

## **OFFICIAL DEVELOPMENT ASSISTANCE (ODA)**

Target 8.B contains a commitment to “more generous ODA for countries committed to poverty reduction”. While the context of this specific commitment is enhancing support to the least developed countries (LDCs), subsequent commitments on aid quantity have been geographically broader in coverage, as have commitments on improving the quality and effectiveness of aid. The Millennium Declaration called on industrialized countries “to grant more generous development assistance, especially to countries that are genuinely making an effort to apply their resources to poverty reduction”. This was reaffirmed at the 2002 Monterrey Conference on Financing for Development and the World Summit on Sustainable Development when world leaders pledged to “make concrete efforts towards the target of 0.7 per cent” of their GNI as aid, and also called on recipient and donor countries as well as international institutions to make aid more effective. At their 2002 Summit, the G8 leaders stated that “no country genuinely committed to poverty reduction, good governance and economic reform will be denied the chance to achieve the Millennium Development Goals through lack of finance”. And in 2005, G8 summit leaders noted the various commitments to increase aid to developing countries by \$50bn a year by 2010 and committed, with other donors, that at least \$25bn a year of the increase will go to Africa. To address the quality of ODA, the 2005 Paris Declaration on Aid Effectiveness formalized the actions that donor countries would take to improve the effectiveness of aid, emphasizing national ownership of development priorities, harmonization and alignment of donor activities, predictable and untied aid, programme based approaches, improved procurement and financial management systems, results oriented frameworks, and mutual accountability. Subsequent summits have reaffirmed the international community’s commitments and have made pledges to attend to the impact of the present global economic and food crises.

Matrix of Global Commitments - September 2009

Commitment / Initiative	Target & indicators	Gap
<p><a href="#">Millennium Summit</a> New York, 2000 – MDG-8</p>	<p><b>Target 8.B:</b> “... and more generous ODA for countries committed to poverty reduction.”</p> <p><b>Indicators:</b></p> <p>8.1. Net ODA, total and to the least developed countries, as % of OECD/DAC donors’ GNI</p> <p>8.2. Proportion of total bilateral, sector allocable ODA of OECD/DAC donors to basic social services.</p> <p>8.3. Proportion of bilateral ODA of OECD/DAC donors that is untied</p> <p>8.4. ODA received in landlocked developing countries as a proportion of their GNI</p> <p>8.5. ODA received in small island developing States as a proportion of their GNI</p>	<p>No numerical targets set in MDG 8</p>
<p><a href="#">Declaration and Programme of Action for the LDCs for the Decade 2001-2010</a> (2001) (also known as the Brussels Plan of Action)</p>	<p>(a) Donor countries providing more than 0.20 per cent of their GNI as ODA to LDCs: continue to do so and increase their efforts;</p> <p>(b) Other donor countries which have met the 0.15 per cent target: undertake to reach 0.20 per cent expeditiously;</p> <p>(c) All other donor countries which have committed themselves to the 0.15 per cent target: reaffirm their commitment and undertake either to achieve the target within the next five years or to make their best efforts to accelerate their endeavours to reach the target.</p>	<p>In 2007 ODA to LDCs was 0.09 of DAC donors’ GNI. The total annual flow to LDCs would have to increase on average by \$15 billion (in 2008 prices) between 2009 and 2010 to reach the target.</p> <p>Only 8 countries provide at least 0.15 of their GNI to LDCs</p>
<p><a href="#">Monterrey Consensus</a> on Financing for Development, Monterrey 2002.</p>	<p><b>Target:</b> To make concrete efforts towards the target of 0.7 per cent of GNI as ODA to developing countries and 0.15 – 0.20 per cent of GNI of developed countries to least developed countries.</p>	<p>Aid resources were 0.30 per cent of the combined gross national income (GNI) of the 22 DAC member countries in 2008. The average effort of DAC members was 0.47 per cent</p> <p>Only 5 countries have met the target</p>

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<a href="#">Paris Declaration on Aid Effectiveness</a> , 2005	<p><b>Target:</b> Ownership, alignment of aid, harmonization, management for results and mutual accountability</p> <p><b>Indicators:</b>  <a href="#">12 targets, 15 indicators</a></p> <p>For baseline results see page 22 of  <a href="http://www.oecd.org/dataoecd/58/41/41202121.pdf">http://www.oecd.org/dataoecd/58/41/41202121.pdf</a></p>	<p>While progress has been made as measured by the 2008 Survey on Monitoring the Paris Declaration, the pace needs to step up a gear if the 2010 targets are to be met.</p>
<a href="#">G8 Gleneagles</a> , July 2005	<p><b>Target:</b> “On the basis of donor commitments ... the OECD estimates that ODA from the G8 and other donors to all developing countries will increase by around \$50 billion a year by 2010, compared to 2004.”</p> <p>“The commitments of the G8 and other donors will lead to an increase in ODA to Africa of \$25 billion a year by 2010.”</p>	<p>Donors need to allocate an additional \$29.3 billion (2004 prices) a year in order to reach the target in 2010, out of which \$17.4 billion (2004 prices) or \$20.6 billion in 2008 prices should go to Africa.</p>
European Union: 2002 Barcelona commitments and 2005 commitments	<p><b>Target:</b> For EU15 (“old” members), individual ODA target of 0.51% of GNI by 2010 and collectively 0.7% of GNI by 2015            For EU 10 (“new” members), individual target of 0.17% of GNI by 2010 and collectively 0.33% of GNI by 2015</p>	<p>EU 15 achieved 0.42% in 2008; 3 countries were below 0.36% target set for 2006; 5 countries had already passed 0.51% target for 2010.</p>
<a href="#">2005 World Summit</a> , 14-16 September, 2005	<p>Commitment to the global partnership for development set out in the Millennium Declaration, the Monterrey Consensus and the Johannesburg Plan of Implementation were reaffirmed.</p>	<p>No new numerical targets set</p>

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<a href="#">MDG High Level Event</a> (25 September 2008)	<b>Target:</b> Commitments were made by donor countries amounting to \$17.6 billion towards the MDG's.	It is not clear whether these are additional to previous commitments.
<a href="#">International Conference on Financing for Development, Doha 29 November 2008</a>	Commitments from the Monterey Consensus were reaffirmed.	No new numerical targets were set.
<a href="#">G 20 London Summit</a> 2 April 2009	<b>Target:</b> Leaders of the Group of Twenty (G-20) committed “to treble resources available to the IMF to \$750 billion, to support a new SDR allocation of \$250 billion, to support at least \$100 billion of additional lending by the MDBs, to ensure \$250 billion of support for trade finance, and to use the additional resources from agreed IMF gold sales for concessional finance for the poorest countries, [this would] constitute an additional \$1.1 trillion programme of support to restore credit, growth and jobs in the world economy.”	It is not clear whether these are additional to previous commitments.
<a href="#">G8 - L'Aquila Summit</a> 8-10 July 2009	<b>Target:</b> The G8 committed to mobilize \$20 billion over three years through a coordinated, comprehensive strategy focused on sustainable agriculture development, and to ensure adequate emergency food aid assistance.	It is not clear whether these are additional to previous commitments.