paramount in comparing the reality with the stated objectives and purpose of the EIP.

Other initiatives and strategies similar to the EIP have been launched recently, such as Germany's Marshall Plan for Africa<sup>25</sup> and the G20's Compact with Africa, initiated by Germany under its presidency of that body in 2017.<sup>26</sup> It is unclear, however, how these funds will help contribute to Agenda 2030,

## TEXT BOX 2: EU TRUST FUNDS SYMBOLIC OF THE EU'S CHANGE OF DIRECTION ON DEVELOPMENT

The EU Emergency Trust Fund for Africa, agreed in November 2015, symbolises the change in direction of EU development cooperation. The fund's underlying motivation is seemingly to stop migration, and to shift the responsibility for doing so onto the countries of origin and transit. By September 2017 the EU had pledged a total of €2.9 bn to the fund, including €2.7 bn from the European Commission.<sup>27</sup> The fund has three regional "windows": Sahel and Lake Chad, Horn of Africa, and North of Africa. By June 2017, 117 initiatives had been approved by its operational committees, supporting three priority sectors: (i) economic programmes to boost employment; (ii) resilience programmes focusing on the most vulnerable people, refugees and displaced persons; and (iii) stability and governance programmes on conflict prevention and migration management.<sup>28</sup>

It is vital to invest in job creation, increase resilience and strengthen governance in order to prevent conflict in fragile settings. CONCORD is concerned that – rather than investing in easing the regular migration flows, guaranteeing safe routes and entries for migrants, or optimising the potential gains for countries of origin, recipient countries, or the migrants and their families – the fund's Strategic Orientation Document<sup>29</sup> limits its focus to a need for "organising legal migration". Similarly, when referring to "enhancing mobility", the EU's interest is in migration for educational, scientific, training and professional purposes, but it ignores the variety and complexity of other crucial factors that motivate people to migrate.

22 For a detailed account of CSOs' concerns, please access: (<http://www.eurodad.org/efsd-euro-parl-vote>) and (<http://www.counter-balance.org/european-parliament-improves-the-external-investment-plan-but-significant-challenges-ahead/>)

23 Recent reports giving reason for caution include "A dangerous blend" (Eurodad, <http://eurodad.org/files/pdf/527b70ce2ab2d.pdf>) and "Blended finance: what it is, how it works and how it is used" (Oxfam and Eurodad, <http://eurodad.org/files/pdf/58a1e294657ab.pdf>)

24 Some of the EC-commissioned evaluations of past blended projects by the EU validate the grounds for CSOs' concerns in this regard (for details: <http://www.eurodad.org/blended-finance-aid-risk>)

25 For more information see: [http://www.bmz.de/en/countries\\_regions/marshall\\_plan\\_with\\_africa/10\\_starting\\_points/index.html](http://www.bmz.de/en/countries_regions/marshall_plan_with_africa/10_starting_points/index.html)

26 For more information see: <http://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Featured/G20/2017-03-30-g20-compact-with-africa.html>

27 [http://ec.europa.eu/europeaid/sites/devco/files/eu\\_sources\\_of\\_funding\\_for\\_the\\_eutf\\_for\\_africa\\_1.pdf](http://ec.europa.eu/europeaid/sites/devco/files/eu_sources_of_funding_for_the_eutf_for_africa_1.pdf)

28 EU Emergency Trust Fund for Africa – Factsheet (Tuesday, 12 September 2017): [https://ec.europa.eu/europeaid/sites/devco/files/factsheet-eu-emergency-trust-fund-africa-2017-09-11\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/factsheet-eu-emergency-trust-fund-africa-2017-09-11_en.pdf).

29 [https://ec.europa.eu/europeaid/sites/devco/files/eu-emergency-trust-fund-revised-strategy-15022016\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/eu-emergency-trust-fund-revised-strategy-15022016_en.pdf)

in particular to partner countries' own agreed national initiatives and development plans, or to those set out in the African Union's Agenda 2063.<sup>30</sup>

#### 4.5 EUROPEAN CLIMATE FINANCE IN THE TRUMP ERA

In a more welcome move, the EU has opted to support multilateral solutions with regard to climate change, rather than retreat like the US under President Donald Trump. After the President's announcement in June 2017 that the US had "terminated" the Green Climate Fund (GCF),<sup>31</sup> the EU promised to "fill the vacuum [with] new broad committed leadership."<sup>32</sup> This involves consistently making contributions towards raising \$100 bn a year by 2020, to help poorer countries cut emissions and put adaptation measures in place.

According to officially reported figures,<sup>33</sup> the EU and its member states' contributions to climate finance amounted €17.6 bn in 2015, compared to €14.5 bn in 2014. Also, 22 of the member states have made individual pledges to the GCF: taken together, these contributions make the EU the largest contributor, with total pledges amounting to \$4.8 bn.<sup>34</sup> Nevertheless, problems persist around definitions, sources of finance, and systems for reporting climate finance contributions under the United Nations Framework Convention on Climate Change (UNFCCC). These issues must be addressed in order to monitor whether finance is new and additional and does not displace other EU priorities. Furthermore, lessons from decades of experience in aid effectiveness and development policy coherence should be applied to the management of climate funds, especially since a significant share of these funds is used for mainstreaming climate change adaptation into ODA. Moves are underway at an international level to clarify some of these issues.

In addition to these challenges, climate finance is compromised by policy incoherence. European countries are still fuelling climate change through their fossil-fuel incentive schemes. Ten European countries reviewed in 2017 provided an average of €6.3 bn per year to subsidise coal through budgetary support or tax breaks,<sup>35</sup> effectively reversing any progress collectively achieved to cut the emissions that contribute to global warming.

#### 4.6 A SECOND CHANCE TO MAKE THE EU'S GENDER ACTION PLAN (GAP II) SUCCEED

Generally speaking, donor progress on gender equality and women's empowerment has always been half-hearted. Insufficient high-level political commitment meant that the first EU Gender Action Plan (GAP I, 2010-2015) was poorly rolled out. For example, Graph 6 illustrates how EU donors performed on implementing GAP I's key objective, which was for 85% of new EU programmes to have gender as a "significant objective" or as their "principal objective" (in line with the OECD's definition). According to latest available statistics on gender-integrated ODA (2014-2015),<sup>36</sup> Sweden was the only EU member state to meet this target. A further seven are also making significant progress, reaching 50-75%. Most member states, however, still have a long way to go to reach the 85% target by 2020. The EU Commission had reached only 34% in 2014-2015, but it has recently claimed that as many as 57% of its programmes now have gender as a significant or their principal objective, which is considerable progress.<sup>37</sup>

There is pressure for the EU to do better with the new Gender Action Plan (GAP II, 2016-2020). CSOs were disappointed that GAP II had the status of a Staff Working Document, rather than an official Commission Communication. Nevertheless, GAP II does include important commitments that, if implemented effectively, could make a real difference to gender programming and outcomes. The main commitments in GAP II include the target (from GAP I) of reaching 85% by 2020. If programmes do not include a gender perspective, officials must explain why not.

30 Karaki, K., Byiers, B., Grosse-Puppenthal, S. 2017. *The European Investment Plan and sustainable development – don't reinvent the wheel, just realign it.* ECDPM Talking Points blog, 3 March 2017

31 <http://www.npr.org/2017/06/01/531090243/trumps-speech-on-paris-climate-agreement-withdrawal-annotated>

32 <https://www.nytimes.com/2017/06/01/world/europe/climate-paris-agreement-trump-china.html>

33 <http://www.consilium.europa.eu/en/press/press-releases/2016/10/25-climate-change-finance/>

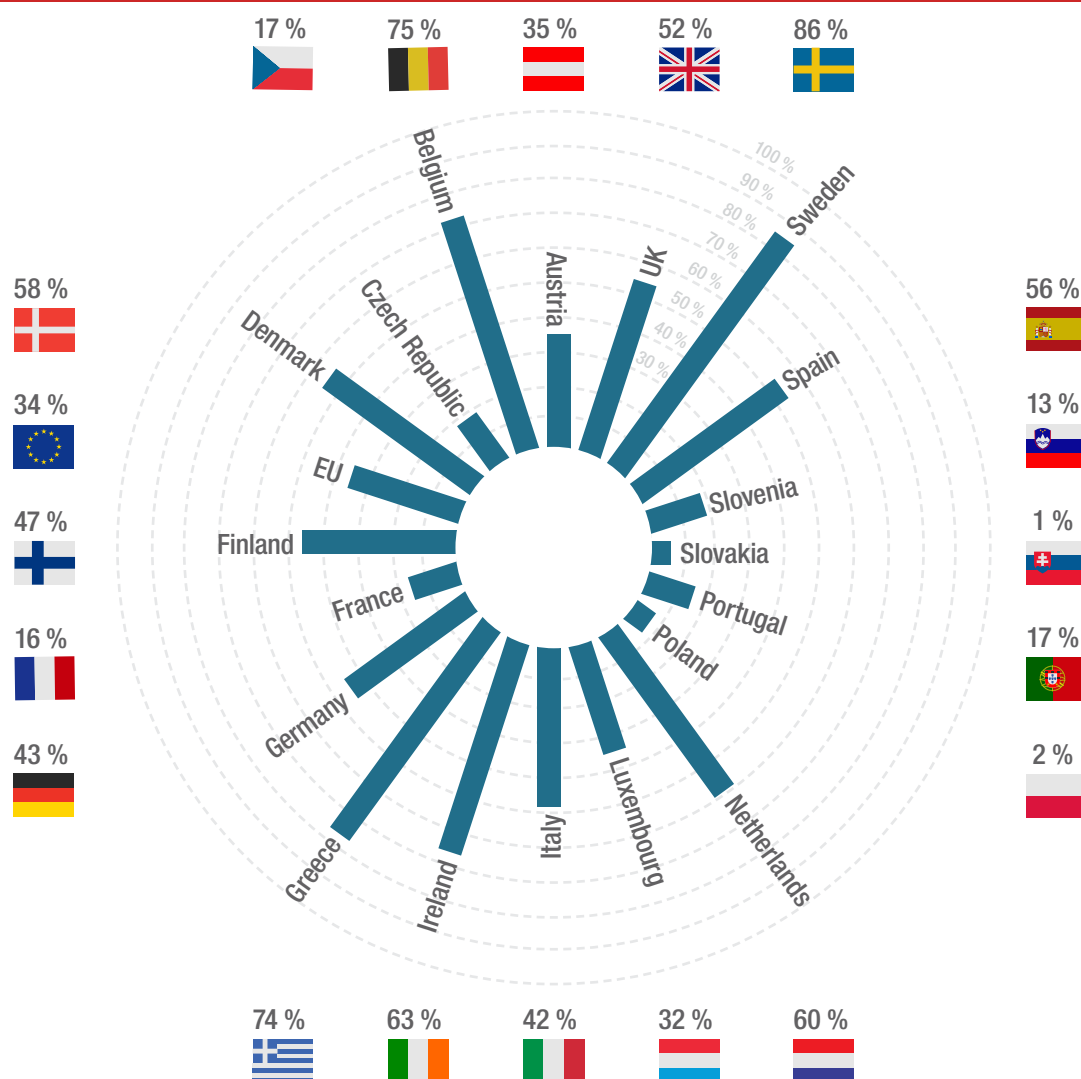
34 <http://www.greenclimate.fund/how-we-work/resource-mobilization>

35 <https://www.odi.org/publications/10788-cutting-europes-lifelines-coal-tracking-subsidies-10-countries>

36 OECD: <http://www.oecd.org/development/gender-development/Aid-to-Gender-Equality-Donor-Charts-2017.pdf>

37 GAP: Annual implementation report 2016, published 30 Aug. 2017

Graph 6: Countries' progress with making 85% of EU programming gender-aware



Source: OECD DAC, 2017, <http://www.oecd.org/development/gender-development/Aid-to-Gender-Equality-Donor-Charts-2017.pdf>

### TEXT BOX 3: CHANGING THE RULES – MODERNISING ODA IN THE OECD DAC

Transparency and clarity in reporting are essential if the public is to understand how much the EU and its member states are helping to reduce poverty, or delivering on the SDGs. Donors face criticism for their lack of transparency, consistency and comparability in how they account for ODA. In response to this, and to help meet the challenge of Agenda 2030, the OECD DAC and its members have set in motion a process to improve how ODA is measured and reported and to modernise the reporting criteria. This process, however, has also given donors an opportunity to broaden some of the definitions for permissible ODA, thereby allowing them to report more spending as aid.

In 2016, the DAC agreed the following changes to the rules that define ODA:

- a broader range of **peace and security expenditure** should be counted as ODA;
- where donors support **private sector actors working in developing countries** (through loans, equity investment or credit guarantees), a greater share of this support should be counted as ODA;
- the rules on **in-donor refugee costs** will be reviewed to make reporting more “consistent, comparable and transparent”.

Each of these rule changes adds to the risk that donors will use aid for spending on activities that do not have a development impact in partner countries. Here, donors may have missed an opportunity to use the ODA modernisation process to reduce the scope for aid inflation. Indeed some of the changes (those made to the rules on support for the private sector, for example) give donors more scope to inflate the amount of aid they report.

# 5. CONCLUSION AND RECOMMENDATIONS

The EU has set a new course for its development cooperation. This change in direction is a result of the EU's responding to escalating global threats on the one hand, and reorienting its external policy to help achieve the SDGs on the other. For development, these changes offer both opportunities and risks: the EU continues to be the biggest donor bloc, showing a steady rise in total contributions to development aid, but at the same time these increases are compromised by the fact that more than half of the new aid since 2014 has been spent on activities within EU borders, and has not genuinely contributed to development. If the current trends in EU aid spending continue, keeping the EU's promise of delivering an average of 0.7% of its GNI in ODA will take at least until 2052, if the "inflated" component is deducted from total aid figures – more than twenty years later than the targeted 2030.

CONCORD AidWatch is concerned that the new spending priorities will result in aid being diverted from fighting poverty, and from other spending essential to meeting needs in developing countries. CONCORD AidWatch is also concerned that, while recent new development policy frameworks (such as the EU Development Consensus) do confirm that the EU's priority for development is poverty eradication, and while they are geared towards Agenda 2030, new objectives in EU policy – which support a domestic EU agenda – risk impeding the policy frameworks' development impact and threaten to undermine the aid effectiveness principles.

CONCORD AidWatch is calling on the EU to uphold its treaty obligations on development cooperation, and to fulfil its international development commitments, by taking the following steps:

## ON EUROPEAN AID, THE EU AND ITS MEMBER STATES SHOULD:

- *Ensure that ODA remains focused on poverty eradication in developing countries, through "genuine" ODA consistent with the Busan aid effectiveness principles;*
- *meet their aid targets (0.7% ODA/GNI by 2030, at least 0.15% of GNI to LDCs by 2020 and 0.2% of GNI to LDCs by 2025);*
- *avoid using aid to cover a country's national costs of receiving refugees and, ultimately, phase out entirely the reporting of in-donor refugee costs as ODA. In the meantime, donors should closely monitor their increased spending on in-donor-country refugee costs using a transparent system, and should apply existing OECD DAC rules strictly;*

- *ensure that the modernisation of ODA rules is designed primarily to increase the system's consistency and transparency, and its alignment with development effectiveness principles – that it is not designed to suit donors by relaxing ODA definitions and restrictions even further, thereby allowing them to report spending not geared towards poverty eradication and sustainable development as ODA.*

## ON EUROPEAN DEVELOPMENT POLICY, THE EU AND ITS MEMBER STATES SHOULD:

- *Prioritise fighting poverty in developing countries (in particular the poorest), and fostering sustainable development, as stipulated in the Lisbon Treaty's global development objectives, and should not allow these objectives to be subjugated to domestic political agendas;*
- *optimise the implementation of the European Development Consensus by actively promoting developing countries' leadership of their own sustainable development strategies. This also means promoting active participation by civil society organisations in all EU development processes, and avoiding using aid as an instrument to serve donor-country objectives on immigration and security;*
- *ensure that all instruments (new and old) to promote private sector engagement in development are aligned with the development effectiveness principles, including the principle of ownership of development priorities by developing countries, and with agreed international commitments on environmental sustainability, human rights, decent work, gender equality and the elimination of all forms of discrimination. In particular, ensure that the use of these instruments will not divert resources from other development priorities;*
- *use the mid-term review of the current MFF as an opportunity for the EU to revise current programmes and ensure that they all contribute to the successful implementation of Gender Action Plan II (GAP II). All member states must allocate sufficient funding and adjust their development programmes to deliver on their commitments to GAP II by 2020;*
- *continue to play a leading role in implementing global climate agreements, making improvements in climate finance reporting and ending fossil-fuel incentive schemes.*

# PART TWO COUNTRY PAGES

# EU INSTITUTIONS



**“With the new Consensus on Development [...], we are aligning our action at European level with the internationally agreed 2030 Agenda for Sustainable Development, and we are committed to working even more closely together.”**

Neven Mimica, Commissioner in charge of International Cooperation and Development, 6 June 2017<sup>38</sup>

## MAIN CHANGES IN 2016

In 2016 the EU introduced the framework for the implementation of Agenda 2030, establishing a new approach to external relations. In terms of development assistance, the EU institutions delivered a total of €15.6 bn. Of this, €14.1 bn originated from member states' Multiannual Financial Framework (MFF) contributions, and €1.5 bn came from existing European Commission resources. Only €11.4 bn of the total aid managed by the EU institutions can be classified as genuine bilateral aid. Inflated aid (comprising tied aid and interest) represented 18.8% of total aid. Tied aid is a significant factor in the rising aid levels reported over the past three years, and multilateral aid more than doubled from 2015 to 2016. The EU institutions do not report any refugee costs in donor countries as expenses. Nevertheless, in 2016 EU member states did use their national aid budgets for these costs. At the same time, the EU's Emergency Trust Fund for Africa shows that its overriding objective is to reduce the numbers of migrants and refugees coming into Europe, and to place the responsibility for migration control on the countries of origin and transit. This is also reflected in the European Development Consensus (EDC) adopted in May 2017. The EDC does reflect some aspects of the principles of ownership and inclusive partnership – for which the EU has performed unsatisfactorily – but it remains to be seen how these will be implemented in practice.

## TRENDS AND PROJECTIONS FOR 2017

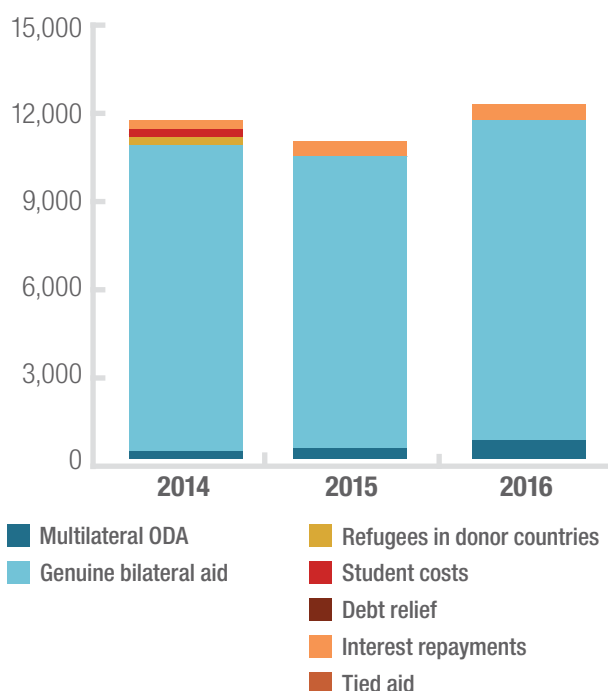
It is difficult to predict future aid volumes and commitments by EU institutions because the UK's withdrawal from the EU is likely to have a considerable impact on European development cooperation. The EU is the biggest contributor to climate finance, and has announced an increase of \$100 bn to help poorer countries cut emissions. According to the spending plan reported to the OECD, country programmable aid and multilateral aid from the European Commission (which is a relatively small part of the total aid from EU institutions) will remain stable, with no change from 2016 to 2017. The EU External Investment Plan (EIP), endorsed in May 2017, will be implemented next year with ODA funds initially at €3.35 bn, until 2020. This new push to use pub-

lic funds to promote public commercial investment raises serious concerns about the impact it may have in terms of the quality of aid, the reduction of funding for LDCs and the withdrawal of resources from non-profit sectors. The OECD DAC reform, which will be implemented during the second half of 2017, also aims “to improve its members' use of the private sector in bilateral programmes by allowing ODA to be channelled through a wide range of private-sector instruments.”

## RECOMMENDATIONS TO THE EU AND ITS MEMBER STATES

- *The EU and its member states should meet their existing ODA commitments.*
- *Poverty reduction, not national security priorities, must be the focus of EU development cooperation. The EU and its member states should stop using aid or any other development policy instruments (such as the Trust Funds) as a tool to deter migration, and should move forward with establishing safe, legal migration channels.*
- *For more effective development cooperation, in line with the 2030 Agenda, the EU's institutions and member states should ensure policy coherence for human rights and sustainable development across EU policies.*
- *The EU's institutions and member states should contribute to the reform of the DAC to ensure that the overarching goal of development aid continues to be to eradicate poverty and to fight against inequality, with a special focus on gender inequality.*

**EU INSTITUTIONS - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



38 [http://europa.eu/rapid/press-release\\_IP-17-1544\\_en.htm](http://europa.eu/rapid/press-release_IP-17-1544_en.htm)



0.22% GENUINE AID/GNI

0.41% TOTAL AID/GNI

# AUSTRIA



**“If we finally applied pressure on the African states, and cut their development cooperation funds or other European grants when they were not willing to take back refugees, then they would change their policies.”**

Foreign Minister Sebastian Kurz, June 2017

## MAIN CHANGES IN 2016

For the second consecutive year Austria's ODA rose significantly – from 0.35% in 2015 to 0.41% in 2016 – mainly owing to increased costs for in-donor refugees. There was also an increase in multilateral contributions. In-donor refugee costs account for 38% of Austria's ODA – the highest share of all DAC members. In comparison, the programmable budget of the Austrian Development Agency (ADA) accounted for merely 5.6% of total ODA in 2016.

While the government announced an increase in the Disaster Relief Fund (Auslandskatastrophen-fonds) from €5 m to €20 m for 2016, preliminary OECD data shows an increase in humanitarian aid of only €3 m. Transparency and a strategy for humanitarian aid and for the Disaster Relief Fund are both lacking. Decisions on where and how to spend the increased funding are made on an ad hoc basis by the Austrian council of ministers. Austrian Development Cooperation is increasingly shifting its attention to the countries of origin of refugees/migrants, and to transit countries, in order to prevent people from coming to Europe. As a result, NGOs are concerned about the potential instrumentalisation of aid and about aid being diverted away from fighting poverty, from tackling the root causes of poverty, and from helping those most in need.

## TRENDS AND PROJECTIONS FOR 2017

The government announced that it would increase the ADA's budget by €15.5 m annually from 2017, to give a total budget of €154 m per annum by 2021. A transparent spending plan for this budget has yet to materialise, however. It is not yet clear how the budget for 2017 has been allocated, or which countries have benefited from the increased funding. So far, it looks as though the increased budget has been allocated predominantly to migration-related purposes. There have been no new announcements, for example, on any increase in the budgets for the ADA's usual priority countries – for which funds have been decreasing in recent years.

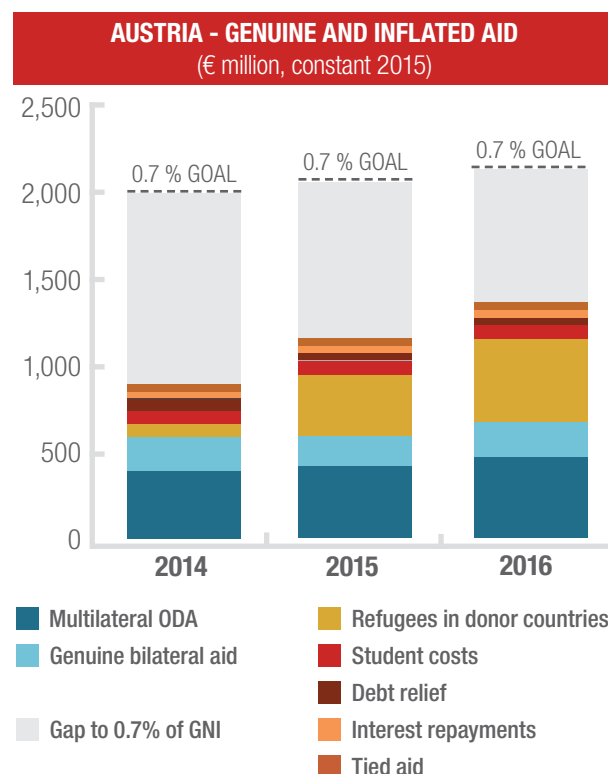
In 2017 a new three-year programme for development policy will be produced, which will highlight migration issues. Civil society organisations (CSOs) and other stakeholders have been invited to provide input on selected topics. The government is contemplating further aligning the development programme

with Austrian national interests, placing a stronger focus on migration and security. This is likely to result in more aid being allocated to “countries of origin”, with existing partner countries that are not associated with migration towards Europe being left behind.

The government, politicians and political parties show limited interest in implementing the SDGs in Austria. Despite progress on identifying them as an important global challenge, there is no common, overall government strategy, nor is there any high-level political support for the goals.

## RECOMMENDATIONS TO THE AUSTRIAN GOVERNMENT

- Implement the government's commitment to raise ODA to 0.7% of GNI, to reach the LDC target of 0.15-0.20%, and draw up a binding timetable for reaching these goals.
- Ensure that all development programmes, in particular the new three-year one, focus exclusively on the goal of fighting multidimensional poverty and inequality.
- Develop a general, overall, whole-of-government strategy for implementing the SDGs, addressing policy coherence for sustainable development (PCSD) and including broad participation by civil society.
- Develop a strategy for the Foreign Disaster Relief Fund to provide predictable financing for long- and short-term relief.



# BELGIUM

**0.40%** GENUINE AID/GNI

**0.49%** TOTAL AID/GNI



**“The objective of Belgian international development policy: to support our partners so they can enable sustainable development in their country. We create the circumstances, our investments give them assistance, and we bring different partners and organisations together to enable change.”<sup>39</sup>**

Alexander De Croo, Deputy Prime Minister and Minister for Development Cooperation, Digital Agenda, Telecom and Postal Services, January 2017

## MAIN CHANGES IN 2016

ODA figures from 2016 showed that Belgian development co-operation was investing more than in the past in humanitarian responses to different crises, notably through the EU-Turkey facility, Madad funds and EU Trust Fund for Africa. In 2016, 21% of the budget of the minister for development cooperation went to humanitarian responses. The increase in humanitarian aid is more than welcome, but at the same time it is worrying that there is a decrease in the resources for structural development cooperation, which address the root causes of inequality, conflicts, etc.

Belgium wants to increase its support for fragile states. Despite internal recognition of the lack of flexibility and the need for improved engagement with risks, however, Belgium has no real strategy on engagement in fragile contexts. Its response is fragmented: pilot projects on human rights and digital tools, or country programmes that tackle many issues but are allocated scant resources. Furthermore, the Belgian response to crises in countries like Burundi and the Democratic Republic of the Congo raises questions about its renewed focus on fragile states, where its approach needs to be more sophisticated than simply to cut aid.

## TREND AND PROJECTIONS

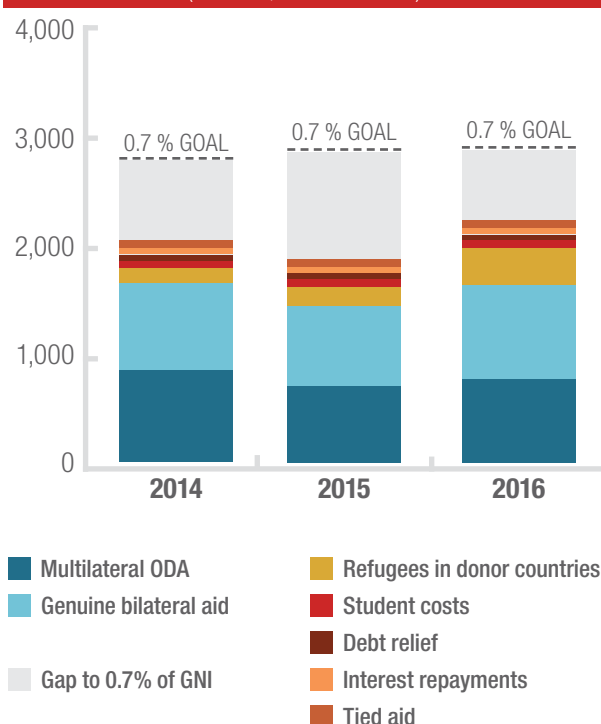
In 2002 Belgium committed to allocating 0.7% ODA to developing countries, but it still falls short of this promise. Linear cuts were decided on in 2014 (€1125 m), and there is more and more under-budgeting (€450 m to date). NGOs will be quite negatively affected by these cuts in 2017. In 2016 ODA increased from 0.42% to 0.49% of GNI but, given the budget cuts announced for the coming years, the OECD DAC predicts that Belgium will reach only 0.38% in 2019. These figures also need to be considered within a context of rising inflated aid in Belgium. In 2010, 3.6% of Belgian ODA was used for in-donor refugee costs, while in 2016 it was almost 17%.

Belgium has ambitious objectives for its international development policy – developing an integrated approach to all Belgian development actors in partner countries (CSOs, the private sector, etc.), and a comprehensive approach which means stronger collaboration between different ministries, e.g. on diplomacy and defence; supporting fragile states; and promoting sexual and reproductive rights – but it does not have a large enough budget to address these issues over the long term. In addition, the development cooperation budget is being misused for migration deterrence and climate finance.

## RECOMMENDATIONS TO THE BELGIAN GOVERNMENT

- *Respect its commitment to allocate 0.7% ODA/GNI;*
- *clarify its overall approach to development cooperation and respect the EU's development cooperation objectives as set out in the Lisbon Treaty;*
- *respect the independent role of NGOs, while developing an integrated approach to all Belgian development actors in partner countries and making sure that the support given to the private sector respects development effectiveness principles;*
- *put the Sustainable Development Goals at the core of any development cooperation action by Belgium.*

**BELGIUM - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



<sup>39</sup> <http://decroo.belgium.be/en/1-january-2018-new-name-reformed-belgian-development-agency-will-be-%E2%80%98enabel%E2%80%99>



0.11% GENUINE AID/GNI

0.13% TOTAL AID/GNI

# BULGARIA



**“The goals and areas for development aid set out in the mid-term programme take into account Bulgaria’s particular experience and capacity during a transition period. These goals and areas also take into consideration our economic situation and the need for optimal allocation and spending of the financial resources planned for the implementation of Bulgaria’s policy on development cooperation.”**

Excerpt from the answer given by Mr Daniel Mitov, Minister for Foreign Affairs of Bulgaria, to a question in Parliament, March 2016

## MAIN CHANGES IN 2016

In 2016 the Bulgarian government adopted a new “Mid-term programme for humanitarian aid and development cooperation and humanitarian aid (2016-2019)”. The document sets out the geographical regions prioritised for Bulgaria’s development cooperation, the priority thematic and sectoral areas, and the main aid modalities to be used. CSOs were consulted and made contributions during the development of the programme.

Bulgarian aid was increased both in absolute terms and as a percentage, reaching 0.13% of GNI for 2016 (compared to 0.08% of GNI in 2015). The share of bilateral aid increased substantially: in 2015 it stood at 3.42%, while in 2016 it rose to 18.03%. A considerable share of this increase, however, was allocated to expenditure on migrants and refugees, which comprises 12% of total aid. The priority regions for Bulgaria’s bilateral aid spending are the Western Balkans and the Black Sea area. The sectoral expenses include strengthening beneficiaries’ administrative capacity, and spending on social infrastructure.

The portion of the aid reported through multilateral channels is 81.97%, including contributions to the EU, the UN, the World Bank, regional development banks, and funds.

## TRENDS AND PROJECTIONS FOR 2017 AND BEYOND

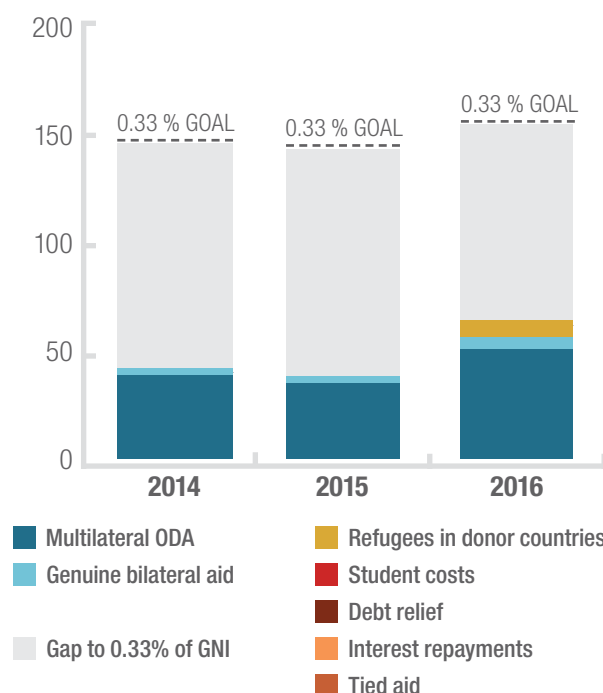
The mid-term programme sets out the government’s plans for the next four years. CSO engagement in the programme’s implementation is not sufficiently assured, however, because of legislative challenges. In 2016 the Bulgarian Ministry of Foreign Affairs (MFA) and the Bulgarian Platform for International Development (BPID) worked together on drafting a new law on international development for presentation to the parliament. The new law was to regulate CSOs’ participation in the implementation of development assistance initiatives; unfortunately, its adoption was delayed because the government resigned. Collaboration between the BPID and MFA on this issue will, however, continue.

The BPID and MFA will also collaborate on preparing Bulgaria’s Presidency of the EU (January-June 2018). Their collaboration will focus mainly on activities relating to EU development cooperation.

## RECOMMENDATIONS TO THE BULGARIAN GOVERNMENT

- Ensure that state institutions implement the development cooperation plans and programmes that have been adopted;
- introduce specific regulations to improve the involvement of CSOs, using their capacity in the implementation phase of development cooperation programmes;
- implement a communication strategy that highlights the mutual benefits of participation in development cooperation policies for both donors and beneficiaries.

**BULGARIA - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



# CROATIA

0.07% GENUINE AID/GNI

0.07% TOTAL AID/GNI



“International aid and development cooperation are the vital instruments available to the UN for the preservation of world peace. We have started the initiative ‘in favour of the small donors’ using our own example to show that the smaller and less financially capable countries can participate and contribute to development cooperation...”

Ms Vesna Pusic, former Minister of Foreign and European Affairs, 26 May 2017

## MAIN CHANGES IN 2016

The newly elected Croatian government has initiated a public consultation on a new National Strategy for International Development Cooperation for the period 2017-2021. The previous strategy, instigated by the previous government, has never been adopted by the Croatian parliament, and it is still unclear when the new one will be endorsed.

For Croatia itself the main goal of the national strategy is to embed its own transitional experiences within the development instruments of the European Union, while at the global level it is to share what it has learnt from its own development process with countries now experiencing similar transitional challenges. In contrast to the aspirations set out in the statement by the previous foreign minister, Croatia's development cooperation needs to make significant improvements in order to achieve its goals and make a more positive contribution.

The Croatian Ministry of Foreign and European Affairs – the institution responsible for international development cooperation and aid on a national level – does not fund civil society organisations working on international development issues in Croatia. The ministry's communication with the National Platform of CSOs working on international development, the Croatian Platform for International Citizen Solidarity (CROSOL), has been weak and sporadic – this despite CROSOL's efforts to build stronger relations with the ministry. In addition, a joint International Development Cooperation-Humanitarian Aid working group, coordinated by the ministry, no longer functions. Its purpose was to improve the coordination of development and humanitarian projects abroad.

The data on ODA commitments in 2016 has not been publicly disclosed. The rate of aid delivery is slow and has not improved since 2014 – primarily because of insufficient capacity to implement and deliver development projects at national level. This is a challenge that affects both the governmental and non-governmental sectors.

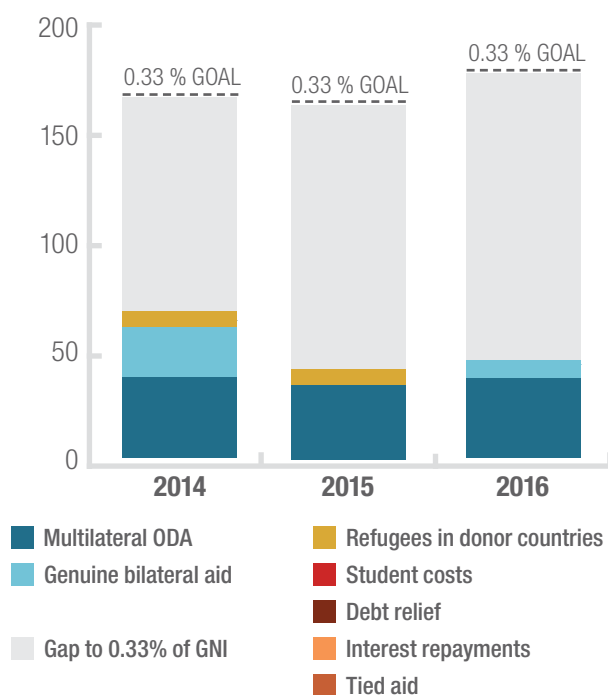
## TRENDS AND PROJECTIONS FOR 2017

The current unsettled political situation in Croatia makes it difficult to predict the future trend for Croatia's ODA. CROSOL will continue its efforts to build stronger relations with the Ministry of Foreign and European Affairs and to monitor the activities designed to help achieve the ODA target.

## RECOMMENDATIONS TO THE CROATIAN GOVERNMENT

- Make spending data for 2016 publicly available immediately, to enable CROSOL to complete the country page on Croatia in the AidWatch Report.
- Take steps to increase aid and to honour Croatia's commitments.
- Develop and adopt a concrete timetable for reaching the ODA targets.
- Support the development effectiveness commitments agreed at Busan and adopt the strategy to implement them across all aspects of Croatia's development cooperation policy.
- Rebuild communication and collaboration with CSOs in activities and projects relating to international aid and development.

## CROATIA - GENUINE AND INFLATED AID (€ million, constant 2015)



**0.07%** GENUINE AID/GNI

**0.09%** TOTAL AID/GNI

# CYPRUS



**“The universal, comprehensive and indivisible 2030 Agenda for Sustainable Development represents a common reference point for all of us and our guiding tool for tackling effectively the universal challenges that transcend boundaries and threaten regional and international cohesion.”**

Nicos Anastasiades, President of the Republic of Cyprus, at the UN General Assembly in New York, September 2016

## MAIN CHANGES IN 2016

In 2016 the Republic of Cyprus continued to demonstrate deep interest in and commitment to the implementation of Agenda 2030. The Ministry of Foreign Affairs assumed a coordinating role in the establishment of an inter-ministerial group on the SDGs, on which each ministry was represented. The ministries were assigned to the relevant SDGs and took responsibility for defining and liaising with all stakeholders.

Prompted by Cyprus' commitment to presenting a Voluntary National Review,<sup>40</sup> the ministries were requested to map each SDG and its targets and to define the relevant stakeholders, national and/or EU strategies, and indicators. The Cypriot Statistical Service gathered all indicators available. The aim of this extensive mapping exercise was for the public service to end up able to present an outline of Cyprus' overall progress and policies. The Ministry of Foreign Affairs compiled all the information into a single document, the findings of which constitute the basis of the review.

The Ministry of Foreign Affairs made an effort to have close communication and collaboration with civil society organisations, following their successful cooperation during the implementation of the national programme for European Year for Development (EYD) 2015. This commitment was obvious in the MFA's participation in civil society actions relating to Agenda 2030. Furthermore, in cooperation with the Ministry of Education and Culture, the MFA circulated an online survey on the SDGs and on the priorities the government should have within the framework of its public consultation initiative.

The government commitment to implementing the SDGs is unfortunately not yet reflected in the ODA budget, even though Cyprus exited its economic adjustment programme over a year ago. Official ODA budget data for the years 2014 and 2015 were published at the end of 2016. This is an improvement in transparency, as no official data had been published since 2013. While none is available yet for 2016, no improvement is expected: Cyprus remains far from reaching its 0.33% commitment.

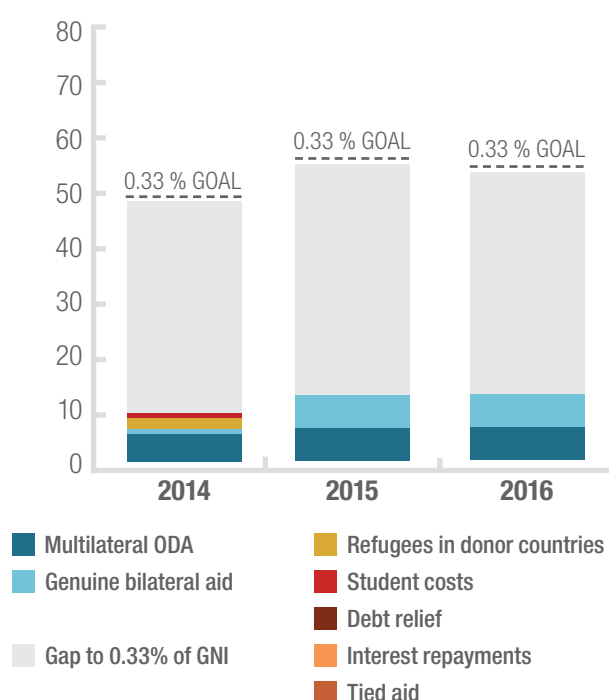
## TRENDS AND PROJECTIONS FOR 2017

With the country successfully exiting its adjustment programme in 2016, it is expected to reassume its ODA obligations gradually. Furthermore, the stabilisation of the financial system now allows the government to develop long-term planning and policies. It is expected that a comprehensive National Strategy on Development Cooperation will be drawn up. This strategy is expected to provide the roadmap and the means for the implementation of the SDGs at national level, and to contribute to their implementation internationally through the country's external assistance programme. As regards the MFA's relations with civil society, it is expected that good communication and collaboration will continue, while efforts still need to be made to strengthen the institutional aspect of this collaboration.

## RECOMMENDATIONS TO THE GOVERNMENT OF CYPRUS

- Publish a new national strategy on development cooperation – one that fosters the SDGs, and is developed in consultation with civil society and other relevant stakeholders.
- Increase aid commitments to reach and surpass the target of 0.33% of GNI.
- Endorse the IATI standard and ensure that ODA expenditure is made available, consistently and transparently, on a yearly basis.

**CYPRUS - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



<sup>40</sup> <https://sustainabledevelopment.un.org/content/documents/15886Cyprus.pdf>

# CZECH REPUBLIC

0.13% GENUINE AID/GNI

0.14% TOTAL AID/GNI



**“It is much more convenient to try to stabilise some countries than to solve the issues of forced displacement or involuntary migration.”**

Mr Lubomir Zaoralek, Czech Minister for Foreign Affairs, 22 June 2017<sup>41</sup>

## MAIN CHANGES IN 2016

In 2016, total Czech ODA commitments amounted to €236.1 m, and stood at 0.14% of GNI. Compared to 2015 ODA/GNI, there was a 0.02% increase in ODA, thanks to a multilateral ODA contribution to the EU. Czech multilateral aid contributions amounted to 71% of total ODA, which is high compared to the OECD DAC average of 50%. Only 46% of total bilateral ODA is allocated to project-type operations (e.g. development projects, humanitarian relief, democratic institution building and reform, technical assistance, etc.) implemented in partner countries by the Czech Development Agency (CzDA), the Ministry of Foreign Affairs and other ministries. As in previous years, all bilateral ODA was provided via grants and public procurement. The share of bilateral ODA to Least Developed Countries (LDCs) continues to decrease, although total bilateral ODA has increased. Refugee expenditure in the Czech Republic grew by 4% to 25% of bilateral ODA in 2016, while the share of humanitarian aid in the bilateral budget decreased slightly in real terms (by €0.4 m).

## TRENDS AND PROJECTIONS FOR 2017

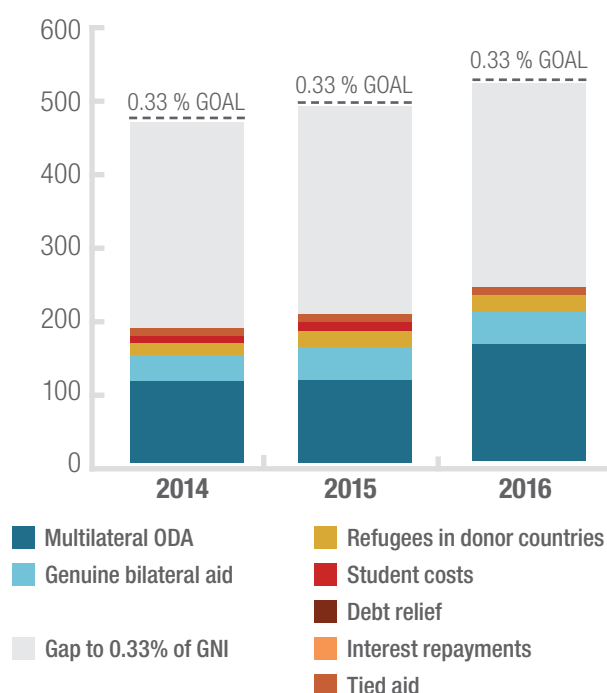
The new Czech Development Cooperation (DC) Strategy (2018-2030) was developed in 2016-2017, and the government has approved an increase of approximately 10% per year for the development cooperation budget up until 2019. From 2020, however, the budget is expected to stagnate. The Czech Republic still needs to agree a concrete plan for meeting successive long-term growth targets. If the country does meet the 0.33% ODA/GNI target, it will be because of increases resulting from broadening the definition of ODA, and from increasing ex-post reportable costs, rather than from committed ex-ante planning. Genuine bilateral ODA activities – such as development projects and humanitarian aid – require an increased share of funds within multi-annual development cooperation budgets, without being compromised by other, non-development and non-humanitarian objectives. Donors' commercial and security interests still continue to be a major concern for the integrity of Czech ODA. Regarding development cooperation effectiveness (DCE), the Czech Republic has adopted no plans to implement the Busan Partnership agreement, or any particular DCE commitment, although it does officially agree with a participatory role for all stakeholders, including CSOs. Little progress has been made on improving ODA transparency. The Czech Republic has still

not set up the complex ODA database, or joined the International Aid Transparency Initiative (IATI), as previously promised. On the other hand, the key principles of DCE are reflected in the newly adopted Strategic Framework for Sustainable Development in the Czech Republic (2030).

## RECOMMENDATIONS TO THE CZECH GOVERNMENT

- Gradually increase the ODA budget over the long term, in order to meet the commitment to 0.33 % GNI by 2030; increase the proportion of bilateral ODA in general and the proportion allocated to development projects and humanitarian aid in particular.
- Keep the elimination of poverty and inequality in partner countries at the core of Czech development cooperation – in both strategic documents and implementation.
- Keep saving lives and alleviating suffering at the core of Czech humanitarian assistance despite the growing focus on activities to build resilience and reduce fragility.
- Increase the effectiveness of Czech development cooperation by stepping up its institutional capacity, transparency (by joining IATI), predictability, and openness to promoting full participation and democratic ownership by partner countries, CSOs and other stakeholders.
- Put in place working assessment and correction tools for ensuring policy coherence for sustainable development, and find an effective modus vivendi on this between the Council on Development Cooperation and the Governmental Council for Sustainable Development.

## CZECH REPUBLIC - GENUINE AND INFLATED AID (€ million, constant 2015)



<sup>41</sup> Czechaid.cz: <http://www.czechaid.cz/cesko-pristi-rok-navysi-pomoc-rozvojom-zemim/>, 22 June 2017

0.62% GENUINE AID/GNI

0.75% TOTAL AID/GNI

# DENMARK



**“We are taking care of Denmark when we take care of the world. It is in the interest of Denmark when we help to create hope for the millions of young Africans who would otherwise migrate from Africa.”**

Ms Ulla Tørnæs, Minister for Development Cooperation, 18 January 2017

## MAIN CHANGES IN 2016

The government and other Danish development actors spent large parts of 2016 discussing the priorities for a new strategy for Danish development cooperation and humanitarian action. The backdrop to the discussions was an aid budget that had undergone historic cuts, and the new SDG framework, which had been continuously championed by the then Minister for Foreign Affairs, Kristian Jensen (currently the minister for finance). The approach decided on by the government was to focus on the remaining aid, prioritising fewer countries and fewer thematic issues. At the same time, Denmark's own interests were highlighted in discussions, not least in relation to the migration agenda and the role of the Danish private sector. These issues were strongly reflected in the final strategy<sup>42</sup> for a five-year across-the-aisle political settlement.

Aid being used to cover refugee reception costs continues to be a major issue in the debate on Danish aid. Danish and international experts have questioned the inclusion of several budget lines that Denmark has chosen to report as ODA to the OECD. The government's approach is to include all possible costs in its reporting, referring to ongoing OECD processes for clarification on this.

At the same time, lower-than-expected costs for refugee reception yielded budget savings that were not sent back to the Ministry of Foreign Affairs to be utilised as development aid. Despite this, and the government's political objective of getting down to 0.7% of GNI, Danish aid as reported to OECD/DAC was 0.75% in 2016.

## TRENDS AND PROJECTIONS FOR 2017

The large aid cuts designed to reduce Danish ODA to 0.7% of GNI, which coincided with the fluctuating number of refugee arrivals, have created uncertainty for ODA spending outside of Denmark. To address this, the government will introduce a new regulatory mechanism that will serve the dual purpose of (1) ensuring that the costs of responding to large refugee inflows will not have to be financed through cuts to existing commitments under other ODA budget lines in the same year, and (2) ensuring that Danish development aid will be exactly 0.7% of GNI on a three-year rolling average. This means that savings, or additional-to-budget costs

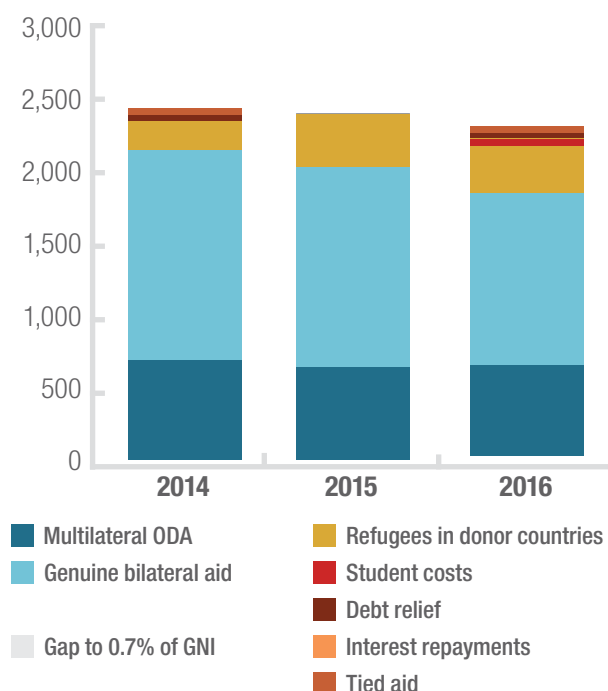
for refugee reception, will be accounted for in the next finance bill, which means that Denmark's budget for official development assistance may fall below 0.7% of GNI in the future.

From 1 January 2018 the Ministry of Foreign Affairs will institute a new four-year strategic partnership with selected Danish CSOs, covering long-term development, humanitarian action, and a specific allocation for a consortium of labour and industry organisations. Pending agreement on the overall national finance bill, this will be reinforced with additional financial resources.

## RECOMMENDATIONS TO THE DANISH GOVERNMENT

- Restore aid to previous levels, utilising our decades of experience, our comparative advantage in international cooperation and our role as international leaders in the fight against global poverty and inequality.
- Put pressure on all EU member states to agree on binding timetables for reaching their individual and collective targets for aid quantity.
- Guarantee a minimum of 0.7% of genuine ODA, with refugee costs being counted as additional.
- Ensure that poverty reduction and human rights are the guiding principles of development cooperation, including in those cases where aid is used in relation to migration flows towards Europe, and in the government's cooperation with the Danish private sector.
- Make climate finance additional to development flows and targets.

**DENMARK - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



<sup>42</sup> <http://um.dk/~media/UM/Danish-site/Documents/Danida/Det-vil-vi/Strategier/The%20World%202030%20Denmarks%20strategy%20for%20development%20cooperation%20and%20humanitarian%20action.pdf?la=da>



# ESTONIA

**0.18%** GENUINE AID/GNI

**0.19%** TOTAL AID/GNI



“Estonia has shared – and is willing to share in the future – its experiences with and knowledge of information and communication technologies, e-governance, cyber-security and the rights of women and children. We also support, in word and in deed, the development of European trade policy in a way that would help the EU’s southern neighbours to use their economic potential for the wellbeing of their people.”

Minister for Foreign Affairs, Sven Mikser – Speech to the Estonian Parliament, 9 February 2017

## MAIN CHANGES IN 2016

In 2016, Estonian ODA went from 0.15% to 0.19% GNI. The reason for this unexpected rise was an increase of €5 m in bilateral aid, another €5 m in multilateral contributions (including €1.5 m to trust funds), and a €2-million increase in in-country refugee costs. We do not expect this growth rate to be permanent, however. The Estonian government has recommitted to achieving 0.33% ODA within the timeframe of Agenda 2030, but the national budget strategy has set the objective of bringing ODA to 0.17% of GNI by 2021. With this rate of growth, it remains unclear how 0.33% will be achieved. At the same time, the government has been careful not to cut the aid budget.

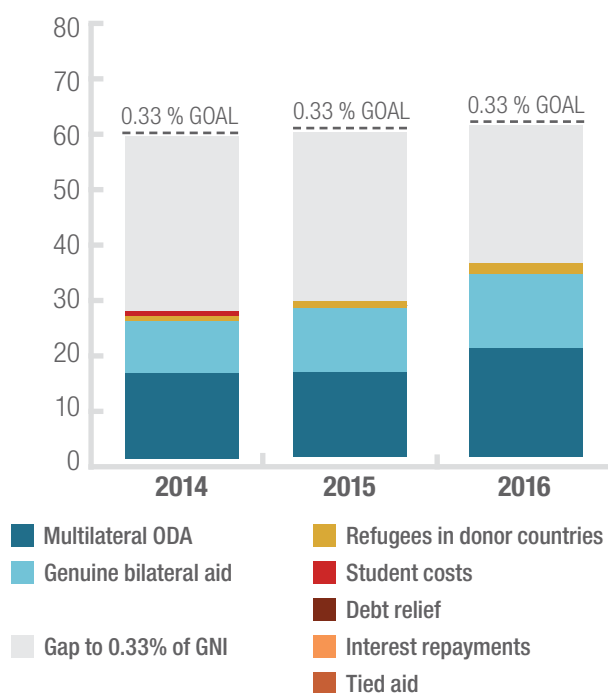
## TRENDS AND PROJECTIONS FOR 2017

While Estonian ODA will either remain the same or climb slowly upwards, more attention must be paid to aid effectiveness. Given that Estonian bilateral aid is mostly operationalised through short-term technical aid projects, where impact is not really measured, improvements need to be made by the donor and implementing organisations. We hope to see new impact-measuring mechanisms in place by 2019.

## RECOMMENDATIONS TO THE ESTONIAN GOVERNMENT

- Demonstrate the commitment to 0.33% ODA by increasing the proportion of development cooperation in Estonia’s budget strategies.
- More attention and political leadership are needed for sustainable development, both in-country and globally. State institutions too should be required to introduce policy coherence for sustainable development.
- When digitalisation is being promoted outside Europe, its shortcomings and potential risks need to be acknowledged and tackled, and policies on digitalisation in development cooperation need to be shaped together with all stakeholders.

## ESTONIA - GENUINE AND INFLATED AID (€ million, constant 2015)



0.38% GENUINE AID/GNI

0.44% TOTAL AID/GNI

# FINLAND



**“We are directing Finland’s development efforts specifically towards encouraging risk sharing and investment funding for the private sector, which is the new priority area.”**

Kai Mykkänen, Minister for Trade and Development, 18 September 2016

## MAIN CHANGES IN 2016

In 2016, the current government started to implement its development policy, and to cut aid as decided in 2015. This entailed the most severe changes to the level and content of Finnish development funding since the years of recession in the early 1990s. Finland’s level of ODA dropped from 0.55% of GNI in 2015 to 0.44% (€956 m) in 2016. The funding for actual development cooperation administered by the MFA fell by as much as one third: from €927 m in 2015 to €605 m in 2016.

The full brunt of the aid cuts will be felt for several years to come. Ironically, a record number of in-donor refugee costs softened the steep fall of Finnish ODA. In 2016 Finland was by far the largest recipient of its own aid, charging €118 m of in-donor refugee costs to its ODA, in comparison to €35 m in 2015. If in-donor refugee costs are excluded, Finland’s aid fell by 26.5% in one year.

The implementation of these cuts appeared to be guided mainly by the new policy priorities, rather than considerations of effectiveness. UNICEF funding, for example, was cut by 65%, despite an independent effectiveness analysis carried out by the National Audit Office which found UNICEF to be among the most efficient multilateral organisations. Funding for civil society organisations was cut by a total of 43%, even though independent evaluations commissioned by the MFA in 2016 showed their effectiveness and impact, and recommended that the previous levels of funding should be restored. Meanwhile, the government channelled an additional €130 m – around 15% of Finland’s annual ODA – to support for the private sector.

## TRENDS AND PROJECTIONS FOR 2017

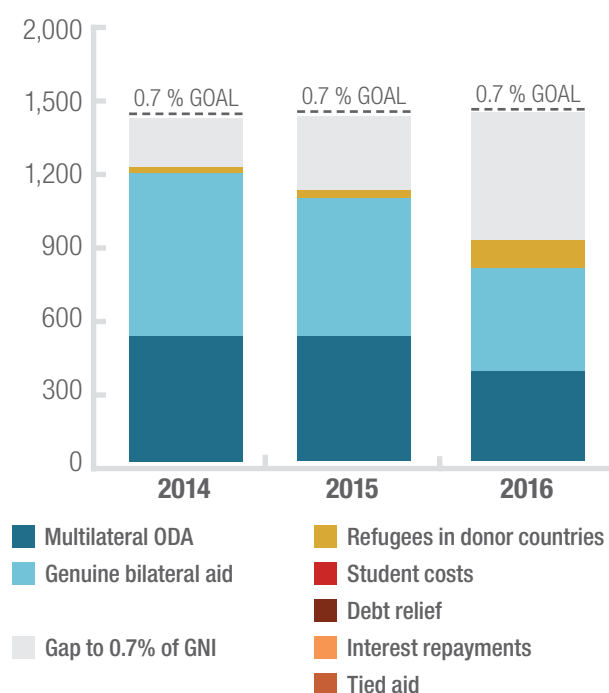
In 2017 Finland’s ODA is expected to increase slightly, maintaining the Finnish ODA level at around 0.4% of GNI, or €881 m. It will remain at around 66% of its 2015 level. For the 2018 budget, an additional cut of €25 m from the previous budget framework was decided on early in 2016. The government has not given a timeline for further increases in ODA – despite having repeated its commitment to the 0.7% long-term target in its programme. Finland is likely to continue to focus its funding on its four current development policy priorities: (i) women and girls, (ii) economic growth, (iii) democratic societies, and (iv) food security, water and energy. Even though support to women and girls is

often mentioned as Finland’s top development policy priority, funding for gender equality declined by 44% between 2014 and 2016. As the majority of Finland’s climate finance commitment is covered from the budget line for private-sector support, there is a real concern as the level of finance is falling and because of the growing focus on climate change mitigation.

## RECOMMENDATIONS TO THE FINNISH GOVERNMENT

- Come up with a credible timetable for reaching the 0.7% target and allocating at least 0.2% of GNI to the least developed countries.
- Introduce a law that imposes a legal obligation on Finland to honour its international commitments in terms of its level of ODA and development effectiveness.
- As recommended in recent MFA-commissioned evaluations on CSO support, increase funding for both programmes and projects and secure an enabling environment for a vibrant and active civil society.
- Adopt a policy on private-sector engagement in developing countries aligning Finland’s support for the private sector with international social and environmental standards, the UN Guiding Principles on Business and Human Rights, and the Busan principles for aid effectiveness and transparency.
- Restore the practice of channelling income from the EU emissions trading scheme to international climate and development cooperation activities, and respect the additionality of climate finance to ODA.

**FINLAND - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



# FRANCE

**0.31%** GENUINE AID/GNI

**0.38%** TOTAL AID/GNI



**“France must place the major global challenges – ecological and climatic imbalances, persistent poverty, economic inequality, pandemics and migration – at the heart of its international action. This commitment respects our national interests and our universal values.”**

President Emmanuel Macron, during his 2017 presidential campaign, where he also undertook to increase ODA to 0.7% by 2025

## MAIN CHANGES IN 2016

France allocated 0.38% of its GNI to ODA in 2016, compared to 0.37% in 2015. The national platform of development NGOs, Coordination SUD, welcomed this increase (of 4.6%), although it was marginal when compared to the efforts expected in the fight against poverty, inequality and climate change. France ranks 12th among OECD countries and, despite the slight rebound from 2016, there has been a sharp decrease in its international aid volumes since 2010 (when France was at 0.50% ODA/GNI). The current aid budget is not proportional to the country's economic or political weight and does not prioritise support that would help the most vulnerable communities.

A lack of long-term vision persists in French international development aid. Stuck in short-term budgetary discussions, France has once more failed to respect its commitment to devote 0.7% of its GNI to ODA. France should be to the fore in tackling global challenges, and should step up its efforts to eradicate poverty and hunger and to combat climate change. An effective, transparent ODA system is an investment for the future. Promises need to be delivered on in the next five years, and ODA cannot be allowed to remain the weakest link in France's foreign policy.

## TRENDS AND PROJECTIONS FOR 2017

During his presidential campaign, President Macron committed to increasing French ODA to 0.7% of GNI by 2025. It is also expected that, by 2022, France's level of ODA will rise to 0.55% of GNI. Coordination SUD will hold the president to account on his announcement. The pledge relies, however, on the passing of a budgetary planning act, and the trend apparent in recent events does not encourage optimism: the government decided to reduce the ODA budget for 2017, to increase the defence budget for 2018, and to lower ambitions for the financial transactions tax.

If ODA budget cuts are confirmed, France's international aid budget will reach a historically low level, compromising the sustainability and implementation of international development policies from the very start of President Macron's five-year term.

## RECOMMENDATIONS TO THE FRENCH GOVERNMENT

The government must raise the level of ambition of French development aid by:

- drawing up a roadmap for reaching 0.7% by 2022 (getting to €8 bn by 2022 will require an annual increase of €1.5 bn);
- increasing budgetary allocations for ODA by at least 25% per year by 2018, and guaranteeing an ambitious French financial transactions tax to fund international solidarity and the fight against climate change.

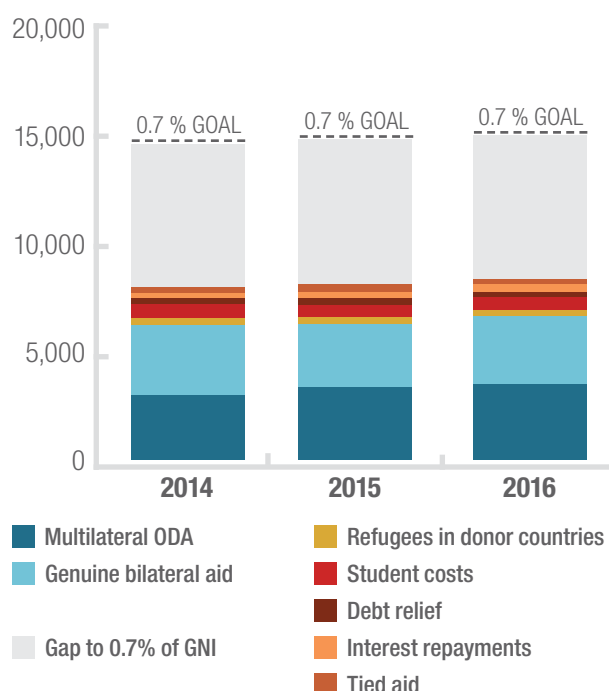
The government must increase the effectiveness of French aid in combating poverty by:

- granting further support to NGOs (adopting a target of €1 bn by 2022);
- allocating 50% of aid to grants for basic services in the most vulnerable countries;
- avoiding aid conditionality based on domestic interests (either economic or relating to migration and security), at either French or EU level, and
- improving transparency to allow for scrutiny of “innovative financial instruments”.

The government must strengthen France's influence on EU development policies, by:

- increasing its contribution to the EU budget and advocating for an increase in EU development budgets, and
- increasing its contributions to the European Development Fund.

**FRANCE - GENUINE AND INFLATED AID**  
(€ million, constant 2015)





**0.50%** GENUINE AID/GNI

**0.70%** TOTAL AID/GNI

# GERMANY



**“Just as the US government demands that NATO’s goal of 2% spending on defence by 2024 should be met, we will stand by our 0.7% spending on development aid.”**

Angela Merkel, German Chancellor, May 2017

## MAIN CHANGES IN 2016

Germany achieved the historic goal of spending 0.7% of GNI on development aid. This, however, was largely thanks to in-donor refugee costs – the government reports them as ODA, of which they represented 25% in 2016, making Germany the biggest recipient of its own ODA. The budget of the German Ministry for Economic Cooperation and Development (BMZ) was increased by as much as 13.2% (€863 m), bringing it up to a total of €7.4 bn, while the development budget allocated to civil society organisations was increased by 10% in 2016.

A top priority for German development cooperation is to address the root causes of forced displacement and migration, particularly in the Middle East and North Africa (MENA) region and in other parts of Africa. Angela Merkel highlighted the link between migration and aid in a visit to Mali, Niger and Ethiopia in October 2016. She offered more development aid and security cooperation, subject to their cooperation in tackling the movement of refugees, and people-smuggling. German civil society has heavily criticised this form of aid conditionality and the use of aid as a tool for migration management.

Promoting the private sector in development is also a priority. Funding to the private sector increased by 36% in 2016, reaching nearly €125 m. Multi-stakeholder partnerships and blending to incentivise development-oriented business activities is also a central feature of German cooperation. Private-sector engagement in development is the priority for the German Co-Chair of the Global Partnership for Effective Development Cooperation (GPEDC), Thomas Silberhorn, although civil society is sceptical as to whether the private sector will deliver the expected results. In a welcome move, Germany adopted the new German Sustainable Development Strategy, which is based on Agenda 2030 and translates the SDGs into national policies. Some of the strategy’s measures are too vague, however, or are non-binding, and it does not sufficiently address climate change, social inequality, poverty or gender inequality.

## TRENDS AND PROJECTIONS FOR 2017

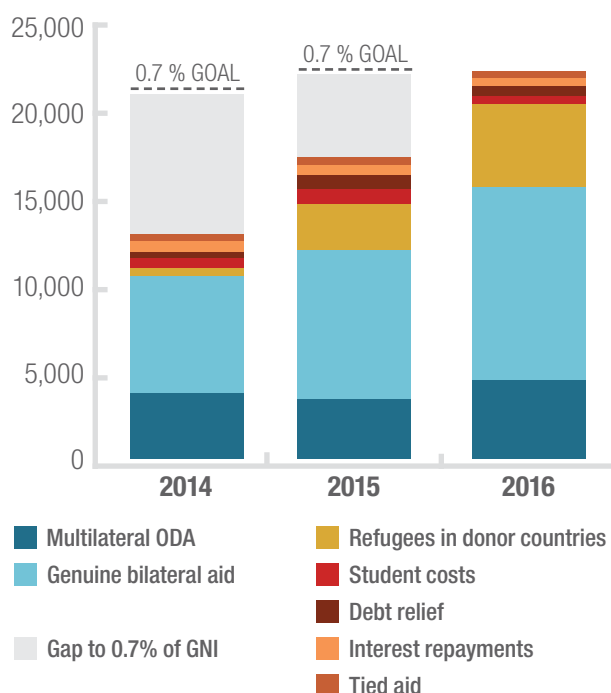
Germany brought the discussions on its “Marshall Plan” both to the EU level and to the summit of the G20 (in Hamburg in July), for which Africa was a priority theme in 2017. The plan is ostensibly aimed at stimulating investment, improving trade and combating illicit financial flows, and is designed to complement

the G20’s “Compact with Africa” initiative. In June 2017 Germany hosted the Global Forum on Migration and Development in Berlin. Both international initiatives reflect Germany’s priority themes for development cooperation in 2017, namely, migration, security and the private sector.

## RECOMMENDATIONS TO THE GERMAN GOVERNMENT

- Commit additional resources to development cooperation to keep the ODA level at 0.7% of GNI beyond 2017. In-donor refugee costs should be excluded from ODA calculations, and climate finance should be delivered on top of the 0.7% target.
- Stop using aid as a tool for migration management, and instead adopt a development-oriented and rights-based migration approach which includes the establishment of safe, legal migration routes.
- Lead global efforts for development-oriented fair-trade regimes and global tax justice.
- For more effective development cooperation in line with the 2030 Agenda, ensure policy coherence for human rights and sustainable development across ministries.
- Advocate for a comprehensive financial transaction tax (FTT), which should provide a significant amount of revenue for development and climate finance.

**GERMANY - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



# GREECE

0.11% GENUINE AID/GNI

0.14% TOTAL AID/GNI



**“We have to realise that we need a global financial and economic system geared towards fostering national growth strategies and our post-2015 development agenda. We have to discuss the issue of debt restructuring in all competent forums – including this one – in connection with developing growth, not austerity strategies.”**

Mr Alexis Tsipras, Prime Minister of Greece, 25 September 2015, UN SDG Summit

## MAIN CHANGES IN 2016

In 2016, as in 2015, CSOs witnessed lower levels of engagement with the Ministry of Foreign Affairs (MFA) than in 2014. It was another very difficult year for Greek society, because of the continuing economic and humanitarian crises. Unfortunately, 2016 was marked by complete silence from the MFA on development issues. Once again CSOs had to respond to negative coverage and distrust on the part of the media. Government initiatives in response to the arrival of refugees were focused mainly on the creation of new refugee camps, which excluded CSO involvement (except when the initiatives were local).

In 2016 the Greek government also recommitted to the 0.7% target, but the country's ODA levels remained very low. Greece's net ODA increased to €239 m, up from €215 m in 2015. Most of this increased aid came from the European Commission's financial support for Greece. By the end of 2016, for example, the European Commission had provided €198 m as emergency assistance for the refugee crisis, through the Asylum, Migration and Integration Fund and the Internal Security Fund (on top of the €509 m already allocated to Greece for the national programmes for 2014–2020).

## TRENDS AND PROJECTIONS FOR 2017

In 2016, cooperation between CSOs and Greece's MFA was poor, with almost no communication. By not engaging in a meaningful dialogue with CSOs when responding to the refugee crisis, the government has been missing an opportunity. If it did engage with CSOs, it could benefit significantly from sharing experiences and building capacity, so we urge the government to open up a dialogue with CSOs in order to achieve our common goals.

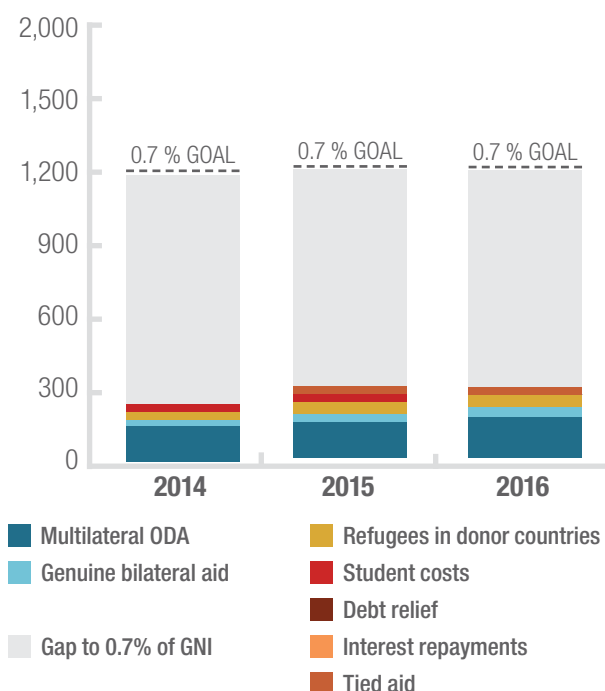
Initially, the government reached out to stakeholders to work together in a trilateral platform (involving all ministries, the private sector and CSOs) in order to develop a National Agenda for implementing the SDGs in 2016. Unfortunately, this initiative did not last, and communication with the MFA

has ceased. Finally, because of Greece's social and economic conditions, it is very difficult to predict a trend in aid quantity (at least for 2017 and 2018).

## RECOMMENDATIONS TO THE GREEK GOVERNMENT

- Include CSOs as stakeholders in the aid strategy, and expand cooperation with them through participation in the inter-ministerial committee for developing and monitoring the SDG strategy.
- Evaluate the 0.7% commitment under the current fiscal conditions in order to recommit to a realistic, binding timetable for meeting it in the future.
- Adopt and implement the IATI standard in order to increase the transparency and accountability of Greek ODA.

**GREECE - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



0.16% GENUINE AID/GNI

0.17% TOTAL AID/GNI

# HUNGARY



**“We have to address the root causes of migration and bring help where it is needed, where there is trouble.”**

Peter Szijjártó, Minister for Foreign Affairs and Trade, at the UN High-Level Meeting on Refugees and Migrants, 19 September 2016

## MAIN CHANGES IN 2016

In 2016 Hungary continued its usual trend in terms of development cooperation. Its latest aid figures show that the total amount of ODA increased from the €140 m spent in 2015 to €180.5 m. This means that ODA/GNI increased from 0.13% to 0.17%. In line with its EU commitments, Hungary strives to achieve the 0.33% ODA/GNI target under Agenda 2030.

Bilateral ODA continues to be only a small proportion of total ODA (at €40 m, it is 22% of total ODA), and the proportion has dwindled since 2015, when bilateral ODA was €42.6 m and represented 30.4% of total ODA. In 2016 the top five priority countries in terms of bilateral programmes were Laos, China, Jordan, Serbia and Sri Lanka. They received €10.88 m in total, although the aid was mostly tied to loans (through Eximbank) which were channelled to Laos and Sri Lanka. Scholarships still account for a significant share of Hungarian ODA (€21.4 m). Total ODA to LDCs remained low in 2016, at only €4.4 m. It is also worth noting that most bilateral programmes were run by ministries (and their associated institutions) other than the Ministry of Foreign Affairs, which played only a limited role in bilateral programming.

On thematic priorities, the Hungarian government spent €8.9 m on refugee costs last year. As regards peace and security, Hungary mainly contributes to the peacekeeping operations led by the United Nations. Aid spent on permissible “peace and security” was €248,580. Hungary remains committed to mitigating the effects of climate change: in 2016 the country’s contribution to that and to environmental protection was €4.5 m, which is 2.5% of its total ODA. The largest proportion was spent on contributions to the multilateral organisations, that to the Green Climate Fund amounting to €3.27 m.

## TRENDS AND PROJECTIONS FOR 2017

The legal and institutional environment has not changed significantly since the International Development Cooperation (IDC) law was amended last year. The mid-term review of the Hungarian IDC Strategy 2014-2020, adopted in March 2014, is due in 2017. Consultations, involving all stakeholders, are expected in the second half of the year. The government has already stated that since migration has become “an important factor lately, in security policy and in development cooperation as well”, the

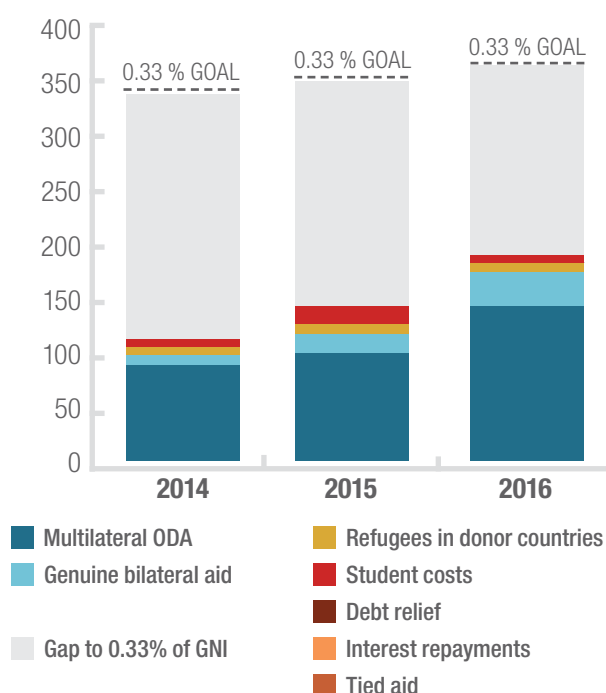
process would “offer an opportunity to integrate the new foreign policy and security aspects into the document”.

Hungary’s joining the OECD-DAC in December 2016 was welcome news, and may constitute a milestone for the country’s development policies. The mid-term review of the IDC strategy in 2017 provides an opportunity to reassess international commitments and to pursue more coherent policies and more ambitious targets.

## RECOMMENDATIONS TO THE HUNGARIAN GOVERNMENT

- Draw up a practical timeline for reaching the 0.33% target.
- Increase bilateral programming and aid channelled to LDCs.
- Strengthen the role of the MFA in development policy coordination and involve CSOs in programme implementation.
- Adopt a clear and ambitious strategy for SDG implementation, secure sufficient financial resources, and fully engage all relevant stakeholders.
- Establish clear mechanisms for ensuring development policy coherence.
- Improve environmental performance, sustainability and the transparency of development policy, and involve private-sector and CSO partners.
- Engage in the processes to follow up on the second High-Level Meeting on Development Effectiveness (HLM2).

**HUNGARY - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



# IRELAND

0.33% GENUINE AID/GNI

0.33% TOTAL AID/GNI



We are reminded of the significance of our making an effort, at State and citizen level, to ensure that the statements on climate change agreed in Paris, and on sustainable development agreed in New York in 2015, are turned into implementable policies and actions.

“Irish Aid and the Irish NGOs and missionary organisations are already providing highly effective assistance to millions of people across the region. But a response on a greater scale is required.

“We urgently need a renewed global effort to help prevent the deaths of millions of poor and marginalised people – including a call on the international community to honour its obligations to finance international aid efforts and climate change adaptation.”

President Michael D. Higgins, July 2017

## MAIN CHANGES IN 2016

From the high of 0.59% of GNP in 2008, Ireland's ODA spend fell to 0.32% GNI<sup>43</sup> by 2015, with a small rise to 0.33% in 2016. The country's aid programme, however, has maintained its integrity in how it spends its development budget, and has kept pace with the need for increased humanitarian spending. Trends and projections for 2017

Globally, bilateral ODA to LDCs has fallen from just over €22.5 bn in 2015 to €20.3 bn in 2016. This concerning longer-term trend is one that cannot be ignored: ODA is still very important for LDCs, representing as it does 70% of total external finance. Ireland had previously led on reaching the UN target of giving 0.15% of its GNI to LDCs as ODA, consistently exceeding it between 2011 and 2014. However, this very positive trend was not maintained in 2016. Seven donors gave more than that percentage to LDCs in 2016 and Ireland was not one of them, giving just under 0.15%.

43 The Irish Central Statistics Office published a measurement of national income in July 2017 called Modified GNI (GNI\*). This is intended to be a more realistic measurement of size and growth within the Irish economy.

44 There is no agreed methodology for how to count the cost of hosting refugees. Consequently, there are substantial inconsistencies between donors as to what is and what is not included, and how this is measured. Costs presented by the OECD DAC, therefore, reflect what donors report as ODA rather than what they actually spend on refugees. See <http://devinit.org/wp-content/uploads/2017/04/aid-spending-by-Development-Assistance-Committee-DAC-donors-in-2016.pdf>.

45 At constant 2015 prices.

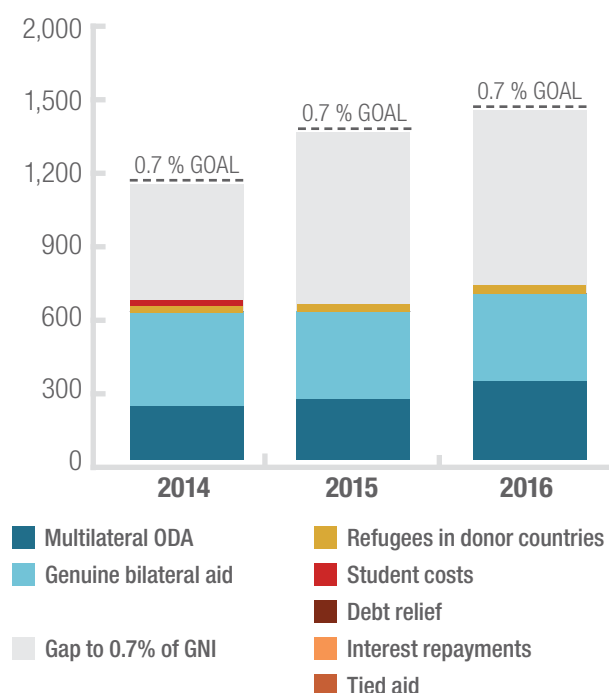
The proportion of total ODA reported by DAC donors in 2016 for refugee-hosting costs increased by 27.5%, reaching €14 bn and now representing 10.8% of ODA.<sup>44</sup> For four countries, these costs represented more than 20% of their ODA. With respect to Ireland, figures for 2016 suggest that in-donor refugee costs, reported in ODA figures, had risen by 71.4<sup>45</sup> – in real terms, however, the percentage allocation is unchanged, at 0.1% of the total budget.

Expectations are that – notwithstanding a small monetary increase – the ODA percentage will hover around the 0.3% mark for 2017. The total budget for ODA in 2017 is set at €651 m, with €486 m managed by Irish Aid.

## RECOMMENDATIONS TO THE IRISH GOVERNMENT

- Fully implement the commitment to reach 0.7% by 2025 as the surest path to achieving the Sustainable Development Goals by 2030. This commitment must come in the form of a published multi-annual plan detailing percentage increases year on year to 2025.
- For 2018, Ireland needs to increase its ODA spend by 0.05% to reach 0.38% of GNI and set itself on the pathway to reaching 0.7% by 2025.
- Protect the poverty-focused definition of ODA, and ensure that ODA is not used for any other purpose than to alleviate poverty and promote respect for human rights, dignity and equality.

IRELAND - GENUINE AND INFLATED AID  
(€ million, constant 2015)



**0.16%** GENUINE AID/GNI

**0.26%** TOTAL AID/GNI

**ITALY**



“The government intends to launch an extraordinary plan for cooperation with some African countries – ones that are crucial because they are countries of origin or transit for migrants who cross the sea – with investment resources vis à vis commitments on flow management.”

Italian Government Economic Planning Document 2017, presenting the €200-million Fund for Africa

### MAIN CHANGES IN 2016

Italian ODA began to rise in 2012, and that trend is continuing. In 2016, the aid budget increased by 20.2% in real terms compared to 2015. This increase, however, is the result of new aid spending on in-donor refugee costs, and a rise in contributions to multilateral organisations. In-donor refugee costs accounted for 34.3% of total aid (€1,493 m).

Decisions on the volume of aid, its geographical allocation and spending modalities are heavily influenced by increases in migration flows. The government emphasises the need to increase aid in order to address the causes of migration, as well as to ensure that migration flows are managed safely. As a consequence, limited aid resources for development are disproportionately allocated to financing border control activities. Areas typically funded are equipment and personnel for partner countries, for border security, under agreements on the readmission and repatriation of migrants. This suggests that aid is being “securitised”, or is being used as an instrument to serve foreign and national objectives, rather than development priorities.

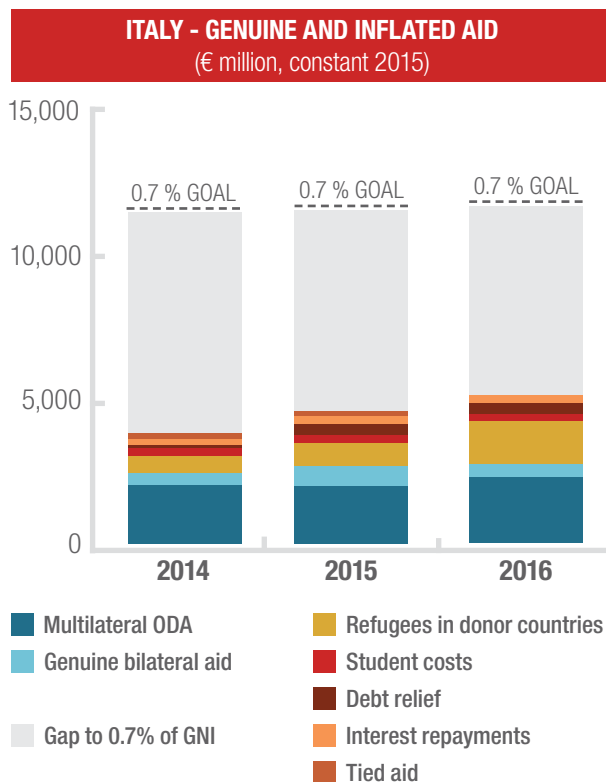
The government-led multi-stakeholder fora function well. For example, when it came to Sustainable Development Goal 17, the Ministry of Foreign Affairs and International Cooperation and the National Council for Development Cooperation were both involved productively in drafting the National Strategy for Sustainable Development under the leadership of the Ministry of the Environment. The Presidency of Italy’s national Council of Ministers will present the final strategy to the Inter-ministerial Committee for Economic Planning, for implementation.

### TRENDS AND PROJECTIONS FOR 2017

The government plans to increase aid as a percentage of GDP over the next three years: to 0.27% in 2018, 0.28% in 2019, and 0.30% in 2020. In 2017, Italy’s commitments to the Emergency Trust Fund for Migration have increased to €75 m, and Italy has taken the welcome step of joining the IATI.

### RECOMMENDATIONS TO THE ITALIAN GOVERNMENT

- Resources for the Fund for Africa should be earmarked for poverty eradication, and used to deliver results based on development priorities in Africa, not for “strengthening the external border”.
- Attempts to improve policy coherence for sustainable development should take into account all the government’s relevant internal and external policies.
- The government’s contribution to influencing the definition of the new OECD criteria should focus on improving the transparency and accountability of ODA.
- The government should continue to increase its aid in order to reach the target of 0.30% ODA/GDP by 2020, ensuring that the aid is poverty-focused and guided by development effectiveness principles. It should reduce in-donor refugee costs as a component of ODA, and should develop a plan for reallocating the costs for in-donor refugees to the other relevant ministries.





# LATVIA

0.10% GENUINE AID/GNI

0.10% TOTAL AID/GNI



**“I see the 2030 Agenda as an opportunity to take development cooperation to a new level. It is an opening for Europe to truly evolve beyond the donor-recipient relationship in its development cooperation policy. [...] This is our time to be reflective and critical, committed and responsible, to be able to work in partnership to achieve the goals we have set ourselves: for people, peace, prosperity, planet and partnerships.”**

Zanda Kalnina-Lukaševica, Parliamentary State Secretary at the Ministry of Foreign Affairs, at the High-Level Conference on EU Development Cooperation “Sixty years and beyond: contributing to development cooperation”, 27 April 2017, Rome, Italy

## MAIN CHANGES IN 2016

In 2016 Latvia's total ODA rose by around 19.2% – mainly because of an increase in contributions to the EU development budget. Even with the increase, however, Latvia's ODA remained at 0.1% of GNI, well below the 0.33% target.

In 2016 the bilateral development aid funding managed by the Latvian Ministry of Foreign Affairs reached an amount higher than in any year before. Transparency in the distribution of bilateral aid remains a concern in Latvia, however. While the share of bilateral aid distributed through an open competition rose from 45% in 2015 to around 60% in 2016, a large part of the aid remains distributed by the MFA, or other managing institutions, through a non-competitive process. Twenty-five per cent of overall bilateral aid was disbursed through scholarships and training programmes in Latvia for public officials and other professionals from Eastern Partnership, Central Asian and Western Balkan countries.

Latvia's new mid-term development cooperation strategy came into force in 2016. The four-year strategy, which outlines the country's international development priorities, generally follows the same policy direction as previously. It reaffirms Latvia's commitment to reaching the ODA target of 0.33% of GNI by 2030, and seeks to strengthen the development, humanitarian, security and trade policy nexus. It also aims to improve the capacity of the public administration to promote entrepreneurial development, and to strengthen peace and security, democratic participation, and education and awareness-raising on development cooperation. Under the strategy, a minimum of 50% of the funding for open calls for proposals is earmarked for civil society organisations, and this practice was begun in 2016.

Despite the increases in funding, however, and the rise in 2016 of the proportion dispersed through CSOs, the overall amount of funding available remains low and the competition for funds remains high. In 2016 only one third of the projects submitted through the open call for proposals was funded.

Cooperation between the MFA, CSOs and other development partners continues to improve. The MFA has engaged in dialogue with various development agents, and has been present

at events organised by CSOs. It has also invited CSOs to participate in events organised by the MFA.

## TRENDS AND PROJECTIONS FOR 2017

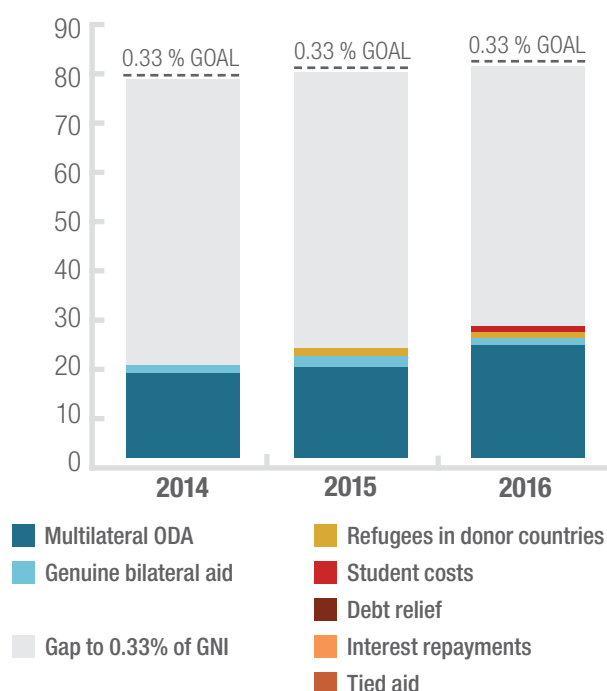
Bilateral aid is expected to increase by around €12,000 in 2017. The MFA will again earmark at least 50% of this funding for open competitive tendering. The remainder will be distributed in accordance with the priorities set by partner countries, and those of Latvia's foreign affairs policy. The priority areas and geographic allocation of aid will remain the same as in 2016.

The development cooperation plan for 2017 seeks to improve the transparency of Latvia's ODA, and its compliance with international reporting standards. The MFA is planning to improve the system for evaluating the projects supported through the open calls for proposals, and to carry out at least one project evaluation visit in a partner country.

## RECOMMENDATIONS TO THE LATVIAN GOVERNMENT

- Continue increasing bilateral aid flows and deliver on commitments.
- Direct a significant portion of ODA towards the so-called fragile states.
- Improve transparency around the distribution of bilateral aid, and increase the share of aid available for open calls for proposals.
- Reconsider the effectiveness of prioritising funding for scholarships and training courses.

**LATVIA - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



**0.13%** GENUINE AID/GNI

**0.14%** TOTAL AID/GNI

# LITHUANIA



**“Today’s greatest challenges – from migration, terrorism and military conflicts to climate change – can only be resolved with the full participation of women. It is only by giving women an equal voice in key political and business decisions, ensuring their access to quality education, and protecting them from violence and discrimination, that we will secure a truly sustainable future for the world.”**

Ms Dalia Grybauskaitė, President of the Republic of Lithuania, 22 September 2016

## MAIN CHANGES IN 2016

In 2016 Lithuanian aid increased by 18.7%,<sup>46</sup> reaching €52.1 m (compared to €43.4 m in 2015). Bilateral aid increased by 49%<sup>10</sup> to €13.4 m (compared to €8.8 m in 2015), while multilateral increased by 9%<sup>47</sup> to €38.7 m (compared to €34.5 m in 2015). In terms of percentage of GNI, Lithuanian ODA rose from 0.12% in 2015 to 0.14% in 2016 – still a long way from the repeatedly announced national commitment of 0.33% by 2030. In the line with the Development Cooperation Policy Guidelines for 2014-2016, Eastern Partnership countries are the priority for Lithuania’s development cooperation (in particular Ukraine, Georgia, Moldova and Belarus). In 2016 the Ministry of Foreign Affairs allocated €1.1 m to 81 projects across these partner countries, focusing on reforms in economic development, strengthening governance, and fostering a European integration agenda.

In its quest to become an OECD member by 2018, Lithuania has embarked on an ambitious review of legal frameworks, including the amendment of the Lithuanian Law on Development Cooperation and Humanitarian Aid in November 2016. Under these amendments, development actors are diversified (and now include the private sector), and official action is centralised in one single agency. Importantly, the National Commission for Development Cooperation has been enlarged to include private business associations representatives. In response to the SDGs and COP21 agendas, the national concept of global education, which was prepared with support from the Ministry of Science and Education in 2015, is under review.

## TRENDS AND PROJECTIONS FOR 2017

The National Inter-Institutional Development Cooperation Action Plan 2017-2019<sup>2</sup> sets out a way to increase aid effectiveness and lead to the achievement of the SDGs. Lithuania undertakes to increase its ODA commitments to 0.33% of GNI by 2030. The financial provisions for the next three years, however, envis-

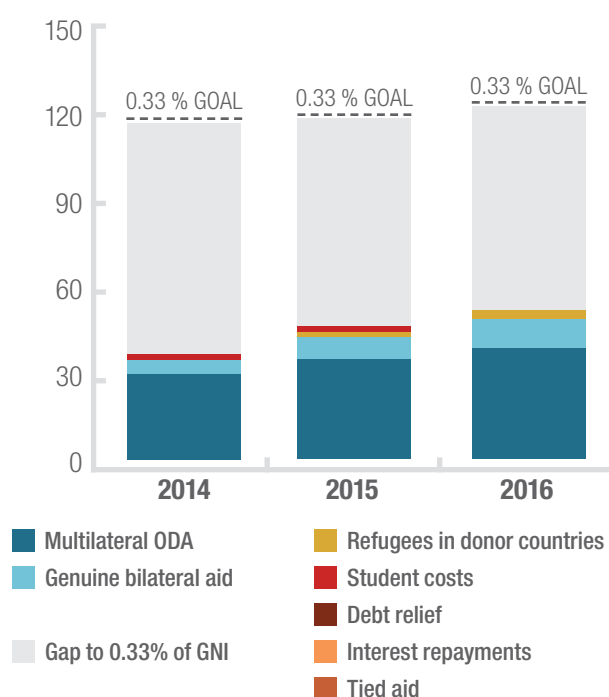
age a negative development: from €14.4 m in 2017 to €12.4 m in 2019. The allocations for development programmes in 2016-2018 are fixed annually and no growth is forecast – contrary to the government’s stated ambition. Public efforts to increase ODA are welcome, but insufficient, and transparency (especially regarding bilateral aid allocations) also needs to improve.

Lithuania’s institutional network (from national and municipal authorities to NGOs and business) has developed best practices in the promotion of SDGs that could be shared at regional level (Eastern partnership countries with which the EU has free-trade agreements) and beyond, as Lithuania’s aid is gradually expanding into some sub-Saharan countries. Lithuania is looking forward to the 5th Eastern Partnership Summit, due to take place in Brussels in November 2017.

## RECOMMENDATIONS TO THE LITHUANIAN GOVERNMENT

- Develop an action plan on policy coherence for development, following the enlargement of the National Commission for Development Cooperation.
- Raise the level of funding for development and global education to 2% of aid flows.
- Continue improving aid quality in line with Lithuania’s existing commitment and with a view to becoming a member of the OECD.
- Instead of counting refugee costs and scholarships in Lithuania as aid flows, report them separately.
- Conduct an independent, external evaluation of the Development Cooperation and Democracy Promotion Programme.

## LITHUANIA - GENUINE AND INFLATED AID (€ million, constant 2015)



<sup>46</sup> At constant 2015 prices

<sup>47</sup> [https://orangeprojects.lt/uploads/structure/docs/988\\_0f5c3f55c503c6a34fb36ef5bc47913c.pdf](https://orangeprojects.lt/uploads/structure/docs/988_0f5c3f55c503c6a34fb36ef5bc47913c.pdf).

# LUXEMBOURG

**0.95%** GENUINE AID/GNI

**1.01%** TOTAL AID/GNI



“Just as 2015 was marked by important UN development meetings, by our presidency of the EU Council and by the European Year of Development, 2016 was marked by the big humanitarian causes.”

Romain Schneider, Minister for Development Cooperation and Humanitarian Aid, Annual Report 2016

## MAIN CHANGES IN 2016

After an eventful year in 2015, 2016 saw development cooperation focusing on the big humanitarian issues.

At the Supporting Syria Conference, in London in February 2016, Luxembourg pledged a total of €37 m up to 2020. In 2016, €5 m of this was included in the humanitarian budget, and €2.5 m under the development budget heading. This funding also covered forgotten crises, for example, such as those around Lake Chad and in Afghanistan.

However, no additional funding was committed to take account of these new spending priorities. ODA in 2016 amounted to €353 m, while only 13.82% of bilateral aid was committed to humanitarian aid as compared to 17.65% in 2015. At the Humanitarian Summit in Istanbul, Luxembourg undertook to improve the efficiency and quality of its humanitarian action. This involved renewing multilateral partnership agreements and publishing the first national Charter for Humanitarian Aid, signed between the government and humanitarian NGOs.

## TRENDS AND PROJECTIONS FOR 2017

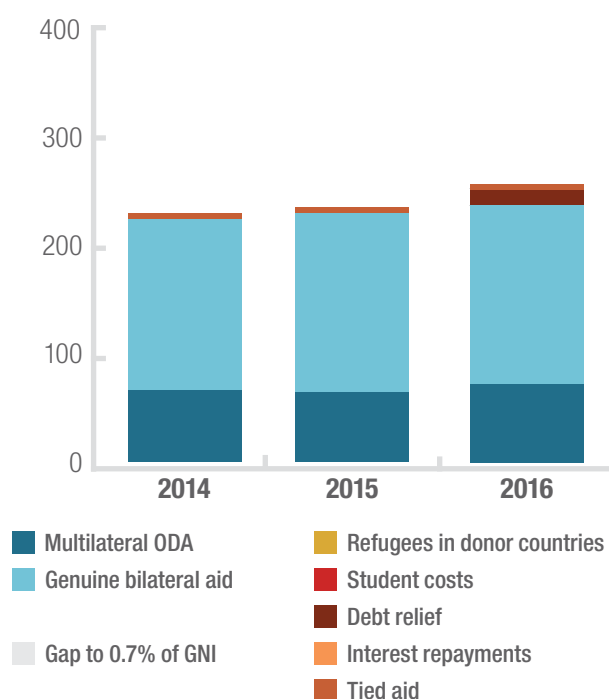
Luxembourg continues to be committed to excluding inland refugee- and migrant-related expenses from ODA, and an assessment of Luxembourg's annual ODA reports to the OECD DAC, and future commitments, shows no evidence to suggest any deviation from this commitment.

Humanitarian aid is set to play a more significant role in development cooperation, in response to the growing need to provide support in crisis hotspots. It is important for development and humanitarian NGOs to understand their distinctive modes of operation, and how their work intersects, in order to enable NGOs to communicate better to the general public that the two areas are complementary and that both are essential to providing long-term results.

## RECOMMENDATIONS TO THE GOVERNMENT OF LUXEMBOURG

- Facilitate a multi-stakeholder discussion within the Agenda 2030 implementation process, based on a gap analysis, and define roles and accountabilities for different stakeholders, including multilateral partners, civil society and the private sector.
- Put the concept of policy coherence for development into practice, with policy checks and impact assessments.
- Publicly disclose how much ODA is provided in support to the private sector and, given the increased involvement of that sector, define an overall strategy for collaboration with it.
- Publicly disclose how much ODA is invested in trust funds and, on an international level, continue to push for good governance of these funds (e.g., track disbursement levels to avoid dormancy).

## LUXEMBOURG - GENUINE AND INFLATED AID (€ million, constant 2015)





0.16% GENUINE AID/GNI

0.20% TOTAL AID/GNI

# MALTA



“Since 2012 Malta has increased its aid to developing countries. In 2017, every effort is being made to uphold our commitments and register a positive percentage. This ministry’s aim is to continue to improve its track record, acknowledging the importance of international development and also fulfilling the commitments entered into during the Maltese Presidency of the Council of the European Union.”

Development Unit, Government of Malta

## MAIN CHANGES IN 2016

AidWatch Malta welcomed the country’s official aid figures in 2016: a historic record of €18.53 m. Multilateral aid also went up by €2 m from 2015, and has been increasing steadily since 2013, almost doubling by 2016. Bilateral aid also increased beyond the €9.5 m landmark that was achieved in 2014. On the list of concerns, AidWatch Malta notes that the Maltese Ministry for Home Affairs and National Security reports €6.75 m ODA: it is suspected that most of this corresponds to in-donor refugee costs. The government has actually reported €2.99 m as “refugee costs”, but no details as to their nature have been made available for analysis.

Another concern is the disregard of NGOs as implementers of projects in the South: in 2016, funds allocated to NGOs continued to decline to a pitiful €222,000 (compared to €235,000 in 2015 and €248,000 in 2014). Still, a positive move made this year was to limit the call for proposals to NGOs registered under the Voluntary Organisations Act (thus making unregistered NGOs ineligible for public funding). The remaining concern is around transparency in the selection of project proposals: the evaluation criteria are not made clear and the results of the assessments are not communicated to the applicants.

Despite several statements from the government on its willingness to improve the quality and quantity of its ODA, AidWatch Malta is concerned about the lack of progress resulting from the absence of an actual strategy or plan for making aid more effective. The Ministry for Foreign Affairs and Trade Promotion claims this is due to a lack of financial and human resources, but AidWatch Malta feels it reflects the insufficient political will to improve aid effectiveness on the part of the Maltese government as a whole. By failing to scrutinise ODA expenditure and plans adequately, and by not holding the government to account, the Maltese parliament is also not helping progress on development policy.

## TRENDS AND PROJECTIONS FOR 2017

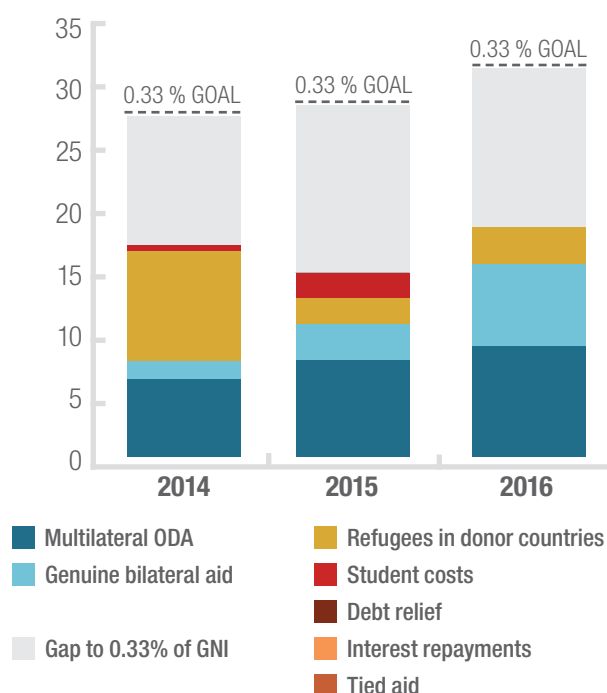
AidWatch Malta notes with satisfaction the exchange between the Maltese Ministry for Foreign Affairs and SKOP (the Maltese

National Platform) regarding the Presidency of the Council of the EU in early 2017. CSOs generally benefited from the constructive tone of the policy dialogue and the support pledged by the ministry. This experience will hopefully set the tone for the forthcoming revision of the development policy framework, when it will be adjusted to the context of Agenda 2030. CSOs expect this to be an opportunity to address structural flaws and to move away from the current rudimentary strategy with its unclear objectives and priorities.

## RECOMMENDATIONS TO THE MALTESE GOVERNMENT

- Design a new, fit-for-purpose development cooperation policy, including instruments for operationalisation and mechanisms for monitoring and evaluation.
- Increase the amount and proportion of genuine aid to meet the objectives set at EU level and to make refugee costs additional to the ODA levels previously committed to.
- Increase the transparency of ODA reporting by means of a comprehensive report on Malta’s overall ODA expenditure.
- Make the national call for proposals for NGO-implemented projects more transparent by publishing both the selection criteria and detailed results of the evaluation process.
- Improve aid effectiveness by increasing the funds allocated to high-quality poverty eradication projects proposed by Maltese CSOs, by raising awareness of the development impact of the Maltese CSOs, and by introducing a co-financing mechanism for larger grants (EC-funded DEAR projects).

**MALTA - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



# THE NETHERLANDS

0.54% GENUINE AID/GNI

0.65% TOTAL AID/GNI



“The call from OECD/DAC, to meet our international obligations, I see as an encouragement to the next cabinet of the Netherlands to position itself as an innovative and influential member of the international community.”

Ms Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation, in a letter to Parliament on 14 July 2017

## MAIN CHANGES IN 2016

In 2016 the Netherlands' ODA budget reached 0.65% of GNI – just below the promised goal of 0.7%. However, this budget was again inflated by in-donor refugee costs.

In the latter part of 2016 the political focus shifted towards the parliamentary elections in March 2017. The programmes of most parties promoted a constructive agenda on development issues.

In response to US President Trump's decision to withdraw US aid from family planning programmes that covered abortion, the Netherlands launched a fund to support the organisations affected. The She Decides initiative gained substantial support and attention internationally.

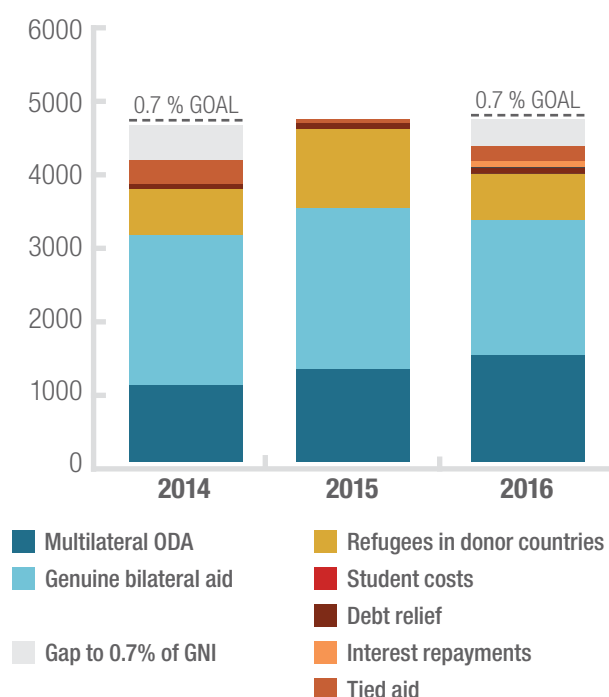
## TRENDS AND PROJECTIONS FOR 2017

In 2017 the ODA budget will decrease compared to 2016. This is because part of the ODA budget for 2017 was advanced for use in 2015. The same has happened with the ODA budgets from 2018 to 2020. These adjustments were made to meet the increased in-donor refugee costs in 2014 and 2015.

## RECOMMENDATIONS TO THE GOVERNMENT OF THE NETHERLANDS

- Show leadership in the international community by committing to the indefinite delivery of the 0.7% aid target.
- Develop a practical policy on policy coherence for development by testing all new policies for their impact on achieving the SDGs, and improving the effectiveness of aid.
- Ensure that the policy conditions for trade-related activities are respected (to ensure their relevance to inclusive, sustainable development).
- Introduce a ceiling for asylum costs in the ODA budget, and take climate finance out of it.

## THE NETHERLANDS - GENUINE AND INFLATED AID (€ million, constant 2015)



0.14% GENUINE AID/GNI

0.15% TOTAL AID/GNI

# POLAND



“There were many recommendations [from the OECD]. One very important issue (...): to increase the volume of bilateral aid. Other recommendations referred to the need to avoid fragmenting humanitarian aid and to ensure coherence between the geographical and thematic priorities of the loan policy. In other words, the idea is that the loans are not tied.”

Minister Joanna Wronecka – Polish Coordinator of Development Cooperation, Ministry of Foreign Affairs, 24 May 2017

## MAIN CHANGES IN 2016

Total Polish ODA in 2016 was €611.7 m. As a percentage of GNI, Polish aid increased by 0.15%, compared to 0.10% in 2015. Compared to aid levels in the last decade, Polish ODA is increasing significantly. This is mainly due to the aid contribution it has committed to as a member of the EU, and contributions to the European Development Fund. Other ODA activities driving the recent increase include: tied loans, an increase in humanitarian aid, and a contribution to the EU Facility for Refugees in Turkey.

The value of bilateral ODA allocated to Least Developed Countries was €66.7 m in 2015. The Polish government reports about €5.43 m in refugee costs in Poland as ODA (0.9% of total ODA). Only €12.6 m was channelled through non-governmental organisations – the equivalent of 2% of total ODA and 9% of bilateral ODA.

In 2016, the Multiannual Development Cooperation Programme (2016-20) began. It is unfortunate – and ironic – that NGOs were not invited to take part, or consulted, in the drafting of the Ministry of Foreign Affairs' Programme of Cooperation with NGOs. The programme was adopted by the government in 2016 despite the absence – and lack of involvement – of its key stakeholders. The government claims nonetheless to have adjusted the programme to a “catalogue of good practices of cooperation with stakeholders” – a claim CSOs continue to refute.

## TRENDS AND PROJECTIONS FOR 2017

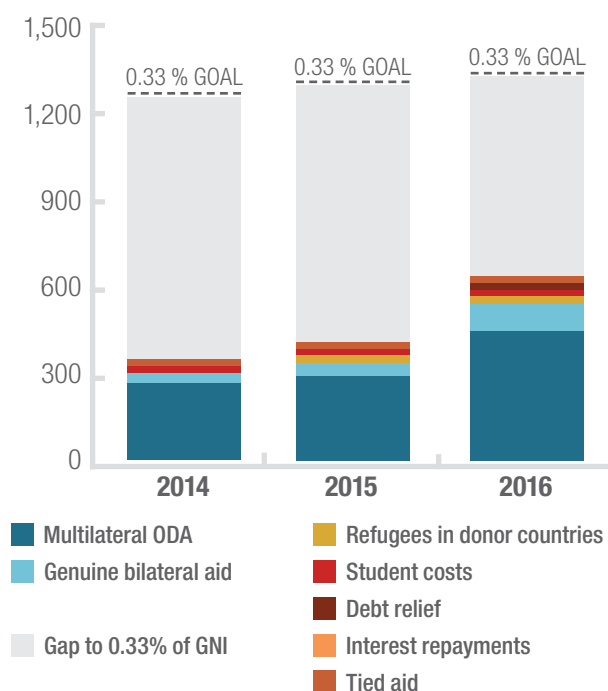
This year, the Polish government announced a stark 47% reduction in the funds allocated to global education, and the complete termination of its volunteering programme. The official explanation is that both measures were based on the need to increase humanitarian aid. Changes in the 2017 Development Cooperation Plan and in the ODA budget were made overnight, with no prior consultation, or communication, with the Development Cooperation Policy Council (the official advisory body). In the future, Polish support to the global education initiative risks being discontinued, as public funds previously allocated on a biennial basis will be exhausted by the end of 2017.

The significant increase of humanitarian aid programmes for Syria and Syrian displaced people seen in 2016 is likely to continue in 2017. This is the official “Polish response” to the so-called refugee crisis. It is also the government's excuse for not hosting asylum seekers. Despite the commitment – made in 2015 by the previous government – to welcome 6,200 asylum seekers from the “EU pool”, Poland has so far refused to take in any refugees.

## RECOMMENDATIONS TO THE POLISH GOVERNMENT

- The Polish government should present an operational plan for increasing the level of ODA to 0.33% of GNI by 2030.
- The government should ensure that, by 2018, funding for global education will reflect its important role in carrying out effective development cooperation policies, also taking into account the needs and abilities of the CSOs engaged in this area.
- A comprehensive cooperation programme with NGOs should be developed to cover 2018-2019 and to include financial support and capacity building for NGOs and other social partners.
- The role of the Development Cooperation Policy Council should be strengthened, to enable this body to be in a position to fulfil its mandate.
- The National Parliament should become more involved in monitoring the implementation of development cooperation policies.

## POLAND - GENUINE AND INFLATED AID (€ million, constant 2015)



# PORTUGAL

0.13% GENUINE AID/GNI

0.17% TOTAL AID/GNI



**“It is clear that, despite the budget constraints that limited ODA increases, we have been able to reinforce the financial resources available to Portuguese development cooperation. We did it through European mechanisms (such as delegated cooperation) but also by working with the private sector.”**

Ms Teresa Ribeiro, Secretary of State for Foreign Affairs and Cooperation, at the CPLP (Community of Portuguese-Speaking Countries) seminar on cooperation, Lisbon, January 2017

## MAIN CHANGES IN 2016

For the first time since 2011, Portuguese ODA increased in 2016 (by 9.46%), reaching €310 m (0.17% ODA/GNI). This increase was mainly due to a greater contribution to the EU's development cooperation budget and the tripling of funds for the Delegated Cooperation Programmes. There were no increases in funding for bilateral country projects financed from the national budget. No clear information exists on how these projects have been or will be managed, or whether CSOs are to have a role in them. According to official ODA data, the contribution to financing NGOs projects is smaller than the percentage of ODA channelled to CSOs when they are partners in projects agreed by the government with its partner countries. This suggests that CSOs are mostly perceived as service providers for government projects.

Although more information about Portuguese ODA is available on the website of the Portuguese Development Cooperation Agency (Camões IP), it is still very hard for the public to understand or analyse it. According to recent OECD reports, Portugal performed less well in terms of its commitment to effective development cooperation, particularly on medium-term aid predictability and on overall transparency. Camões IP faces a number of challenges: in addition to very weak political leverage, a large number of the most experienced human resources have left Camões IP in the last few years, exacerbating problems that have not yet been addressed by the current management body.

## TRENDS AND PROJECTIONS FOR 2017

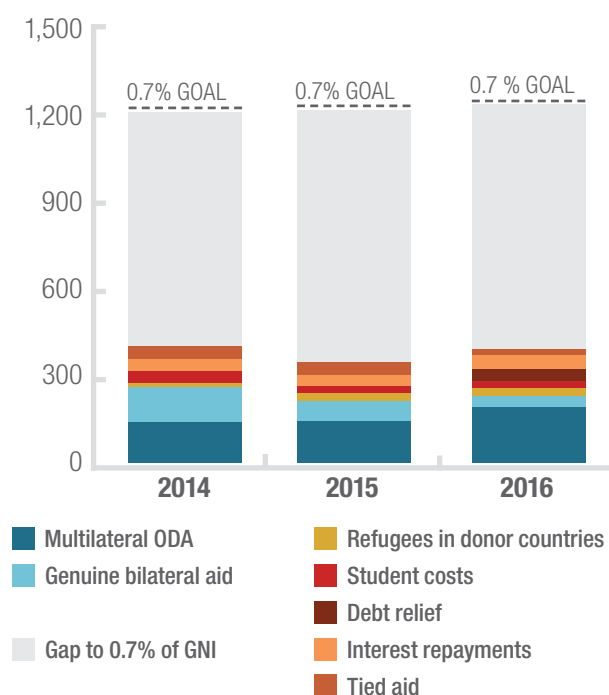
The government has started to reverse budget cuts, as promised in 2015. However, it is mainly trying to mobilise external funds through delegated cooperation projects, which have grown exponentially in the last two years. Bilateral programmes have not been strengthened, and ODA to NGOs increased only marginally in 2016. The new strategic approach has not yet succeeded in improving coordination, reducing the very high percentage of tied aid (over 50%), or engaging better with all relevant national stakeholders. The government will continue to negotiate new delegated cooperation programmes with the EU, without any joint reflexion on how CSOs could (or should) be involved in this kind of funding mechanism. Communication and

institutional dialogue between the government and CSOs must be improved. CSOs are informed but, in most cases, are not consulted or given any real opportunity to influence processes or decisions, contrary to one of the main recommendations of the 2015 DAC-OECD's peer review.

## RECOMMENDATIONS TO THE PORTUGUESE GOVERNMENT

- Define achievable commitments, based on a timetable plotting expected progress and setting milestones for Portugal to allocate 0.35% of its GNI to ODA by 2020; aim to achieve the 0.7% international goal in the long(er) term, and maintain the commitment to untie Portuguese aid.
- Publicly disclose information regarding delegated cooperation projects and ensure that other relevant mechanisms (such as bilateral programmes or support for CSOs' projects) do not lose relevance.
- Reinforce the institutional framework for Portuguese development cooperation, putting in place the conditions necessary to maintain and recruit qualified human resources.
- Continue to improve ODA transparency and the way in which information is made available, in order to allow robust analysis and communication.
- Reinforce the strategic partnership with CSOs, and with the Portuguese Non-Governmental Development Organisations' Platform, by continuing to increase the budget allocated to co-financing their projects and by maintaining a constructive institutional dialogue that promotes real opportunities for CSOs and NGOs to influence decisions and policies.

## PORTUGAL - GENUINE AND INFLATED AID (€ million, constant 2015)



0.10% GENUINE AID/GNI

0.11% TOTAL AID/GNI

# ROMANIA



**“Romania is strongly committed to supporting the implementation of the 2030 Agenda for Sustainable Development, together with the Addis Ababa Action Agenda and the Paris Agreement on Climate Change.”<sup>48</sup>**

H.E. Mr Teodor Melescanu, Romanian Minister for Foreign Affairs, 31 May 2017

## MAIN CHANGES IN 2016

In 2016 Romanian ODA amounted to €180 m, of which over 80% was channelled through multilateral organisations. The slight budget increase compared to 2015 results from a national contribution to the EU-Turkey Refugee Facility.

In November 2016 the Romanian parliament approved an important legislative framework: Law No. 213/2016 on the national policy for development cooperation and humanitarian assistance. This legislative act establishes Romania's first Development Cooperation Agency (RoAid),<sup>49</sup> under the Ministry of Foreign Affairs. RoAid will be responsible for programming and implementing a development cooperation portfolio, and the new institution was welcomed by Romanian CSOs. In July 2016, during the ninth Romanian Development Camp (organised jointly by the national platform of development NGOs (FOND), the Romanian MFA and UNDP), multi-stakeholder discussions resulted in strategic recommendations for RoAid. The call for project proposals for 2017 has been suspended pending regulations to make the agency fully operational – these have to be approved by the government that emerged from the elections in December 2016.

## TRENDS AND PROJECTIONS FOR 2017

Political instability resulting from the 2016 general election and the low priority given to development cooperation at a political level are putting recent progress at risk. The 2018 call for proposals has been delayed, and the sustainability of projects underway may be compromised. This would jeopardise Romania's reputation as a donor amongst its peers and partner countries.

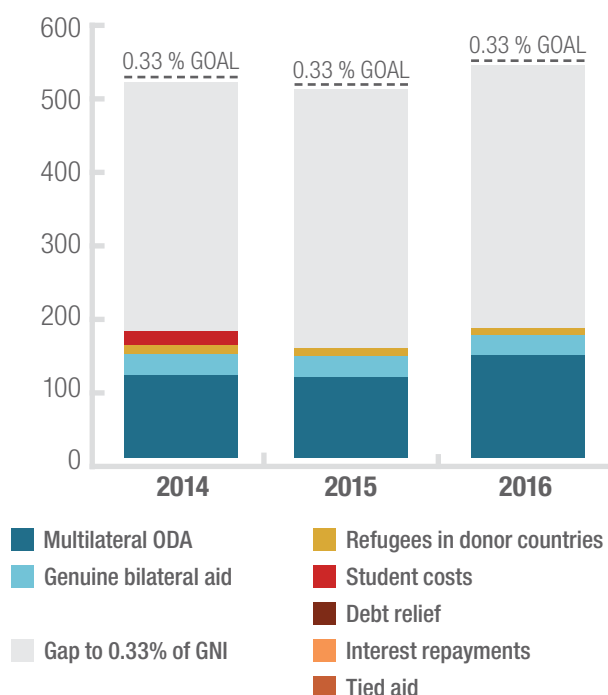
The implementation of Agenda 2030 is slow as a result of the lack of coordination between national stakeholders and the limited participation by CSOs. However, the National Institute of Statistics' launch of SDG indicators and statistical data to monitor progress at the national level is encouraging. The Sustainable Development Department has been set up under the

office of the prime minister and will be led by a state counsellor, with the aim of supporting the revision of the current National Strategy on Sustainable Development and monitoring the progress made against the national indicators.

## RECOMMENDATIONS TO THE ROMANIAN GOVERNMENT

- The government must urgently complete the operationalisation of RoAid, and must re-launch its call for proposals as soon as possible.
- The new National Development Cooperation Strategy, based on consultations with all relevant national actors (including CSOs), needs to be finalised and adopted.
- Romania must fulfil its international commitments, and the ODA budget must be increased to 0.33% of GNI, in line with recent policy and institutional reforms.
- Coordination between the national stakeholders involved in the monitoring and implementation of Agenda 2030 must be strengthened: the first steps would be to ensure regular consultations with CSOs, and to raise awareness about the SDGs amongst national stakeholders.
- National consultations should be organised on the development priorities to be included in Romania's Programme for the Presidency of the EU Council (first semester of 2019).

## ROMANIA - GENUINE AND INFLATED AID (€ million, constant 2015)



<sup>48</sup> <https://www.mae.ro/en/node/42082>

<sup>49</sup> Details on the functioning of RoAid are available at: <http://roaid.ro/en/page/who-we-are-16>



# SLOVAKIA

0.12% GENUINE AID/GNI

0.12% TOTAL AID/GNI



“Since the migration crisis, when Slovakia was very radical in terms of quotas, there has been an effort to get rid of the label that we are the ones who are not showing any solidarity. I can feel from the Ministry of Foreign and European Affairs, and also from my colleagues, that we will go further to help with development aid and show that, yes, quotas were not in our interest, but that does not mean we do not want to help, through humanitarian aid to Syria, Lebanon and other countries. We also need to improve our reputation.”

Luboš Blaha, Chairman of the European Affairs Committee of the National Council of the Slovak Republic. Interview for the magazine of the Slovak NGDO Platform, June 2017

## MAIN CHANGES IN 2016

Many in Slovakia had had high hopes for the future of development cooperation in 2016. Miroslav Lajčák, the Slovak Minister for Foreign and European Affairs, was a candidate for the position of UN secretary-general, and Slovakia would hold the EU presidency. This, along with the need to develop a programme for implementing the SDGs, created the space for more dialogue on issues relating to Slovakia's ODA and the country's agenda for development cooperation. The year 2016 did not live up to expectations, however, as the progress made on improving Slovakia's aid system or increasing ODA was limited: the latter did rise slightly, but it still falls below Slovakia's international commitments on aid.

Nevertheless, the NGO sector in Slovakia is beginning to flourish – it is working on development and environmental issues from both an international and a domestic perspective. New partnerships between NGOs working in different sectors have resulted in the development of a joint vision for the SDGs. This initiative is coordinated by the Slovak NGDO Platform, which also leads a dialogue on the SDGs with government officials.

## TRENDS AND PROJECTIONS FOR 2017

The Ministry of Finance is the largest contributor to Slovakia's ODA, providing 65% of the total. The Ministry of Foreign and European Affairs (MFA & EA), meanwhile, aims to incentivise private-sector actors to engage in development and help plug the shortfall in the ODA budget; its primary aim is to expand cooperation with the private sector.

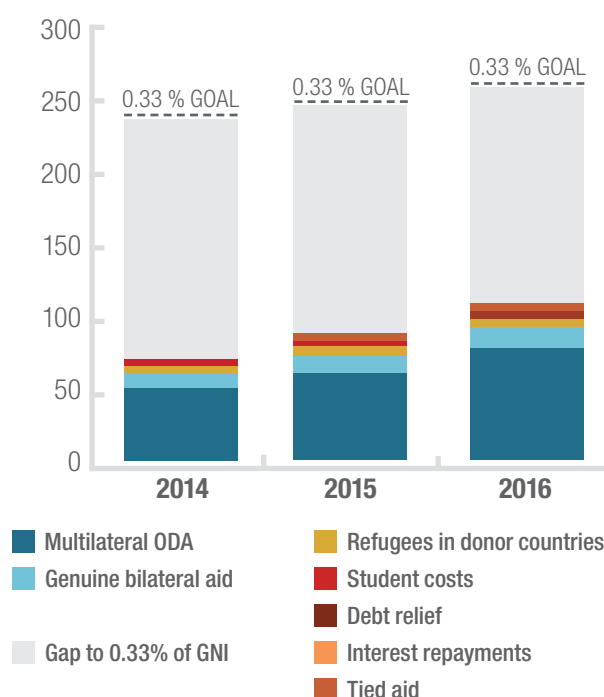
For humanitarian responses, €600,000 were allocated in the ODA budget for 2017, with a focus on South Sudan and on Syria and its neighbouring countries in the Middle East. While the humanitarian aid contributed in 2016 was more generous than before, there is a chance that in 2017 the total ODA/GNI

percentage will stagnate, or even fall. According to Jaroslav Chlebo, Director of the Department for Development Cooperation and Humanitarian Aid at MFA & EA, Slovakia will have to increase its aid budget by over €25 m each year if it is to fulfil the international commitment of reaching 0.33% ODA/GNI by 2030.

## RECOMMENDATIONS TO THE GOVERNMENT OF SLOVAKIA

- Increase the bilateral aid budget.
- Launch a long-term plan for implementing the sustainable development framework, including in areas such as global education.
- Improve the effectiveness of Slovakian aid, in particular the budget for humanitarian aid and its response effectiveness.
- Continue to facilitate the formal involvement of civil society in the strategy for implementing the SDGs in Slovakia, and take into account the proposals on the SDGs put forward by the Slovak NGDO Platform.
- Simplify the administrative burden of proposal writing, management and reporting.

## SLOVAKIA - GENUINE AND INFLATED AID (€ million, constant 2015)





0.15% GENUINE AID/GNI

0.19% TOTAL AID/GNI

# SLOVENIA



**“Slovenia is also committed to implementing the 2030 Agenda globally. The responsibility for global peace and prosperity is reflected in our support to our partner countries and in our continuing contribution to poverty eradication and sustainable development.”**

Dr Miro Cerar Jr, Prime Minister of Slovenia, September 2015

## MAIN CHANGES IN 2016

Slovenian aid rose again in 2016, reaching €73.56 m. This was a 28.9%<sup>50</sup> increase compared to 2015 (€57.06 m). ODA is currently at 0.19% of GNI, and the ratio of multilateral to bilateral aid is 65.7 to 34.3.

Student costs reported as ODA represented 24.32% of total bilateral ODA (€6.14 m) in 2016 (a 21% increase compared to 2015). In fact, 90% of all student costs are reported as aid. Refugee costs represent 25.9% of total bilateral ODA, a 2% increase compared to 2015, but still a substantial proportion. Disaggregated data on multilateral ODA and aid channelled to LDCs is not publicly available.

The government of Slovenia has reported progress in international cooperation (both development and humanitarian projects) in priority regions: the Western Balkans, Eastern Europe and Africa. Programmes led by Slovenian NGOs have focused on the empowerment of women and children, good governance and the rule of law, environmental protection, and human security. Meanwhile, government aid and multilateral agencies' programmes have concentrated on technical assistance to civil servants in target countries.

## TRENDS AND PROJECTIONS FOR 2017

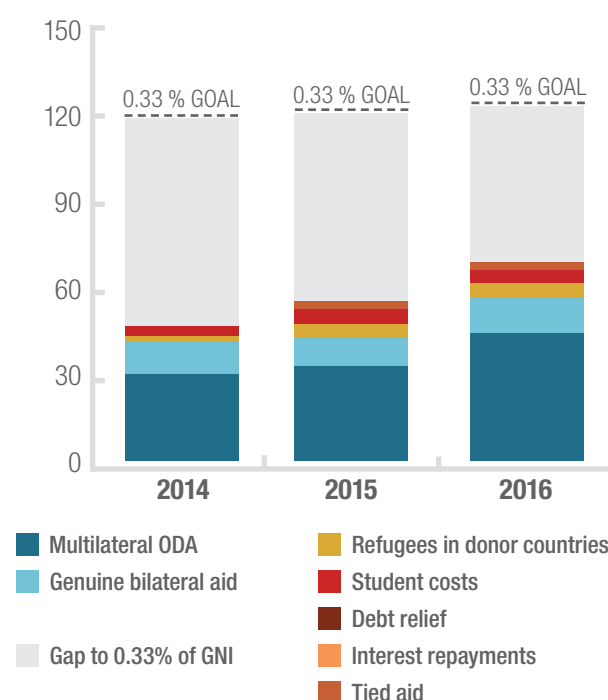
Based on projections, and in accordance with the implementation of the 2030 agenda, ODA should increase slightly in 2018. Beyond that, no significant increase in ODA is envisaged and CONCORD's Slovenian national platform SLOGA fears that “genuine” aid may actually decrease in 2017 and 2018. Refugee costs – currently diminishing – were the main driver of the spike in Slovenian aid in 2015.

In 2017, significant policy changes are taking place: the Act on Development Cooperation and the Resolution on Development Cooperation have been adapted to harmonise with the post-2015 Agenda. Slovenian CSOs have emphasised how important it is that this process should be inclusive and participatory, and they are concerned that domestic security and economic interests may be overriding the principles of aid effectiveness.

## RECOMMENDATIONS TO THE GOVERNMENT OF SLOVENIA

- Increase bilateral ODA and ensure that aid-funded programmes focus primarily on reducing poverty and upholding human rights. Exclude student costs from ODA reporting, and adequately address brain-drain concerns through other, specific, funds.
- Define the role of the private sector in development cooperation, including by setting up a clear accountability framework to ensure that this sector applies the principles of aid effectiveness.
- Defend positions that will increase ODA's focus on poverty reduction, and respect development effectiveness principles, in line with the post-2015 financing for development agenda.
- Newly revised policy frameworks – such as the Act and Resolution on Development Cooperation – should incorporate all relevant stakeholders, including NGOs.
- An appropriate evaluation system should be put in place so that Slovenian ODA contributions can be assessed on a bi-annual basis.

## SLOVENIA - GENUINE AND INFLATED AID (€ million, constant 2015)



<sup>50</sup> At constant 2015 prices.

# SPAIN

0.15% GENUINE AID/GNI

0.33% TOTAL AID/GNI



**“We have shared with Ban Ki-moon priorities and horizons such as Agenda 2030, the mission and pathway for an entire generation. The new Secretary-General, António Guterres, knows that he has our full support in moving towards a world that is fairer, has a greater sense of solidarity and is more secure.”**

President Mariano Rajoy, 20 December 2016

## MAIN CHANGES IN 2016

After a six-year trend of ODA cuts (a 73% reduction from 2009 to 2015), Spanish aid increased sharply in 2016, reaching €3.7 bn (0.33% of GNI). This spike resulted from a once-off debt relief commitment to Cuba totalling €1.9 bn. The underlying trend remains concerning: without the “Cuban soufflé”, Spanish ODA is at €1.7 bn, only 0.16% of GNI. The increase compared to 2015 levels (when Spain hit an historic floor) does not compensate for the fact the Spanish aid is still far below the average of EU15 and OECD-DAC countries, and below the 0.7% goal. The 2016 OECD DAC Peer Review urged Spain to “fulfil its commitment to reversing the decline in ODA”<sup>51</sup> and to apply the Busan principles to its financial support. Spanish development NGOs are also concerned about the quality of Spanish aid. In 2016 the LDC target was not met, and humanitarian aid remains at an extraordinarily low level. Spain continues to tie its aid and to count debt relief as ODA. Furthermore, the allocation to NGOs has plummeted by 84%, and there is no strategic framework for development cooperation. Awareness raising and education issues have disappeared from policy documents. Both the plan and the resources for work on gender have been shrunk. In July 2017, behind closed doors the Spanish government approved a human rights standard for the private sector as part of its pitch to the Human Rights Council: just another example of how transparency and accountability are lacking in policy making. Given this background, CSOs are not optimistic about the prospects for Spain’s keeping to the aid effectiveness agenda, meeting the SDGs’ targets, or making meaningful progress with the human rights agenda in the context of its likely seat on the Human Rights Council for 2018-2020.

## TRENDS AND PROJECTIONS FOR 2017

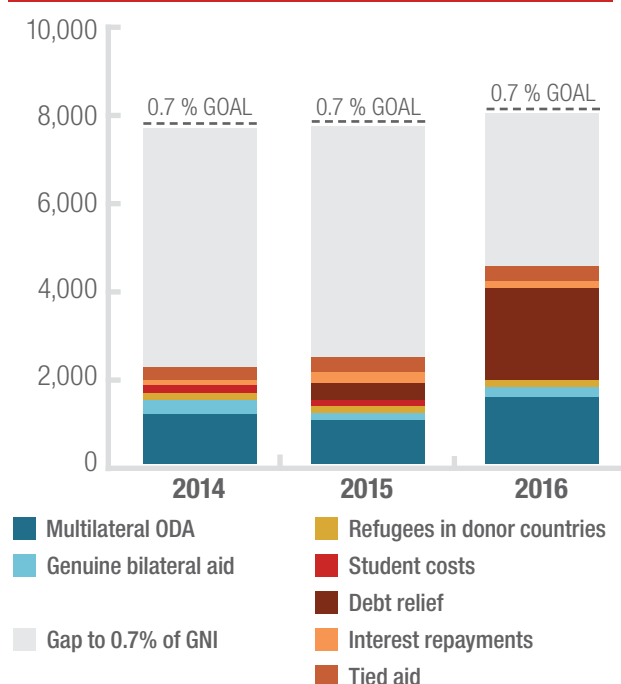
Spain’s budget for 2017 forecasts a 2.3% increase in ODA, compared to a 30% increase in the defence budget. By 2017 Spain should reach a disappointing 0.21% of GNI, but if the under-spending trend of previous years continues, ODA levels may be even lower. Several budget lines linked to international aid raise concern: for example, CSOs’ allocation has stagnated,<sup>52</sup> while the Ministry of Foreign Affairs has reduced its aid budget, with funds

being diverted to in-donor refugee costs of €232 m (10% of the total ODA budgeted). In addition, the trend of “compensating for” the domestic cuts with increased participation in European trust funds is being consolidated. Early discussions around the national budget for 2018 have not addressed the need to reverse the ODA reduction, but the parliament has approved several proposals endorsing a 0.4% GNI target for 2020, as demanded by CSOs.<sup>53</sup> Unless the government’s political will is mobilised soon, Spain will be ending up with a “lost decade” in development policy.

## RECOMMENDATIONS TO THE SPANISH GOVERNMENT

- Acknowledge the role of ODA and policy coherence in achieving the SDGs, and undertake the policy and institutional reforms necessary to implement follow Agenda 2030 through a meaningful policy dialogue.
- Draft a credible roadmap for scaling up ODA to at least 0.4% of GNI by 2020 (moving towards the 0.7%), implement the AAAA and reinstate the accountability and transparency systems for ODA.
- Ensure that any aid instrument engaging private-sector actors is consistent with the primary objectives of ODA (to combat poverty and inequality and to promote human rights).
- In-donor refugee costs should be allocated additional resources and should not be included under ODA; also, practical steps should be taken to advance policy coherence for sustainable development.
- Negotiations for the new NGO strategic framework need to be resumed and should acknowledge the diverse roles of CSOs, including in the allocation of resources.

**SPAIN - GENUINE AND INFLATED AID**  
(€ million, constant 2015)



<sup>51</sup> <http://www.oecd.org/dac/spain-needs-to-fulfil-its-commitment-to-reverse-decline-in-development-aid.htm>.

<sup>52</sup> <https://coordinadoraongd.org/wp-content/uploads/2017/04/An%C3%A1lisis-de-PGE-2017.pdf>

<sup>53</sup> [http://www.exteriores.gob.es/Portal/es/SalaDePrensa/EIMinisterioInforma/Paginas/Noticias/20170418\\_MINISTERIO13.aspx](http://www.exteriores.gob.es/Portal/es/SalaDePrensa/EIMinisterioInforma/Paginas/Noticias/20170418_MINISTERIO13.aspx)

0.77% GENUINE AID/GNI

0.94% TOTAL AID/GNI

# SWEDEN



**“In our joint endeavour we need to remain true to our core values of solidarity and humanity. We need to modernise our operations and instruments, while still respecting politically agreed commitments such as the definition of ODA and development effectiveness.”**

Ms Isabella Lövin, Swedish Deputy Prime Minister and Minister for International Development Cooperation and Climate, 8 November 2016

## MAIN CHANGES IN 2016

A new overall policy framework for Swedish development cooperation was presented by the government in 2016. Swedish civil society organisations (CSOs) were largely supportive of the policy priorities laid out, such as the focus on poverty, gender equality, climate, and conflict management. CSOs have however called for further improvements to the coherence of government policies that support development priorities. The political opposition criticised the framework for its lack of focus and insufficient political negotiation within parliament. In-donor refugee costs, which peaked at extreme levels in Sweden with the arrival of many refugees in 2015, remained high in 2016, at 16.9% of total ODA. In 2016 the Swedish National Audit Office criticised the government's revisions to the aid budget to allow for migration projections, which undermined the predictability of aid for long-term planning. In early 2017 CONCORD Sweden published a controversial report on the extent to which some of Sweden's in-donor refugee costs could be classified as ODA under OECD DAC rules, highlighting the fact that in 2016 and 2017 the cost per asylum seeker reported as ODA had more than doubled compared to the average in 2007-2014. The high-level meeting in Nairobi on the Global Partnership for Effective Development Cooperation was also a priority for the Swedish government. The minister for development cooperation expressed continued support for the development effectiveness agenda and highlighted Sweden's concern at the trend whereby EU aid was being influenced by foreign, security and commercial objectives at the expense of a focus on poverty and development effectiveness.

## TRENDS AND PROJECTIONS FOR 2017 AND BEYOND

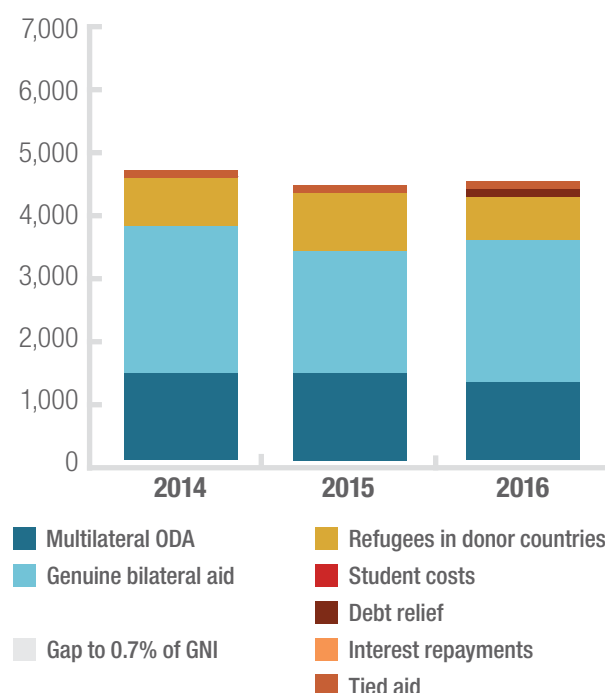
Regarding the projected reform of the OECD DAC, Sweden will continue to promote strict guidelines on counting security-related costs as ODA. Whether Sweden will seek stricter rules on reporting in-donor refugee costs as ODA is less certain. Regarding the new private-sector instruments, Sweden has stressed the importance of keeping ODA's development focus, respecting democratic local ownership, continuing to untie aid and ensuring the additionality of ODA. In 2015, Sweden was the first country in the world to declare a feminist foreign policy. In early 2017 Sweden led the She Decides campaign to raise the

funds needed for upholding the sexual and reproductive health rights (SRHR) of women and girls worldwide. Sweden also allocated an extra €20 m to SRHR in its 2017 aid budget. In its aid budget for 2017 the Swedish government highlighted the following areas: humanitarian needs, fragile states, human rights and democratic space, SRHR, the environment and climate. Swedish development policy maintains its approach to migration and development and does not set out to use development cooperation to prevent migratory movements.

## RECOMMENDATIONS TO THE SWEDISH GOVERNMENT

- Set up a clear structure for reporting and following up on the internationally agreed development effectiveness principles, and continue actively to promote a rights-based and effective form of development cooperation.
- Adopt a plan for phasing out in-donor refugee costs from Swedish ODA, for the sake of the transparency of aid, its predictability, and a clear focus on poverty reduction.
- In the current reform of the OECD DAC and its guidelines, promote a rights-based, pro-poor and transparent global aid infrastructure and resist all attempts to serve the military, political or economic interests of donor countries.
- Ensure sufficient investment in and monitoring of the targets set in the EU's Gender Action Plan, and promote a feminist development policy for the EU.
- Maintain an active political dialogue with all stakeholders to create a broad political consensus around the perspectives and principles of Swedish aid.

## SWEDEN - GENUINE AND INFLATED AID (€ million, constant 2015)



# UNITED KINGDOM

**0.68%** GENUINE AID/GNI

**0.70%** TOTAL AID/GNI



**“This country leads the world when it comes to development, and we will continue to show strong leadership by improving the results and value we achieve with taxpayers’ money. With a smart approach to aid, we can keep saving and transforming lives and tackle the big global challenges this country faces.”**

The Rt Hon Priti Patel MP, Secretary of State for International Development, 12 June 2017

## MAIN CHANGES IN 2016

The UK continued to meet the 0.7% ODA/GNI commitment in 2016, remaining one of the largest bilateral donors in the world behind the US and Germany. New and existing political challenges, from Brexit to continued attacks from anti-aid critics, have seen UK development spending continue to change and evolve. The proportion of UK aid spent by government departments other than the Department for International Development (DFID) continued to grow from approximately 10% a few years ago: in 2016 DFID was responsible for 74%, down from 80.5% in 2015 – representing a relative increase for the other departments of 46.5%. There are concerns about the levels of effectiveness, accountability and transparency of other government departments as compared to the high standards set by DFID.

Cross-government funds, including some new ones announced in the 2015 aid strategy, also continued to grow as a proportion of UK aid. The relatively new Prosperity Fund, for example – one that “promotes the economic reform and development needed for growth in developing countries” – is set to scale up rapidly from £55 m in 2016-2017 to a planned £350 m expenditure of ODA in 2019-20. The Independent Commission for Aid Impact has raised concerns about the short time in which the fund was expected to manage such a spending increase, outlined challenges the fund would have in “meeting ... its primary purpose of poverty reduction” and said there was too little public information available about its work.

## TRENDS AND PROJECTIONS FOR 2017

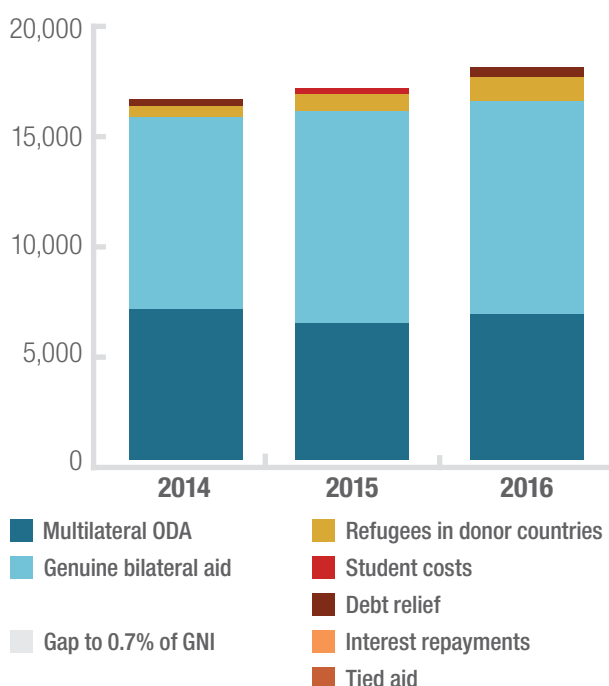
In the 2017 election the UK government recommitted to continuing to deliver on the 0.7% target. However, there may well be further shifts in development and aid policy as the Conservative Party, now leading a minority government, have signalled a strengthening of the focus on stimulating trade and private sector-led development. As the UK increasingly focuses both its foreign policy and its trade policy beyond the European Union, the use of aid to support national and security interests – potentially at the cost of effective development – is an area of concern. The new government, in their manifesto, also committed to reviewing the ODA definition and rules in the OECD DAC and to pushing for further changes, stating: “We do not believe that international

definitions of development assistance always help in determining how money should be spent, on whom or for what purpose. So we will work with like-minded countries to change the rules so that they are updated and better reflect the breadth of our assistance around the world. If that does not work, we will change the law to allow us to use a better definition of development spending, while continuing to meet our 0.7% target.”

## RECOMMENDATIONS TO THE UK GOVERNMENT

- Continue to honour the commitment to spending 0.7% of GNI on overseas development assistance. This needs to be in line with the International Development Act and OECD aid rules, with a clear focus on tackling poverty.
- Collective action must be prioritised. We welcome the government’s pledge to prioritise collective action in any efforts to reform the international rules. The UK should not “go it alone” outside the OECD DAC framework, as such a step could weaken the vital independent scrutiny and standard-setting role played by the DAC, and heighten the risk of misuse of aid.
- Strengthen the implementation of the development effectiveness principles, particularly for cross-government funds and other government departments. As increasing proportions of the UK aid budget are moved outside of DFID, it is vital to ensure that they meet the high standards set by DFID and reaffirmed in the UK’s commitments to global effectiveness principles.

**UNITED KINGDOM - GENUINE AND INFLATED AID**  
(€ million, constant 2015)





# ANNEXES

## ANNEX 1 – METHODOLOGY

### HOW THE COMPONENTS OF INFLATED AID ARE CALCULATED

Under the DAC's official definition of aid, donors can report a number of financial flows that, in the view of CONCORD Aid-Watch, do not genuinely contribute to the objectives of development cooperation. To give a more accurate picture of donors' efforts to reduce poverty and inequality, the AidWatch methodology discounts the following items from net ODA flows (for more information, see the relevant sections below):

- spending on students in the donor country,
- spending on refugees in the donor country,
- repayments of interest on concessional loans and future interest on cancelled debts,
- debt relief,
- tied aid.

The rationale for discounting these items is based on two principles: an assessment of whether or not they contribute to development, based on the aid effectiveness principles, and whether or not they represent a genuine transfer of resources to developing countries.

Measuring aid inflation in relation to an overall aid budget, however, tends to minimise the real extent of the problem. The level of aid inflation is best perceived as a share of the bilateral aid budget, the reason being that it is only possible to estimate it in relation to the expenses managed directly by donors. Consequently, “genuine aid” is the sum of all multilateral aid and “genuine bilateral aid” (meaning bilateral ODA disbursements, in constant 2015 prices, minus the above-mentioned inflated aid items).

### IMPUTED STUDENT COSTS

Imputed student costs include the costs of tuition less any fees paid by the students, and are calculated as a percentage of public expenditure on higher education, weighted by the number of foreign students.<sup>54</sup> In theory, only the cases in which foreign affairs ministries or aid agencies are involved should be counted towards student costs, but the methodology for estimating these costs is not well defined by the OECD,<sup>55</sup> and reporting practices seem to differ from one country to another, especially when it comes to the level of involvement of aid au-

thorities and the types of costs that are eligible.

### REFUGEE COSTS

According to the OECD-DAC rules, resources spent on supporting refugees arriving in the donor country are eligible as ODA for the first twelve months of their stay. Eligible expenditure includes payments for refugees' transport to the host country, temporary sustenance (food, shelter and training) and some of the costs of resettlement.<sup>56</sup> In CONCORD's view, while it is vital for countries to support refugees arriving at their borders, labelling these kinds of expenditure as ODA is misleading, given that they provide no resources for developing countries and are not linked to the core purpose of ODA – which is to promote the economic development and welfare of developing countries.<sup>57</sup> In addition, donors show considerable differences in their reporting practices. To obtain the genuine aid figure, therefore, in-donor-country refugee costs must be removed from net ODA flows.

In February 2016 the OECD agreed to improve the consistency, comparability and transparency of the reporting of ODA-eligible, in-donor refugee costs by aligning the donors' respective methods of calculating them, and it agreed to launch a clear, transparent and inclusive process for doing so.<sup>58</sup> The outcome of this review process (due to be concluded in October 2017) will not, however, address CSOs' demand for donors to phase out entirely the reporting of in-donor refugee costs as ODA.

### DEBT RELIEF

When donors cancel or reschedule bilateral debts, the amount cancelled can be reported as aid in the year the debt is restructured.<sup>59</sup> The cancellation of unpayable debts is important, but it should not be counted as aid. In the first place, in their cancellation donors can count both the principal and future interest; and since many of the debts are long-term, counting future interest can inflate the figure significantly. Secondly, the relationship between the debt and development objectives is often unclear. Research conducted by Eurodad shows that 85% of the bilateral debts cancelled between 2005 and 2009 were debts resulting from export credit guarantees.<sup>60</sup> The mandate of export credit agencies is to support national (donor-country) companies by encouraging international exports – not to support development. Moreover, donor countries often lend irresponsibly, and can contribute to increasing the debt of developing countries. The Norwegian government, for example,

54 The CRS DAC line used in this report for student costs is I.A.5.2.

55 OECD DAC (2010). *Statistical Reporting Directives – purpose and structure*, DCD/DAC(2010)40/REV1.

56 The CSR DAC line used in this report for in-donor refugee costs is I.A.8.2.

57 CSO recommendations on the clarification of DAC reporting rules for ODA to in-donor refugee costs [https://www.oecd.org/dac/CSO\\_recommendations\\_to\\_the\\_DAC\\_on\\_IDRC\\_May%202017.pdf](https://www.oecd.org/dac/CSO_recommendations_to_the_DAC_on_IDRC_May%202017.pdf)

58 OECD DAC, 2016, *High Level Meeting Communiqué*. See: <http://www.oecd.org/dac/DAC-HLM-Communique-2016.pdf>

59 The CRS DAC line used in this report for debt relief is I.A.6.

60 Eurodad (2011): “Exporting goods or exporting debt? Export Credit Agencies and the roots of developing-country debt”.

admitted its co-responsibility for the debt generated by export credits extended to five developing countries, and cancelled that debt in 2006.<sup>61</sup>

### **TIED AID<sup>62</sup>**

The problem with tied aid is that making aid conditional on the purchase of goods and services from one donor country, or a restricted set of countries, reduces its development impact. First, because it increases the cost of purchasing goods and services (by between 15% and 30%), undermining affordability for poor countries.<sup>63</sup> It acts as an expensive subsidy for donor-country industries. And secondly, because it may actually increase the net resource flow from developing to donor countries. By preventing developing countries from procuring local goods and services, it undermines local job generation and economic development.

To reflect the financial impact of tying, the CONCORD AidWatch methodology discounts 30% of the flows that are recorded as fully tied and 15% of the flows that are partially tied.

As data on tied aid in 2016 was not available at the time of writing, the figures used in this report are based on projections calculated with the official data available for 2012-2015. For more details on the how the projections were calculated, see the “Quantitative data” section below.

### **INTEREST PAYMENTS ON LOAN PRINCIPAL**

When donors estimate their net ODA, they discount the repayment of the principal by recipient governments, but not interest payments, which are counted as aid.<sup>64</sup> CONCORD AidWatch counts these interest payments as inflated aid. The recent decisions by the OECD DAC mean that as of 2018 loans will be reported in a different fashion, but this will not impact on figures until then. These changes were made after it was noted that France, Germany and the European Investment Bank had extended over US\$ 2.5 bn (€1.8 bn) in “concessional” loans to developing countries at interest rates above their own borrowing costs.<sup>65</sup>

As data for 2016 on interest repayment was not available at the time of writing, the figures used in this report are based on projections calculated with the official data available for 2012-2015. For more details on how the projections were calculated, see the “Quantitative data” section below.

## **RESEARCH SOURCES**

### **QUALITATIVE FINDINGS:**

The main source for the qualitative findings in the report was a review of CONCORD position papers and desk-based research drawing on both official and non-official analysis. This was complemented by inputs received from the CONCORD AidWatch team. The main source for the country examples in the report was a standardised questionnaire survey, conducted by the consultants among all of CONCORD’s 28 National Platforms, at the start of the report drafting period.

The National Platforms themselves drafted the country pages. In the case of the EU institutions, the country page was drafted by the consultants and the main sources used were official European Commission documents, the EU Aid Explorer website<sup>66</sup> and the OECD DAC Creditor Reporting System (CRS).

### **QUANTITATIVE DATA:**

The report relies on the OECD CRS dataset which is accessible online at [www.stats.oecd.org](http://www.stats.oecd.org), including preliminary OECD DAC CRS data for 2016. This data has been complemented by updated figures provided by CONCORD’s National Platforms. In some cases, data provided by the European Commission and Eurostat has been used (for example to complement the deflators provided by the OECD, which do not cover all EU28 countries).

Except where indicated otherwise, all figures in Chapter One and given in euros are expressed in “2015 constant prices”, as is the case for all the figures obtained from a primary source. Those international commitments on development finance that were originally made in USD (such as the annual \$100 bn commitment for climate finance) have not been converted into euros. All figures in Chapter Two are expressed in current prices.

Since data for 2016 on inflated aid and interest repayments was not published by the OECD or accessible to the National Platforms at the time this report was written, some projections, based on official data available for 2012-2015, have been used to fill these data gaps. The projected data is the average of two functions commonly used to predict future values by using existing ones: linear regression<sup>67</sup> and the Holt-Winters method.<sup>68</sup> This projecting method has proved to be reliable when comparing the result of projecting the figures for 2015 using data for 2011-2014 with the figures already published by the OECD for ODA in 2015.

61 Eurodad (2011): “Exporting goods or exporting debt? Export Credit Agencies and the roots of developing-country debt”.

62 The CRS DAC line used in this report for tied aid is DAC7b.

63 Clay, E. J. et al (2008), *Thematic Study, The Developmental Effectiveness of Untied Aid: Evaluation of the Implementation of the Paris Declaration and of the 2001 DAC Recommendation on Untying ODA To The LDCs, Phase I Report*. Copenhagen, December 2008.

64 The CRS DAC line used in this report for repayments of interest on concessional loans and future interest on cancelled debts is DAC2a

65 Manning, R. (2013). “OECD is ignoring its definition of overseas aid”, *Financial Times, Letters*, 9 April 2013.

66 For more information about the EU Aid Explorer see: <https://euaidexplorer.ec.europa.eu/>.

67 For more information about the linear regression method see: <https://support.office.com/en-us/article/FORECAST-function-50ca49c9-7b40-4892-94e4-7ad38bbeda99>.

68 For more information about the Holt-Winters method see: <https://grisha.org/blog/2016/01/29/triple-exponential-smoothing-forecasting/> and [https://en.wikipedia.org/wiki/Exponential\\_smoothing#Triple\\_exponential\\_smoothing](https://en.wikipedia.org/wiki/Exponential_smoothing#Triple_exponential_smoothing).



## ANNEX 2 – ABBREVIATIONS

<b>ACP</b>	African, Caribbean and Pacific countries
<b>CRS</b>	Creditor Reporting System
<b>CSO</b>	Civil society organisation
<b>EC</b>	European Commission
<b>EFSD</b>	European Fund for Sustainable Development
<b>EIP</b>	External Investment Plan of the European Union
<b>EU</b>	European Union
<b>EU13</b>	The 13 relatively recent EU member states
<b>EU15</b>	The 15 longer-standing EU member states
<b>EU28</b>	All the EU member states
<b>G20</b>	The international group of 20 major economies
<b>GAP</b>	The EU's Gender Action Plan
<b>GCF</b>	Green Climate Fund
<b>GNI</b>	Gross national income
<b>IDA-18</b>	The Eighteenth Replenishment of the International Development Association
<b>IFC-MIGA</b>	The International Finance Corporation and the Multilateral Investment Guarantee Agency
<b>LDC</b>	Least developed country
<b>MFF</b>	Multi-Annual Financial Framework
<b>MIC</b>	Middle-income country
<b>NP</b>	CONCORD National Platform
<b>ODA</b>	Official development assistance
<b>OECD-DAC</b>	Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC)
<b>PCSD</b>	Policy Coherence for Sustainable Development
<b>SDG</b>	Sustainable Development Goal
<b>UK</b>	United Kingdom
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>US</b>	United States

## ANNEX 3 – TABLES

**TABLE 2: EU-15. 2015 AND 2016 GENUINE AND TOTAL ODA AS PERCENTAGE OF GNI (IN 2015 CONSTANT PRICES)**

	Genuine aid in % GNI in 2016	Total aid in % GNI in 2016	Genuine aid in % GNI in 2015	Total aid in % GNI in 2015
Luxembourg	0.95%	1.01%	0.95%	0.95%
Sweden	0.77%	0.94%	0.75%	0.97%
UK	0.68%	0.70%	0.69%	0.70%
Denmark	0.62%	0.75%	0.72%	0.85%
Netherlands	0.54%	0.65%	0.56%	0.75%
Germany	0.50%	0.70%	0.39%	0.52%
Belgium	0.40%	0.49%	0.35%	0.42%
Finland	0.38%	0.44%	0.53%	0.55%
Ireland	0.33%	0.33%	0.32%	0.32%
France	0.31%	0.38%	0.30%	0.37%
Austria	0.22%	0.41%	0.20%	0.35%
Italy	0.16%	0.26%	0.16%	0.22%
Spain	0.15%	0.33%	0.10%	0.12%
Portugal	0.13%	0.17%	0.09%	0.16%
Greece	0.11%	0.14%	0.09%	0.12%

Source: OECD DAC CRS dataset complemented by updated figures provided by CONCORD National Platforms.

\* The percentage reflected as Sweden's ODA/GNI in 2015 (0.97%) corresponds to what the Swedish government acknowledged in their official comment on the ODA statistics as the development budget portion of the reported ODA. In total, Sweden reported 1.4% ODA/GNI in 2015, the additional funds being from non-development budget lines, particularly in-donor country refugee costs.

**TABLE 3: EU-13. 2015 AND 2016 GENUINE AND TOTAL ODA AS PERCENTAGE OF GNI**

	Genuine aid in % GNI in 2016	Total aid in % GNI in 2016	Genuine aid in % GNI in 2015	Total aid in % GNI in 2015
Estonia	0.18%	0.19%	0.18%	0.15%
Malta	0.16%	0.20%	0.16%	0.12%
Hungary	0.16%	0.17%	0.16%	0.11%
Slovenia	0.15%	0.19%	0.15%	0.12%
Poland	0.14%	0.15%	0.14%	0.09%
Lithuania	0.13%	0.14%	0.13%	0.12%
Czech R.	0.13%	0.14%	0.13%	0.11%
Slovakia	0.12%	0.12%	0.12%	0.10%
Bulgaria	0.11%	0.13%	0.11%	0.09%
Romania	0.10%	0.11%	0.10%	0.09%
Latvia	0.10%	0.10%	0.10%	0.08%
Cyprus	0.09%	0.09%	0.09%	0.09%
Croatia	0.07%	0.07%	0.07%	0.09%

Source: OECD DAC CRS dataset complemented by updated figures provided by CONCORD National Platforms

TABLE 4: EU28. 2016 INFLATED AND GENUINE AID (IN 2015 CONSTANT PRICES)

	TOTAL AID		BILATERAL AID		INFLATED AID		GENUINE AID			
	€ Million	%GNI	€ Million	% total aid	€ Million	% bilateral aid	% total aid	€ Million	% total aid	% GNI
Austria	1,412.79	0.41%	865.47	61%	639.59	74%	45%	773.2	55%	0.22%
Belgium	2,052.01	0.49%	1,275.23	62%	396.28	31%	19%	1,656.79	81%	0.40%
Bulgaria	61.01	0.13%	11.00	18%	7.61	69%	12%	53.40	88%	0.11%
Croatia	36.99	0.07%	3.15	9%	0.00	0%	0%	36.98	100%	0.07%
Cyprus	16.44	0.09%	0.51	3%	0.00	0%	0%	16.44	100%	0.09%
Czech R.	231.48	0.14%	66.26	29%	21.56	33%	9%	209.91	91%	0.13%
Denmark	2,136.85	0.75%	1,532.65	72%	376.62	25%	18%	1,760.24	82%	0.62%
Estonia	38.79	0.19%	17.25	44%	2.21	13%	6%	36.82	95%	0.18%
Finland	948.65	0.44%	569.29	60%	127.35	22%	13%	821.00	87%	0.38%
France	8,565.70	0.38%	4,913.35	57%	1,617.77	33%	19%	6,947.93	81%	0.31%
Germany	22,004.14	0.70%	17,459.91	79%	6,182.71	35%	28%	15,821.42	72%	0.50%
Greece	238.49	0.14%	64.14	27%	53.45	83%	22%	185.06	78%	0.11%
Hungary	180.54	0.17%	39.92	22%	9.34	23%	5%	171.20	95%	0.16%
Ireland	724.41	0.33%	383.61	53%	0.96	0%	0%	723.44	100%	0.33%
Italy	4,354.91	0.26%	2,093.03	48%	1,633.69	78%	38%	2,721.22	62%	0.16%
Latvia	24.89	0.10%	1.48	6%	0.34	23%	1%	24.55	99%	0.10%
Lithuania	51.48	0.14%	13.20	26%	3.02	23%	6%	48.46	94%	0.13%
Luxembourg	355.18	1.01%	254.83	72%	23.25	9%	7%	332.82	94%	0.95%
Malta	18.27	0.20%	9.48	52%	2.95	31%	16%	15.31	84%	0.16%
Netherlands	4,449.53	0.65%	2,858.94	64%	809.07	28%	18%	3,676.62	83%	0.54%
Poland	622.07	0.15%	140.57	23%	43.59	31%	7%	578.43	93%	0.14%
Portugal	305.13	0.17%	112.21	37%	71.12	63%	23%	234.01	77%	0.13%
Romania	178.16	0.11%	33.85	19%	3.96	12%	2%	174.20	98%	0.10%
Slovakia	97.09	0.12%	18.36	19%	2.16	12%	2%	94.92	98%	0.12%
Slovenia	71.47	0.18%	25.30	35%	12.42	49%	17%	59.11	83%	0.15%
Spain	3,692.72	0.33%	2,243.15	61%	2,004.73	89%	54%	1,686.99	46%	0.15%
Sweden	4,403.05	0.94%	3,131.32	71%	801.44	26%	18%	3,601.60	82%	0.77%
UK	18,187.66	0.70%	11,625.22	64%	557.61	5%	3%	17,630.05	97%	0.68%
Total EU-28 Member States	75,459.89	0.50%	49,762.66	66%	15,404.80	31%	20%	60,092.13	80%	0.40%

Source: OECD DAC CRS dataset complemented by updated figures provided by CONCORD National Platforms

**TABLE 5: EU28 2016 INFLATED AID COMPONENTS**

	Total inflated aid 2016	Student costs as % of total inflated aid	Refugee costs as % of total inflated aid	Tied aid as % of total inflated aid	Interest received as % of total inflated aid	Debt relief as % of total inflated aid
Austria	639.59	14.66%	83.18%	1.03%	0.01%	1.13%
Belgium	396.28	10.44%	86.82%	1.72%	0.00%	1.02%
Bulgaria	7.61	0.00%	100.00%	0.00%	0.00%	0.00%
Croatia	0.00	N/A	0.00	N/A	N/A	N/A
Cyprus	0.00	N/A	N/A	N/A	N/A	N/A
Czech Republic	21.56	0.00%	77.64%	22.36%	0.00%	0.00%
Denmark	376.62	0.96%	98.37%	0.24%	0.00%	0.43%
Estonia	2.21	0.00%	100.00%	0.00%	0.00%	0.00%
Finland	127.35	0.00%	91.94%	8.06%	0.00%	0.00%
France	1,617.77	36.56%	20.44%	4.56%	33.41%	5.03%
Germany	6,182.71	0.00%	89.70%	1.18%	8.51%	0.61%
Greece	53.45	0.00%	99.72%	0.28%	0.00%	0.00%
Hungary	9.34	4.61%	95.35%	0.00%	0.00%	0.00%
Ireland	0.96	0.00%	100.00%	0.00%	0.00%	0.00%
Italy	1,633.69	0.03%	91.42%	0.00%	0.60%	7.95%
Latvia	0.34	44.12%	55.88%	0.00%	0.00%	0.00%
Lithuania	3.02	0.00%	100.00%	0.00%	0.00%	0.00%
Luxembourg	23.25	0.00%	0.00%	3.18%	0.00%	96.77%
Malta	2.95	0.00%	100.00%	0.00%	0.00%	0.00%
Netherlands	809.07	0.00%	87.41%	6.96%	-0.42%	6.05%
Poland	43.59	48.45%	12.46%	36.98%	0.00%	2.11%
Portugal	71.12	16.61%	13.84%	5.06%	42.34%	22.15%
Romania	3.96	0.00%	100.00%	0.00%	0.00%	0.00%
Slovak Republic	2.16	0.00%	56.02%	40.28%	0.00%	3.70%
Slovenia	12.42	44.85%	47.02%	8.21%	0.00%	0.00%
Spain	2,004.73	0.00%	1.19%	1.35%	0.25%	97.21%
Sweden	801.44	0.00%	92.15%	4.59%	0.00%	3.26%
United Kingdom	557.61	0.00%	99.45%	0.00%	0.00%	0.55%
EU Institutions	2,400.77	0.00%	0.00%	76.98%	23.02%	0.00%
<b>Total EU 28</b>	<b>15,404.80</b>	<b>5.04%</b>	<b>70.63%</b>	<b>2.07%</b>	<b>7.19%</b>	<b>15.11%</b>

Source: OECD DAC CRS dataset complemented by updated figures provided by CONCORD National Platforms

# OUR MEMBERS

 <p>NATIONAL PLATFORMS</p>	 <p>Global Responsibility</p>	 <p>BELGISCH PLATFORM PLATE-FORME BELGE <b>CONCORD</b> CNCB-11.11.11 11.11.11 ACODEV ngo-federatie</p>	 <p><b>BPID</b> Bulgarian Platform for International Development</p>	 <p>Platforma za međunarodnu građansku solidarnost Hrvatske Croatian Platform for International Citizen Solidarity <b>CROSOL</b></p>	 <p><b>CYINDEP</b> Cyprus Island NGO Development Platform</p>	 <p><b>FORS</b> České fórum pro rozvojovou spolupráci Czech Forum for Development Co-operation</p>
	 <p><b>GLOBAL FOCUS</b> British NGOs for Development Cooperation</p>	 <p><b>KEHYS</b></p>	 <p><b>Coordination SUD</b> Solidarité Urgence Développement</p>	 <p><b>VENRO</b> ASSOCIATION OF GERMAN DEVELOPMENT AND HUMANITARIAN AID NGOS</p>	 <p>Hellenic Platform for Development</p>	 <p><b>HAND</b></p>
 <p><b>Dochas</b> The Irish Association of Non-Governmental Development Organisations</p>	 <p>Network delle ONG in Europa per lo sviluppo d'emergenza <b>CONCORD</b> ITALIA</p>	 <p><b>LAPAS</b> WWW.LAPAS.LV</p>	 <p><b>LITDEA</b> International Non-Governmental Development Organisation Platform</p>	 <p><b>Cercle de Coopération</b> des ONG de développement</p>	 <p><b>SKOP</b> Solidarjetät u Koperazzjoni</p>	 <p><b>PARTOS</b></p>
 <p>GRUPA ZAGRANICA</p>	 <p><b>ONGD</b> PLATAFORMA PORTUGUESA</p>	 <p><b>FOND</b> Fondácia Organizácie nevládných organizácií za rozvoj</p>	 <p><b>MVRO</b> Platforma za mednarodno iniciativno in razvojno Slovensko NGO Platform</p>	 <p><b>SLOGA</b> SLOVENSKA ULTRA RAZVOJNA</p>	 <p><b>COORDINADORA ONG PARA EL DESARROLLO ESPAÑA</b></p>	 <p><b>CONCORD</b> Sweden &amp; European NGOs for development Sweden</p>
 <p><b>bond</b></p>	 <p>NETWORKS</p>	 <p><b>actalliance eu</b> Partners APPODS</p>	 <p><b>act:onaid</b></p>	 <p><b>ADRA</b></p>	 <p><b>care</b></p>	 <p><b>caritas europa</b></p>
 <p><b>cbm</b> together we can do more</p>	 <p><b>ChildFund</b> Alliance</p>	 <p><b>CIDSE</b> together for global justice</p>	 <p><b>eucord</b> European Christian Organisations for Relief and Development</p>	 <p><b>GNDR</b> Global Network of Civil Society Organisations for Disaster Reduction</p>	 <p><b>Habitat for Humanity</b> Europe, Middle East and Africa</p>	 <p><b>HANDICAP INTERNATIONAL</b></p>
 <p><b>IPPF</b> International Planned Parenthood Federation European Network</p>	 <p><b>ISLAMIC RELIEF</b></p>	 <p><b>OXFAM</b> International</p>	 <p><b>PLAN</b> INTERNATIONAL</p>	 <p><b>Save the Children</b></p>	 <p><b>solidar</b></p>	 <p><b>SOS CHILDREN'S VILLAGES INTERNATIONAL</b></p>
 <p><b>Terre des Hommes</b> International Federation</p>	 <p><b>World Vision</b></p>	 <p>ASSOCIATE MEMBERS</p>	 <p><b>ALDA</b> European Association for Local Democracy</p>	 <p><b>ea</b> EUROPEAN ASSOCIATION FOR THE EDUCATION OF ADULTS</p>	 <p><b>WWF</b></p>	

