

January 2018

final ODA data for 2016

an initial analysis of key points

factsheet

Key facts

This analysis is based on the 2016 official development assistance (ODA) data released by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) at the end of December 2017.

Key facts from this analysis include:

1. Net ODA from DAC donors rose in 2016 by over 10% to a new record high of US\$145 billion.
2. Part of the rise was due to a continued rapid increase in in-donor refugee costs reported as ODA.
3. Even if increases in refugee costs are excluded, total net ODA still grew by US\$10 billion (in real terms) compared with 2015.
4. Other factors driving the rise in ODA were: increased core multilateral ODA, a rise in support for specific-purpose funds and increased debt relief (due mostly to Spain's rescheduling of Cuba's debt).
5. Ethiopia has replaced Afghanistan as the single largest recipient of total ODA from DAC members and multilateral institutions, while Afghanistan remains the largest recipient of bilateral ODA.
6. Non-transfer ODA – which includes in-donor refugee costs – was the modality that increased the most between 2015 and 2016.
7. Recipient governments continue to be the largest channel of delivery for ODA, accounting for over half of total ODA from DAC members and multilateral institutions. Private sector institutions (a new channel reporting code introduced this year) accounts for 4% of bilateral ODA from DAC members and multilateral institutions (US\$6.6 billion).

Trends in total ODA¹

Total net ODA from the 29 DAC member nations rose by US\$14 billion, or 10.7%, in 2016 to a new peak of US\$144.96 billion. Five donors increased their ODA by over US\$1 billion: Germany (by US\$6.6 billion), the US (US\$3 billion), Spain (US\$2.9 billion), the UK (US\$1.4 billion) and Italy (US\$1 billion). Meanwhile Sweden's net ODA fell by US\$2.2 billion, a reduction of over 30%.

Table 1. Change in total net ODA 2015–2016

| Donor | 2016 net ODA (US\$ millions) | 2015 net ODA (US\$ millions) | Difference (US\$ millions) | Difference (%) |
|----------------|---------------------------------|---------------------------------|-------------------------------|-------------------|
| Australia | 3,278 | 3,465 | -187 | -5.4% |
| Austria | 1,635 | 1,338 | 297 | 22.2% |
| Belgium | 2,300 | 1,928 | 372 | 19.3% |
| Canada | 3,930 | 4,145 | -214 | -5.2% |
| Czech Republic | 260 | 202 | 58 | 28.8% |
| Denmark | 2,369 | 2,567 | -198 | -7.7% |
| Finland | 1,060 | 1,300 | -240 | -18.5% |
| France | 9,622 | 9,081 | 540 | 6.0% |
| Germany | 24,736 | 18,133 | 6,603 | 36.4% |
| Greece | 369 | 238 | 130 | 54.7% |
| Hungary | 199 | 155 | 45 | 28.8% |
| Iceland | 59 | 45 | 14 | 30.5% |
| Ireland | 803 | 717 | 85 | 11.9% |
| Italy | 5,087 | 4,039 | 1,048 | 25.9% |
| Japan | 10,417 | 10,274 | 143 | 1.4% |
| Korea | 2,246 | 1,901 | 345 | 18.1% |
| Luxembourg | 391 | 356 | 35 | 9.7% |

| | | | | |
|--------------------------|---------|---------|--------|--------|
| Netherlands | 4,966 | 5,740 | -774 | -13.5% |
| New Zealand ² | 438 | 450 | -11 | -2.5% |
| Norway | 4,380 | 4,039 | 342 | 8.5% |
| Poland | 663 | 423 | 240 | 56.7% |
| Portugal | 343 | 312 | 31 | 10.0% |
| Slovak Republic | 106 | 84 | 22 | 25.5% |
| Slovenia | 81 | 64 | 18 | 27.8% |
| Spain | 4,278 | 1,401 | 2,876 | 205.2% |
| Sweden | 4,894 | 7,069 | -2,176 | -30.8% |
| Switzerland | 3,582 | 3,418 | 164 | 4.8% |
| UK | 18,053 | 16,623 | 1,429 | 8.6% |
| US | 34,412 | 31,386 | 3,026 | 9.6% |
| TOTAL DAC-29 | 144,956 | 130,893 | 14,064 | 10.7% |
| EU institutions | 17,106 | 13,767 | 3,339 | 24.3% |

Source: OECD DAC

Note: Figures are in 2016 constant prices.

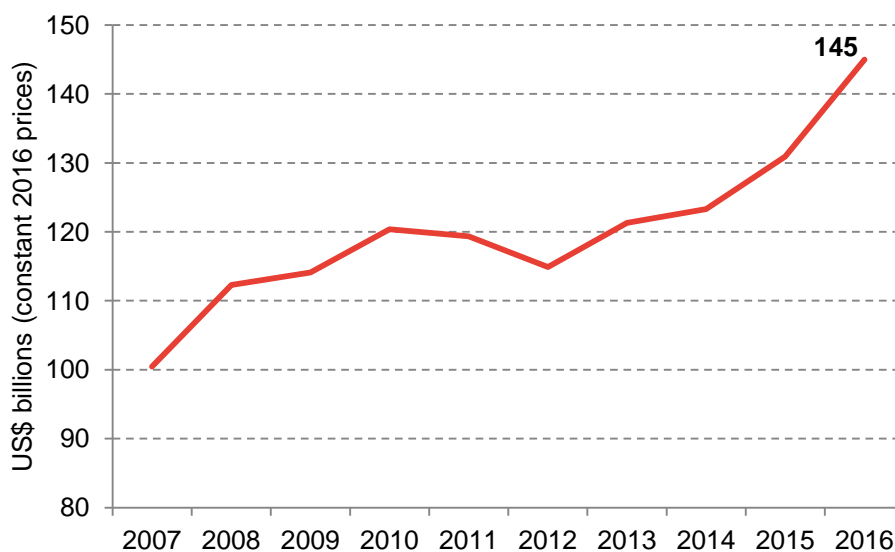
More than half of Germany's increase (US\$3.5 billion) was due to refugee costs. However, even if refugee costs are excluded, German ODA rose by almost US\$3.1 billion – an increase of over 20%. Much of this was due to large rises in core multilateral ODA and support for specific-purpose programmes and funds managed by international organisations.

The rise in US ODA has to be seen in the context of a US\$2.5 billion reduction in US ODA between 2014 and 2015. The largest single factor in the fluctuation of US ODA is core multilateral ODA – core support from the US to multilateral bodies fell by US\$1.3 billion in 2015 and then rose by US\$1.5 billion in 2016.

The large rise in Spain's ODA was mainly due to a US\$2 billion increase in debt relief – most of this was connected with a deal to restructure Cuba's debts to Spain.

The reduction in Sweden's ODA was mainly due to a US\$1.6 billion fall in the amount of in-donor refugee costs reported as ODA by Sweden.

Figure 1. Total net ODA reported by DAC donors reached a new peak in 2016



Source: OECD DAC

Almost 90% of the overall rise in ODA can be attributed to four factors:

- a US\$4.8 billion increase in core multilateral ODA
- a US\$3.9 billion rise in in-donor refugee costs
- a US\$2.0 billion increase in debt relief (mostly due to Spain's restructuring of Cuba's debt)
- a US\$1.9 billion rise in support for specific-purpose programmes and funds managed by international organisations. These include specific programmes and funds managed by international organisations with clearly identified sectoral, thematic or geographical focus such as UNICEF girls' education, and various trust funds and facilities such as the Afghanistan Reconstruction Trust Fund and the European Union Facility for Refugees in Turkey.

Regional distribution³

Sub-Saharan Africa remains the region in receipt of the largest share of total ODA, although ODA to this region was virtually unchanged between 2015 and 2016.

ODA to South and Central Asia fell by US\$1.7 billion in 2016, following a rise of US\$1.6 billion in 2015.

The rise in ODA to the Middle East region is mainly due to increased humanitarian aid to Syria and Iraq.

The rise in ODA to Europe is mainly due to addition EU funding to Turkey.

The rise in ODA to North and Central America is mostly due to the rescheduling of Cuba's debt to Spain.

The very large rise in ODA with no recipient specified is again mainly due to the rise in refugee costs spent in donor countries and reported as ODA. In 2016, 38% of net ODA had no specified recipient; in 2008, this figure was just 22%.

Table 2. Sub-Saharan Africa received more ODA than any other region, while ODA to other regions fluctuated

| | 2016 Net ODA (US\$ millions) | 2015 Net ODA (US\$ millions) | Difference (US\$ millions) | Difference (%) |
|---------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------|
| South of Sahara | 44,159 | 43,967 | 192 | 0.4% |
| South and Central Asia | 17,675 | 19,351 | -1,676 | -8.7% |
| Middle East | 12,535 | 9,641 | 2,894 | 30.0% |
| Europe | 7,753 | 6,468 | 1,285 | 19.9% |
| North and Central America | 6,872 | 4,844 | 2,028 | 41.9% |
| Far East Asia | 4,562 | 5,442 | -880 | -16.2% |
| South America | 4,019 | 4,968 | -948 | -19.1% |
| North of Sahara | 3,431 | 2,688 | 743 | 27.6% |
| Oceania | 1,649 | 1,889 | -240 | -12.7% |
| Recipient unspecified | 42,392 | 36,718 | 5,674 | 15.5% |

Source: OECD DAC

Note: Figures are in constant 2015 prices and include total net ODA disbursements from DAC members and multilateral institutions.

Largest recipients of ODA in 2016

Total net ODA disbursed to Afghanistan declined for the fifth year in a row, leading to Ethiopia taking Afghanistan's place as the largest single recipient of total ODA. Pakistan, India and Bangladesh all saw a reduction in ODA, after large rises to these countries in 2015.

Rises in ODA to Turkey (increased disbursements from the EU) and Syria (increased humanitarian aid) saw these two countries rise to the third and fifth largest recipients of ODA, respectively.

ODA to Kenya fell by 11% and ODA to the Democratic Republic of Congo fell by 18%, resulting in both countries dropping out of the list of the 10 largest ODA recipients.

Table 3. Ethiopia replaced Afghanistan as the largest single recipient of total net ODA

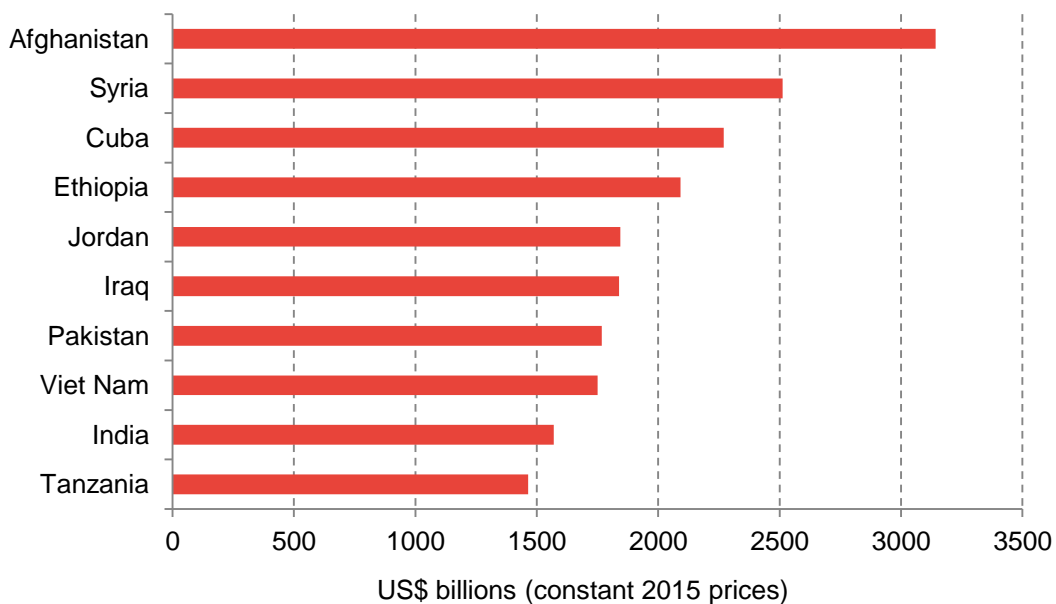
| Rank (2016) | Country | Net ODA (2016) (US\$ millions) | Net ODA (2015) (US\$ millions) | Rank (2015) | Difference 2015–16 (US\$ millions) | Difference 2015–16 (%) |
|-------------|-------------|--------------------------------|--------------------------------|-------------|------------------------------------|------------------------|
| 1 | Ethiopia | 4,113 | 3,224 | 3 | 889 | 28% |
| 2 | Afghanistan | 3,950 | 4,111 | 1 | -161 | -4% |
| 3 | Turkey | 3,612 | 2,156 | 11 | 1,456 | 68% |
| 4 | Pakistan | 2,961 | 3,626 | 2 | -665 | -18% |
| 5 | Syria | 2,896 | 2,109 | 12 | 787 | 37% |
| 6 | Viet Nam | 2,773 | 3,152 | 5 | -379 | -12% |
| 7 | India | 2,582 | 3,171 | 4 | -589 | -19% |
| 8 | Nigeria | 2,548 | 2,431 | 10 | 118 | 5% |
| 9 | Bangladesh | 2,429 | 2,571 | 8 | -142 | -6% |
| 10 | Tanzania | 2,330 | 2,582 | 7 | -252 | -10% |

Source: OECD DAC

Note: Figures are in constant 2015 prices and include total net ODA disbursements from DAC members and multilateral institutions.

Afghanistan remains the largest recipient of bilateral ODA, though disbursements decreased by over 12% in 2016. Cuba features in the list of largest recipients of bilateral ODA due to debt rescheduling by Spain.

Figure 2. Afghanistan remains the largest recipient of bilateral ODA



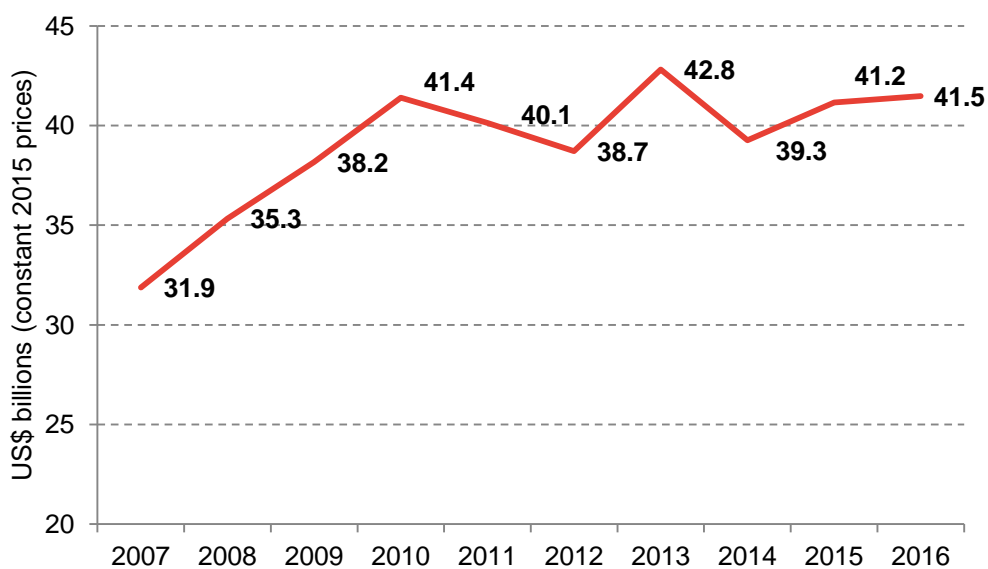
Source: OECD DAC

Note: Figures refer to bilateral net ODA disbursements from DAC members.

ODA to LDCs

There was a slight rise in volumes of net ODA from DAC donors and multilateral organisations disbursed to least developed countries (LDCs) in 2016. However, this rise only served to return ODA to LDCs to its 2010 level, remaining below the peak of US\$42.8 billion achieved in 2013. As a proportion of total ODA, net disbursements to LDCs decreased from 28% in 2015 to 26% in 2016.

Figure 3. ODA to LDCs rose slightly in 2016, but remained below its 2013 peak



Source: OECD DAC

Note: Figures include total net ODA disbursements from DAC members and multilateral institutions.

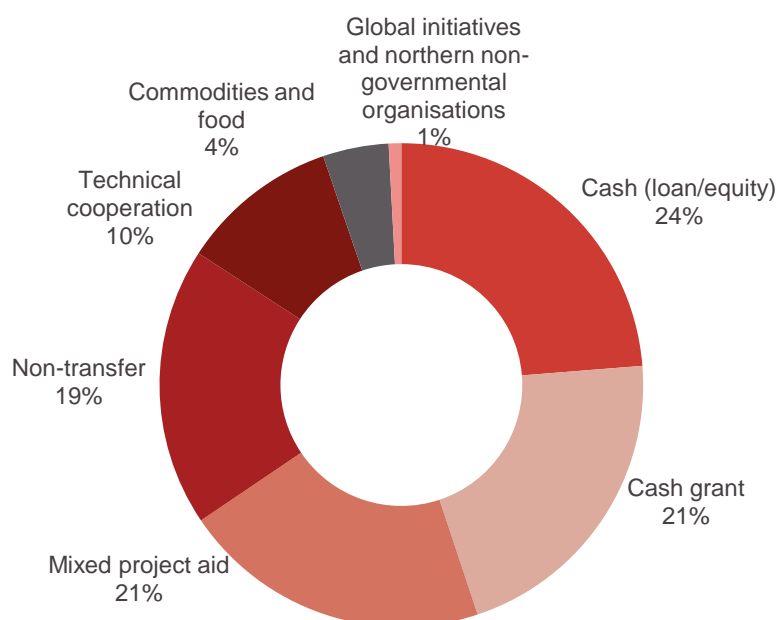
Unpacking the aid bundle

Make up of 2016 aid flows

Non-transfer ODA - which includes in-donor refugee costs – was the aid modality that increased the most between 2015 and 2016, reaching US\$31 billion. As a share of total ODA, it rose from 16% in 2015 to 19% in 2016.

Though marginally decreased from 2015 values, loans and equity remains the largest share of ODA from DAC members and multilateral institutions in 2016, closely followed by grants, which increased by 8% over 2015 values.

Figure 4. Non-transfer ODA rose more than other modalities in 2016



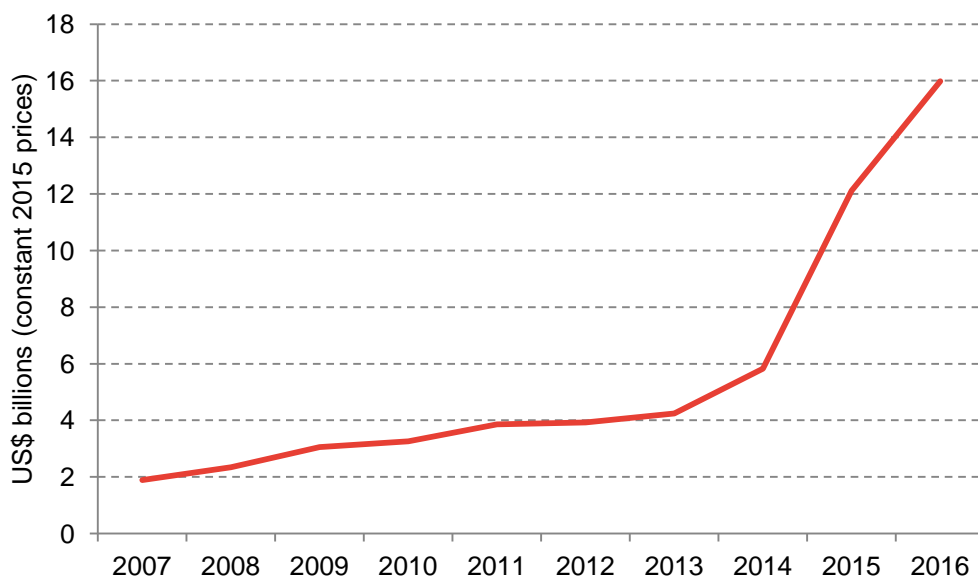
Source: OECD DAC

Note: Data includes gross ODA disbursements from DAC members and multilateral institutions.

Refugee costs

In-donor refugee costs reported as ODA continued to rise rapidly in 2016. These now account for 11% of net ODA from DAC members, up from less than 2% in 2007. For five DAC members, in-donor refugee costs accounted for over a quarter of total net ODA: Greece (40%), Austria (36%), Italy (33%), Iceland and Germany (both 27%).

Figure 5. Refugee costs rose sharply again in 2016



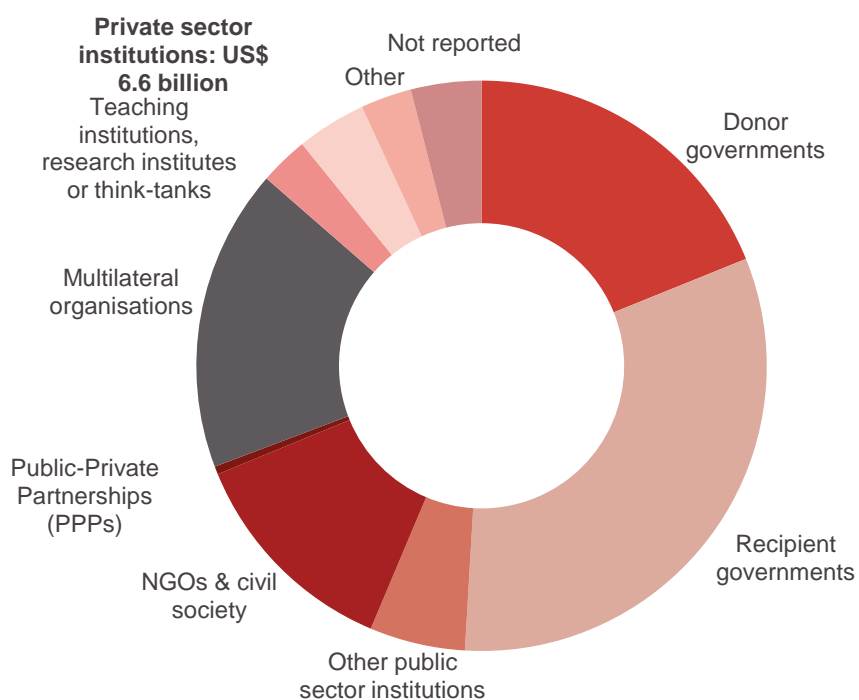
Source: OECD DAC

Channels of delivery

Recipient governments continue to be the largest channel of delivery for bilateral ODA, accounting for almost a third of ODA disbursed to developing countries from DAC members and multilateral institutions. ODA channelled through donor governments accounted for 19% of the total.

The latest DAC Creditor Reporting System (CRS) data includes a new channel of delivery: private sector institutions. In 2016, this accounted for 4% of total bilateral ODA from DAC members and multilateral institutions (US\$ 6.6 billion). DAC members spent US\$4.7 billion of their ODA through private sector institutions – of which the majority was channelled through private sector institutions in donor countries.

Figure 6. 4% of ODA was channelled through private sector institutions in 2016



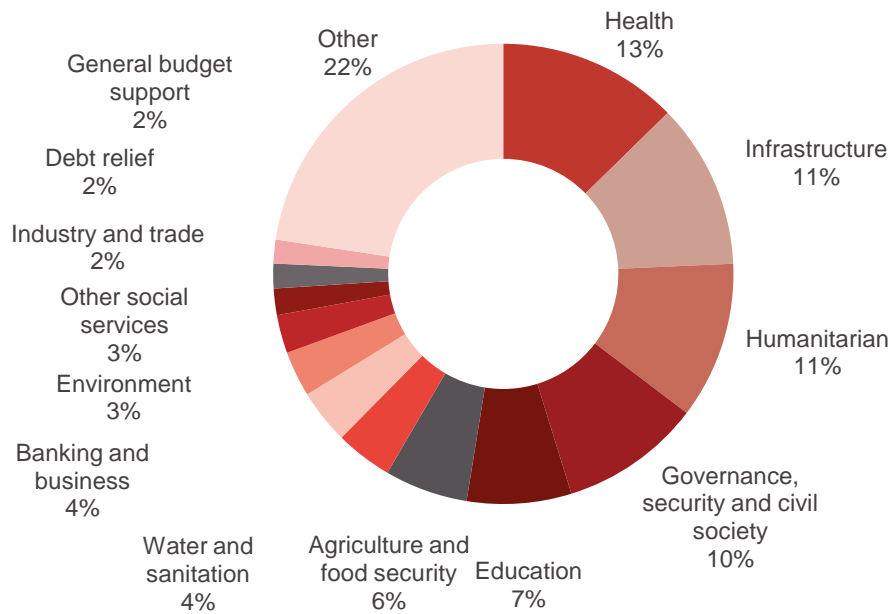
Source: OECD DAC

Note: Data includes gross ODA disbursements from DAC members and multilateral institutions.

Sectors

Allocations to health increased by 3% but as a proportion of total ODA from DAC members and multilateral institutions, its share remains at 13%. The sector that increased the most over 2015 volumes (by 107%) was debt relief – due to Spain's debt rescheduling in Cuba. Both banking and business and general budget support decreased by over 15%.

Figure 7. Debt relief saw the highest rise in allocations in 2016



Source: OECD DAC

Note: Data includes gross ODA disbursements from DAC members and multilateral institutions.

Notes

¹ This briefing is supplementary to our previous analysis of preliminary data, *Aid spending by Development Assistance Committee (DAC) donors in 2016* <http://devinit.org/post/aid-spending-by-development-assistance-committee-dac-donors-in-2016/>

² At time of writing, New Zealand had not supplied final ODA figures to the OECD DAC. Therefore New

³ When discussing total ODA received by countries and regions, this briefing includes ODA disbursed by DAC members and multilateral institutions. Disbursements from other government donors are excluded due to incomplete coverage of the data and inconsistencies in reporting practices between DAC members and other government donors.

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