Ethiopia has the ninth largest population in extreme poverty in the world. ODA is equivalent to 12% of national income, or US$138 per poor person. Domestic spending has grown but remains slightly below international flows.

- IDA is the largest donor to Ethiopia, giving mostly loans and equity, followed by the US and the UK.
- Cash grants are an important form of ODA to health, the largest single sector of ODA to Ethiopia, and to several other sectors.

**Resource flows to Ethiopia**

Domestic spending levels are slightly lower than international flows; ODA is the largest international flow

ODA and poverty

ODA has risen more slowly than growing national income

ODA per poor person is four times higher than in 2000, while numbers in poverty have fallen almost 30%

Commodities and food aid accounts for more than 20% of ODA

Note: The spike in 2006 is due to debt relief.
What is aid spent on?

Ethiopia is the second largest recipient of ODA to health and to agriculture and food security. Ethiopia is also the fourth largest recipient of humanitarian assistance, the country’s second largest sector. Humanitarian assistance and aid to agriculture and food security is provided mostly as commodities and food aid. Infrastructure, the third largest sector, receives mostly loans and equity. The US is the largest donor of aid to health and humanitarian assistance. The UK is the largest donor to four sectors, including education and agriculture and food security, while IDA is the largest donor to infrastructure. The three largest donors give around 50% or less of ODA to governance and security and environment. All ODA to general budget support comes from the AfDF.

Health is the largest sector for ODA to Ethiopia, mostly as cash grants; humanitarian assistance is second largest

% of gross ODA, 2011

The UK, the US and IDA are the largest donors for most sectors, though the AfDF leads on budget support

% of gross ODA, 2011

Note: The information in this profile is based on data from the DAC (ODA and other official flows), the World Bank (remittances, GNI and poverty) and the United Nations Conference on Trade and Development (FDI). All data in US$ is in 2011 prices. Data on ODA includes assistance from all donors that report to the DAC; aid bundle figures may not align with totals elsewhere as data is drawn from different OECD DAC data sets. Some overlaps of international flows have been taken into account; see Methodology for details. AfDF is the African Development Fund. DAC is the Development Assistance Committee of the Organisation for Co-operation and Development. FDI is foreign direct investment. GNI is gross national income. GPGs is global public goods. IBRD is the International Bank for Reconstruction and Development. IDA is the International Development Association. IMF is the International Monetary Fund. NNGOs is Northern non-governmental organisations. ODA is official development assistance (aid). PPP is purchasing power parity.