



6.13

Financial flows from Development Assistance Committee members

Net disbursements

	Total net flows ^a	Official development assistance ^a				Other official flows ^a	Private flows ^a					Net grants by NGOs ^a
		Total	Bilateral grants	Bilateral loans	Contributions to multilateral institutions		Total	Foreign direct investment	Bilateral portfolio investment	Multilateral portfolio investment	Private export credits	
\$ millions	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007
Australia	10,307	2,669	2,265	3	400	36	6,948	2,367	4,379	..	202	655
Austria	20,553	1,808	1,351	-26	484	-624	19,247	15,802	..	..	3,445	123
Belgium	3,820	1,953	1,268	-29	713	-161	1,686	1,488	..	..	198	342
Canada	17,161	4,080	3,192	-40	928	-4	11,731	7,932	2,386	..	1,413	1,355
Denmark	4,807	2,562	1,722	-72	912	-91	2,242	2,242	..	..	..	94
Finland	2,149	981	575	9	397	96	1,051	11	1,040	..	..	20
France	43,126	9,884	6,690	-431	3,625	-1,179	34,422	14,337	21,925	..	-1,840	..
Germany	39,339	12,291	8,091	-141	4,341	-2,525	28,302	13,521	11,101	-56	3,736	1,271
Greece	3,391	501	249	..	252	4	2,880	2,880	..	..	..	7
Ireland	5,840	1,192	824	..	368	..	4,329	..	4,329	..	..	318
Italy	4,422	3,971	1,252	19	2,700	-261	649	1,353	-3,547	..	2,843	63
Japan	30,315	7,679	5,983	-205	1,901	211	21,979	18,037	3,251	-1,896	2,586	446
Luxembourg	384	376	253	..	122	..	..	..	..	..	..	8
Netherlands	18,142	6,224	4,813	-169	1,580	..	11,575	-1,028	11,951	795	-143	343
New Zealand	404	320	247	..	73	8	26	26	..	..	..	50
Norway	5,221	3,728	2,624	258	845	5	1,488	1,488	..	..	0	..
Portugal	2,215	471	252	18	200	-237	1,980	1,550	..	..	430	2
Spain	21,662	5,140	3,257	82	1,801	6	16,516	16,626	2	..	-111	..
Sweden	6,911	4,339	2,862	71	1,407	-46	2,541	2,232	0	..	309	78
Switzerland	12,561	1,689	1,256	18	416	..	10,368	11,199	..	-833	3	504
United Kingdom	58,319	9,849	6,572	-971	4,247	-43	47,846	31,043	16,587	..	217	667
United States	129,862	21,787	19,729	-827	2,886	-1,632	97,545	45,591	59,796	-7,737	-105	12,161
Total	440,912	103,491	75,326	-2,433	30,598	-6,438	325,350	188,696	133,199	-9,727	13,182	18,508

Official development assistance

	Commitments ^b		Gross disbursements ^b		Net disbursements							
	\$ millions		\$ millions		\$ millions ^b		Per capita ^b		% of GNI ^a		% of general government disbursements ^a	
	2000	2007	2000	2007	2000	2007	2000	2007	2000	2007	2000	2007
Australia	1,863	1,886	1,605	2,317	1,605	2,317	83	110	0.27	0.32	0.73	0.89
Austria	863	1,695	666	1,648	662	1,622	82	195	0.23	0.50	0.46	1.05
Belgium	1,297	1,968	1,297	1,828	1,262	1,756	123	166	0.36	0.43	0.74	0.90
Canada	3,013	4,244	2,669	3,766	2,632	3,729	86	113	0.25	0.29	0.60	0.75
Denmark	2,461	2,116	2,625	2,394	2,597	2,301	486	420	1.06	0.81	1.96	1.64
Finland	512	948	547	887	537	887	104	167	0.31	0.39	0.64	0.85
France	7,181	10,651	7,657	10,315	6,287	8,867	107	144	0.30	0.38	0.62	0.75
Germany	8,287	12,854	8,412	12,326	7,288	11,069	89	135	0.27	0.37	0.57	0.87
Greece	370	446	370	446	370	446	34	40	0.20	0.16	0.42	0.38
Ireland	388	1,070	388	1,070	388	1,070	102	247	0.29	0.55	0.87	1.47
Italy	2,586	3,787	2,558	3,832	2,202	3,547	39	60	0.13	0.19	0.28	0.41
Japan	14,679	14,424	13,982	13,801	11,587	7,812	91	61	0.28	0.17	0.86	0.50
Luxembourg	202	334	202	334	202	334	459	727	0.72	0.91	1.76	2.19
Netherlands	5,475	6,686	5,135	5,986	4,989	5,629	313	343	0.84	0.81	1.86	1.81
New Zealand	199	308	187	272	187	272	49	64	0.25	0.27	0.57	0.64
Norway	1,954	3,339	2,206	3,350	2,195	3,350	489	707	0.76	0.95	1.83	2.41
Portugal	681	425	681	425	443	420	43	41	0.26	0.22	0.60	0.48
Spain	2,412	4,834	2,412	4,834	2,077	4,566	52	101	0.22	0.37	0.57	1.01
Sweden	1,949	3,333	2,438	3,857	2,438	3,857	275	420	0.80	0.93	1.35	1.90
Switzerland	1,279	1,654	1,260	1,611	1,257	1,605	175	211	0.34	0.37	1.11	1.24
United Kingdom	6,470	10,358	6,470	10,358	6,398	8,774	109	145	0.32	0.36	0.80	0.83
United States	14,698	26,933	12,662	22,111	11,604	21,231	42	70	0.10	0.16	0.31	0.44
Total	78,821	114,295	76,430	107,770	69,210	95,462	82	107	0.22	0.28	0.60	0.71

Note: Components may not sum to totals because of gaps in reporting.

a. At current prices and exchange rates. b. At 2006 prices and exchange rates.

About the data

The flows of official and private financial resources from the members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) to developing economies are compiled by DAC, based principally on reporting by DAC members using standard questionnaires issued by the DAC Secretariat.

The table shows data reported by DAC member economies and does not include aid provided by the Commission of the European Communities—a multilateral member of DAC.

DAC exists to help its members coordinate their development assistance and to encourage the expansion and improve the effectiveness of the aggregate resources flowing to recipient economies. In this capacity DAC monitors the flow of all financial resources, but its main concern is official development assistance (ODA). Grants or loans to countries and territories on the DAC list of aid recipients have to meet three criteria to be counted as ODA. They are undertaken by the official sector. They promote economic development and welfare as the main objective. And they are provided on concessional financial terms (loans must have a grant element of at least 25 percent, calculated at a discount rate of 10 percent). The DAC Statistical Reporting Directives provide the most detailed explanation of this definition and all ODA-related rules.

This definition excludes nonconcessional flows from official creditors, which are classified as “other official flows,” and aid for military purposes. Transfer payments to private individuals, such as pensions, reparations, and insurance payouts, are in general not counted. In addition to financial flows, ODA includes technical cooperation, most expenditures for peacekeeping under UN mandates and assistance to refugees, contributions to multilateral institutions such as the United Nations and its specialized agencies, and concessional funding to multilateral development banks.

A DAC revision of the list of countries and territories counted as aid recipients has governed aid reporting for the three years starting in 2005. In the past DAC distinguished aid going to Part I and Part II countries. Part I countries, the recipients of ODA, comprised many of the countries classified by the World Bank as low- and middle-income economies. Part II countries, whose assistance was designated official aid, included the more advanced countries of Central and Eastern Europe, countries of the former Soviet Union, and certain advanced developing countries and territories. This distinction has been

dropped. ODA recipients now comprise all low- and middle-income countries except those that are members of the Group of Eight or the European Union (including countries with a firm date for EU accession). The content and structure of tables 6.13–6.16 were revised to reflect this change. Because official aid flows are quite small relative to ODA, the net effect of these changes is believed to be minor.

Flows are transfers of resources, either in cash or in the form of commodities or services measured on a cash basis. Short-term capital transactions (with one year or less maturity) are not counted. Repayments of the principal (but not interest) of ODA loans are recorded as negative flows. Proceeds from official equity investments in a developing country are reported as ODA, while proceeds from their later sale are recorded as negative flows.

The table is based on donor country reports and does not provide a complete picture of the resources received by developing economies for two reasons. First, flows from DAC members are only part of the aggregate resource flows to these economies. Second, the data that record contributions to multilateral institutions measure the flow of resources made available to those institutions by DAC members, not the flow of resources from those institutions to developing and transition economies.

Aid as a share of gross national income (GNI), aid per capita, and ODA as a share of the general government disbursements of the donor are calculated by the OECD. The denominators used in calculating these ratios may differ from corresponding values elsewhere in this book because of differences in timing or definitions.

Definitions

- **Net disbursements** are gross disbursements of grants and loans minus repayments of principal on earlier loans.
- **Total net flows** are ODA or official aid flows, other official flows, private flows, and net grants by nongovernmental organizations.
- **Official development assistance** refers to flows that meet the DAC definition of ODA and are made to countries and territories on the DAC list of aid recipients.
- **Bilateral grants** are transfers of money or in kind for which no repayment is required.
- **Bilateral loans** are loans extended by governments or official agencies that have a grant element of at least 25 percent (calculated at a 10 percent discount rate).
- **Contributions to multilateral institutions** are concessional funding received by multilateral institutions from DAC members as grants or capital subscriptions.
- **Other**

- official flows** are transactions by the official sector whose main objective is other than development or whose grant element is less than 25 percent.
- **Private flows** are flows at market terms financed from private sector resources in donor countries. They include changes in holdings of private long-term assets by reporting country residents.
- **Foreign direct investment** is investment by residents of DAC member countries to acquire a lasting management interest (at least 10 percent of voting stock) in an enterprise operating in the recipient country. The data reflect changes in the net worth of subsidiaries in recipient countries whose parent company is in the DAC source country.
- **Bilateral portfolio investment** is bank lending and the purchase of bonds, shares, and real estate by residents of DAC member countries in recipient countries.
- **Multilateral portfolio investment** is transactions of private banks and nonbanks in DAC member countries in the securities issued by multilateral institutions.
- **Private export credits** are loans extended to recipient countries by the private sector in DAC member countries to promote trade; they may be supported by an official guarantee.
- **Net grants by nongovernmental organizations (NGOs)** are private grants by NGOs, net of subsidies from the official sector.
- **Commitments** are obligations, expressed in writing and backed by funds, undertaken by an official donor to provide specified assistance to a recipient country or multilateral organization.
- **Gross disbursements** are the international transfer of financial resources and goods and services, valued at the cost to the donor.

Data sources

Data on financial flows are compiled by OECD-DAC and published in its annual statistical report, *Geographical Distribution of Financial Flows to Aid Recipients*, and its annual *Development Cooperation Report*. Data are available electronically on the OECD-DAC's *International Development Statistics* CD-ROM and at www.oecd.org/dac/stats/idsonline.