



## Survey on International Support Measures specific to the Least Developed Countries (LDCs) related to Bilateral Official Development Assistance (ODA)

### Austria

#### SUMMARY RESULTS

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and the Committee for Development Policy (CDP) Secretariat\***

#### TABLE OF CONTENTS

A.	ODA Commitments and flows .....	1
B.	LDC status and ODA priorities .....	2
C.	Grant element, tied aid and conditionalities of ODA to LDCs.....	2
D.	LDC-specific bilateral support programmes	2
E.	LDC-specific multilateral support measures	3
F.	Graduated and graduating countries: objectives and policies concerning Cape Verde, Maldives and Samoa .....	3

\* This summary was prepared by the DESA/CDP Secretariat, based on the survey response submitted by Austria. The content, findings, interpretations, and conclusions as expressed in this summary reflect the views of its authors, and do not necessarily represent the views of the United Nations or Austria. The views presented in this document should not be considered as the official position of neither the United Nations nor Austria.

#### A. ODA Commitments and flows

The Programmes of Action for the Least-Developed Countries (LDCs) aim at improving human conditions of the population of the LDCs and provide frameworks for partnership between LDCs and their development partners.<sup>a</sup>

At the first United Nations Conference on the LDCs in 1981, the members of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) committed themselves to allocating 0.15 per cent of their total gross national income (GNI) (including funds channelled through international organizations) to LDCs.<sup>b</sup> In the 2001 Conference, all donor countries reaffirmed their commitment to make their best efforts to accelerate their endeavours to reach the target. Meanwhile, donor countries that had already met the 0.15 per cent target undertook to reach the 0.20 per cent target promptly.<sup>c</sup>

a See [General Assembly, A/CONF.191/13](#), 20 September 2001.

b See [Strengthening International Support Measures for the Least Developed Countries](#), Policy Note, UN/DESA/CDP, August 2010, p.13-14.

c [Goal 28-30, A/61/82](#), p.25.

Annex Table 1 describes Austria's total net ODA flows, the ODA flows to LDCs as a share of total ODA, and the net ODA-to-GNI ratio.

### Country response

The Austrian Federal Ministry for European and International Affairs has not made any commitment for the Programme of Action for the Least Developed Countries for the Decade 2001-2010.

## B. LDC status and ODA priorities

The United Nations Committee for Development (CDP) uses the following criteria to identify LDCs: low-income levels, as determined by GNI per capita; weak human resources, as measured by the Human assets Index (HAI); and high economic vulnerability, as defined by the Economic Vulnerability Index (EVI).<sup>d</sup> Donors may consider the LDC criteria for establishing ODA priorities and allocation.

<sup>d</sup> See the *"Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures"*, UN/DESA/CDP, 2008.

### Country response

Austria takes into consideration GNI, HAI, EVI, and HDI measures for establishing its ODA's priorities and allocation.

The Austria Development Cooperation (ADC) supports LDCs in their efforts to reduce poverty, safeguard peace, and preserve the environment in order to achieve sustainable development.

Austria gives priority in its ODA allocation to the following countries, on the basis on their LDC status: Bhutan, Burkina Faso, Ethiopia, Mozambique, and Uganda.

## C. Grant element, tied aid and conditionalities of ODA to LDCs

In the 1978 Recommendation on Terms and Conditions of Aid, DAC members agreed on a series of measures designed to improve the overall financial terms of aid, either by increasing the share of grants, or by reducing the interest

rate or lengthening the repayment period of loans. DAC members agreed to raise the overall grant element of aid to 86 per cent, with special provisions in the case of LDCs.

With regard to the tying of aid, OECD-DAC members adopted, in 2001, a recommendation to untie much of the ODA to LDCs. Untied aid is defined as ODA in the form of loans and grants whose proceeds are fully and freely available to finance procurement from all OECD countries and substantially all developing countries. The 2005 Paris Declaration on Aid Effectiveness reiterated the 2001 DAC Recommendation and envisaged that progress in untying be monitored.<sup>e</sup>

<sup>e</sup> See the *Paris Declaration on aid effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability*, OECD/DAC, 2005.

### Country response

Austria has taken measures to implement the 1978 DAC Recommendation on Terms and Conditions of Aid on the average grant element of ODA to LDC recipients. It indicated that increases in the grant element of ODA to LDCs have been achieved by lower interest rates and longer repayment periods specific for LDCs.

Measures have also been taken to implement the 2001 DAC Recommendation on untying aid to recipient LDCs, but only a small percentage, approximately 10%, of Austrian ODA, such as technical assistance (TA), can be delivered untied. As for the rest (e.g. imputed student cost, debt relief, cost of asylum seekers etc.), untying is not possible.

Credit conditionalities, such as interest rates and repayment periods, that are reserved for LDCs are different from those offered to other countries.

## D. LDC-specific bilateral support programmes

LDC-specific bilateral support measures can be provided in the form of special funds and programmes, cooperation activities, training activities, and other modalities (excluding WTO-related technical assistance and support to the Integrated Framework for trade-related technical assistance to LDCs, as these are dealt with under a separate survey).

## Country response

Austria's ODA included technical cooperation activities specific for LDCs. From 2005 to 2007, ODA flows to LDCs, qualified as TA, included special funds/programmes, training activities and other modalities like budget support. The amount disbursed was US\$235 million in 2005, and US\$253 million in 2006 and 2007.

## E. LDC-specific multilateral support measures

Multilateral support measures that are specific for LDCs could be provided through multilateral technical assistance funds, or Trust Funds of international organizations to facilitate the participation of LDCs in international meetings.

## Country response

Austria contributed €400,000 to the Least Developed Countries Fund (LDCF) operated by the Global Environment Facility (GEF), which was established to support the preparation and implementation of National Adaptation Programmes of Action (NAPAs) in LDCs.

In 2008, Austria lent financial assistance to various trust funds set up by international organizations to facilitate the participation of LDCs in international meetings. Thus, it donated €100,000 to the trust fund established to facilitate LDC participation in the United Nations Framework Convention on Climate Change (UNFCCC) process. In addition, it financed other trust funds for the participation of LDCs in international meetings, such as: the Twelfth session of the United Nations Conference on Trade and Development (UNCTAD XII) in Accra (€50,000); the National Focal Points Workshop organized by the OHRLLS during the United Nations Economic and Social Council (ECOSOC) meeting (€31,847.13); and the Fifty-first Session Commission on Narcotic Drugs of the United Nations office on Drugs and Crime (UNODC) (€20,000). In addition, Austria conferred, in 2008, €10,000 to the trust fund created by the UN Department of Economic and Social Affairs (UNDESA) to support the work of the Commission on Sustainable Development; €40,000 to the trust fund for supporting the work of the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization

(CTBTO) conference; €20,000 to the Trust Fund established by the United Nations Commission on International Trade Law (UNCITRAL) to grant travel assistance to developing countries that are members of UNCITRAL; €10,000 to the Trust Fund created by the International Criminal Court (ICC) for the participation of the least developed countries and other developing States in the Assembly of State parties; and €34,437 to finance the participation of LDCs at the 38th Vienna Seminar on Peacebuilding and Peacekeeping, organized by the International Peace Institute (IPI) in New York. In 2007, Austria had donated respectively €60,660 to facilitate the participation of the LDCs at the preparatory process for UNCTAD XII and at the Conference itself; €20,000 to the UNFCCC's Ad Hoc Working Group on Long-term Cooperative Action, and €22,625 for the CTBTO.

## F. Graduated and graduating countries: objectives and policies concerning Cape Verde, Maldives and Samoa

The General Assembly resolution 59/209<sup>f</sup> of 28 February 2005 on the Smooth transition strategy for countries graduating from the list of least developed countries urges "all development partners to support the implementation of the transition strategy and to avoid any abrupt reductions in either ODA or technical assistance provided to the graduated country". In the same resolution, the General Assembly also invites "the graduating country, in cooperation with its bilateral and multilateral development and trading partners and with the support of the United Nations system, to prepare, during the three-year period, a transition strategy to adjust to the phasing out [...] of the advantages associated with its membership on the list of least developed countries."

Cape Verde graduated from the list of LDCs in 20 December 2007 (A/RES/59/210).

<sup>f</sup> See [General Assembly Resolution 59/209](#), 28 February 2005.

Annex Table 2 describes Austria's net bilateral ODA disbursements to Cape Verde.

## Country response

Cape Verde has been considered as a priority country by the Austria Development Cooperation since the 1970s.

Cooperation assistance furnished by Austria was based on three-year indicative programmes.

Austria has taken some specific measures for the smooth phasing out of development assistance, as for example, closing its coordination office by 2010, and winding up its bilateral cooperation with Cape Verde by 2012.

Austria took part in the meetings of the consultative mechanism established by Cape Verde to facilitate the preparation of the transition strategy, and will continue its cooperation assistance to Cape Verde within the framework of the European Union (EU).

After Cape Verde's graduation from the LDC category, the bilateral development cooperation under the umbrella of the 'Special Cape Verde-EU Partnership' was to be phased out in 2010. The actual grant element will depend on the future rating of Cape Verde. The ODA to Cape Verde was 100% untied before the graduation, and the graduation will not affect the implementation of the 2001 DAC Recommendation on untying ODA to Cape Verde. The length and nature of programmes to be carried out in Cape Verde after its graduation will depend on the outcome of the discussions engaged between that country and the EU.

Maldives graduated from the list of LDCs in 1 January 2011 (A/RES/59/210 and A/RES/60/33).<sup>g</sup>

In accordance with General Assembly resolutions A/RES/59/209 and A/RES/62/97, Samoa was scheduled to graduate from the list in December 2010 but the General Assembly extended the transition period by an additional three years, until 1 January 2014, due to the disruption caused to Samoa by the Pacific Ocean tsunami of 29 September 2009 (A/RES/64/295).

<sup>g</sup> Maldives was a graduating country when this survey was taken.

Annex Table 3 describes Austria's net bilateral ODA disbursements to Maldives and Samoa.

### Country response

Austria does not have any specific ODA objectives and policies relating to Maldives or Samoa.

**Table 1: Overview of Austria's total net ODA flows (bilateral and imputed multilateral flows)**

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Net ODA (current US\$, millions)	439.70	633.10	520.20	504.80	677.60	1 573.30	1 498.40	1 808.50	1 713.50	1 141.80
Share of ODA flows to LDCs on total ODA (per cent)	24.50	19.00	34.50	32.60	24.30	15.60	16.90	14.10	17.00	30.40
Net ODA to LDCs (percentage of GNI)	0.06	0.06	0.09	0.07	0.06	0.08	0.08	0.07	0.07	0.09

**Table 2: Austria's net bilateral ODA disbursements to Cape Verde**

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net bilateral ODA (current US\$, millions)	4.33	1.80	1.95	2.90	2.01	2.50	3.05	2.54	
Share of grants in gross bilateral ODA (per cent)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

**Table 3: Austria's net bilateral ODA disbursements to Maldives and Samoa**

Year		2000	2001	2002	2003	2004	2005	2006	2007	2008
Maldives	Net bilateral ODA (current US\$, millions)	0.01	0.00	0.00	0.01	0.00	0.03	0.01	0.01	
	Share of grants in gross bilateral ODA (per cent)	100.00	-	-	100.00	-	100.00	100.00	100.00	
Samoa	Net bilateral ODA (current US\$, millions)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Share of grants in gross bilateral ODA (per cent)	-	-	-	-	-	-	-	-	