



## 6.14a Aid by purpose

	Net disbursements		Share of bilateral ODA net disbursements									
	\$ millions <sup>a</sup>		Development projects, programs, and other resource provisions		Technical cooperation <sup>b</sup>		% Debt-related aid		Humanitarian assistance		Administrative costs	
	2000	2007					2000	2007	2000	2007	2000	2007
Australia	758	2,268	28.0	27.3	55.1	51.2	0.8	10.9	9.7	6.6	6.2	4.0
Austria	273	1,324	36.4	26.1	41.8	18.9	12.7	51.1	2.7	1.1	6.4	2.7
Belgium	477	1,240	36.4	28.9	46.9	49.5	3.9	9.5	5.4	7.4	7.5	4.7
Canada	1,160	3,152	39.9	58.8	43.0	24.6	0.7	0.4	5.0	8.7	11.4	7.5
Denmark	1,024	1,651	66.1	70.3	25.3	8.7	0.6	4.8	0.0	8.5	8.0	7.7
Finland	217	584	40.8	28.5	41.4	45.6	0.0	0.0	10.5	18.0	7.2	7.8
France	2,829	6,258	30.7	26.3	50.6	52.3	11.7	15.2	0.4	0.6	6.7	5.7
Germany	2,687	7,950	19.8	25.4	63.8	44.8	3.5	23.0	4.1	3.5	8.7	3.3
Greece	99	249	69.6	28.2	23.8	57.1	0.0	0.0	6.4	5.1	0.2	9.6
Ireland	154	824	79.1	67.3	0.4	4.7	0.0	0.0	15.5	23.1	5.1	5.0
Italy	377	1,270	52.0	61.4	8.1	13.8	15.7	14.3	18.3	6.5	5.9	3.9
Japan	9,768	5,778	61.6	34.8	24.9	31.4	3.1	20.6	0.9	1.6	9.5	11.6
Luxembourg	99	253	84.6	77.5	3.2	3.9	0.6	0.0	10.4	12.0	1.2	6.6
Netherlands	2,243	4,644	43.0	67.1	33.7	13.6	4.9	6.3	9.1	7.3	9.4	5.7
New Zealand	85	247	39.7	51.2	48.1	28.9	0.0	0.0	3.4	11.7	8.8	8.2
Norway	934	2,883	58.1	60.8	23.0	18.8	0.7	1.6	11.3	12.3	6.9	6.5
Portugal	179	270	35.4	37.0	50.4	57.5	9.6	0.1	1.9	0.3	2.7	5.2
Spain	720	3,339	70.2	70.2	17.9	14.5	1.4	4.7	3.7	6.8	6.8	3.8
Sweden	1,242	2,932	61.9	65.4	13.6	15.1	2.1	1.7	14.6	10.5	7.7	7.3
Switzerland	627	1,274	58.8	48.5	19.4	25.6	0.7	3.8	20.2	13.5	0.9	8.5
United Kingdom	2,710	5,602	49.9	67.3	25.5	16.0	3.4	0.7	12.7	6.3	8.4	9.7
United States	7,405	18,901	15.1	71.5	64.4	6.3	1.3	0.5	9.6	15.8	9.7	5.9
<b>Total</b>	<b>36,064</b>	<b>72,894</b>	<b>42.3</b>	<b>53.1</b>	<b>39.4</b>	<b>23.3</b>	<b>3.6</b>	<b>8.7</b>	<b>6.1</b>	<b>8.6</b>	<b>8.6</b>	<b>6.3</b>

a. At current exchange rates and prices. b. Includes aid for promoting development awareness and aid provided to refugees in donor economies.

## About the data

Aid can be used in many ways. The sector to which aid goes, the form it takes, and the procurement restrictions attached to it are important influences on aid effectiveness. The data on allocation of official development assistance (ODA) in the table are based principally on reporting by members of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC). For more detailed explanation of ODA, see *About the data* for table 6.13.

The form in which an ODA contribution reaches the benefiting sector or the economy is important. A distinction is made between resource provision and technical cooperation. Resource provision involves mainly cash or in-kind transfers and financing of capital projects, with the deliverables being financial support and the provision of commodities and supplies. Technical cooperation includes grants to nationals of aid-recipient countries receiving education or training at home or abroad, and payments to consultants, advisers, and similar personnel and to teachers and administrators serving in recipient countries. Technical cooperation is spent mostly in the donor economy.

Two other types of aid are presented because they serve distinctive purposes. Debt-related aid aims to

provide debt relief on liabilities that recipient countries have difficulty servicing. Thus, this type of aid may not provide a full value of new resource flows for development, in particular for heavily indebted poor countries. Humanitarian assistance provides relief following sudden disasters and supports food programs in emergency situations. This type of aid does not generally contribute to financing long-term development.

## Definitions

• **Net disbursements** are gross disbursements of grants and loans minus repayments of principal on earlier loans • **Development projects, programs, and other resource provisions** are aid provided as cash transfers, aid in kind, development food aid, and the financing of capital projects, intended to increase or improve the recipient's stock of physical capital and to support recipient's development plans and other activities with finance and commodity supply. • **Technical cooperation** is the provision of resources whose main aim is to augment the stock of human intellectual capital, such as the level of knowledge, skills, and technical know-how in the recipient country (including the cost of associated equipment). Contributions take the form mainly of the supply of

human resources from donors or action directed to human resources (such as training or advice). Also included are aid for promoting development awareness and aid provided to refugees in the donor economy. Assistance specifically to facilitate a capital project is not included. • **Debt-related aid** groups all actions relating to debt, including forgiveness, swaps, buybacks, rescheduling, and refinancing. • **Humanitarian assistance** is emergency and distress relief (including aid to refugees and assistance for disaster preparedness). • **Administrative costs** are the total current budget outlays of institutions responsible for the formulation and implementation of donor's aid programs and other administrative costs incurred by donors in aid delivery.

## Data sources

Data on aid flows are published by OECD-DAC 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/idonline](http://www.oecd.org/dac/stats/idonline).

# Allocation of bilateral aid from Development Assistance Committee members

## 6.14b Aid by sector

Share of bilateral ODA commitment (%)	Total sector-allocable aid 2007	Social infrastructure and services						Economic infrastructure, services, and production sector			Multi-sector or cross-cutting 2007	Untied aid <sup>a</sup> 2007
		Total 2007	Education 2007	Health 2007	Population 2007	Water supply and sanitation 2007	Government and civil society 2007	Total 2007	Transport and communication 2007	Agriculture 2007		
Australia	73.8	48.0	8.9	6.3	1.7	0.7	28.7	9.8	3.4	4.4	15.9	98.4
Austria	26.0	20.3	10.6	2.0	0.3	1.7	4.8	4.4	1.8	1.0	1.4	86.6
Belgium	54.3	39.1	13.7	7.6	1.9	3.6	8.7	10.5	2.0	3.3	4.7	92.0
Canada	63.9	47.3	7.1	14.4	2.5	0.7	21.6	9.6	1.5	2.1	7.0	74.6
Denmark	63.9	33.8	3.6	5.2	4.2	2.1	16.5	23.6	8.6	5.7	6.5	95.5
Finland	58.2	31.7	4.4	3.2	1.9	4.7	14.7	17.4	1.0	6.3	9.0	90.7
France	62.0	35.9	22.8	2.1	0.0	4.6	1.2	16.6	6.5	7.9	9.5	92.6
Germany	62.0	37.9	15.2	2.6	1.3	6.2	10.2	17.4	0.5	2.4	6.7	93.4
Greece	82.9	67.6	24.4	11.3	2.3	1.1	24.3	6.1	0.3	2.6	9.2	42.3 <sup>b</sup>
Ireland	64.6	55.5	12.1	15.1	6.1	2.8	15.7	6.1	0.8	4.4	3.0	100.0 <sup>b</sup>
Italy	43.9	22.2	3.4	6.3	1.0	4.1	5.7	11.2	2.6	3.8	10.5	59.8
Japan	68.6	26.7	5.5	2.3	0.2	14.9	2.3	33.7	11.2	8.2	8.2	95.1
Luxembourg	68.9	47.5	10.8	14.6	6.7	5.1	6.0	14.9	2.2	4.8	6.6	100.0 <sup>b</sup>
Netherlands	56.6	33.8	12.4	2.5	1.0	7.5	9.7	14.7	0.8	1.5	8.0	81.1
New Zealand	53.4	39.3	17.3	3.2	2.2	1.4	14.2	9.5	2.4	2.1	4.6	87.8
Norway	69.9	41.3	9.3	5.1	2.3	1.6	20.1	18.8	0.8	3.5	9.8	99.9
Portugal	91.7	73.3	25.8	3.9	0.1	0.6	35.3	12.4	11.0	0.7	5.9	58.0 <sup>b</sup>
Spain	71.7	46.2	10.1	5.3	1.6	3.3	13.8	13.1	4.7	3.2	12.4	89.1 <sup>b</sup>
Sweden	52.0	31.3	2.8	6.1	3.2	1.6	14.5	12.4	0.8	4.0	8.2	100.0
Switzerland	49.1	23.6	3.5	3.4	0.2	2.8	12.8	14.8	0.9	5.1	10.7	99.7
United Kingdom	67.4	44.7	12.1	8.1	5.7	1.7	14.3	18.9	1.0	1.6	3.8	100.0 <sup>b</sup>
United States	75.3	51.4	3.4	4.6	18.1	1.7	18.6	19.2	5.4	4.9	4.7	68.5
<b>Total</b>	<b>66.3</b>	<b>40.5</b>	<b>9.1</b>	<b>4.7</b>	<b>6.1</b>	<b>4.7</b>	<b>12.5</b>	<b>18.8</b>	<b>4.4</b>	<b>4.6</b>	<b>7.1</b>	<b>84.6</b>

a. Excludes technical cooperation and administrative costs. b. Gross disbursements.

### About the data

The Development Assistance Committee (DAC) records the sector classification of aid using a three-level hierarchy. The top level is grouped by themes, such as social infrastructure and services; economic infrastructure, services, and production; and multisector or cross-cutting areas. The second level is more specific. Education and health and transport and storage are examples. The third level comprises subsectors such as basic education and basic health. Some contributions are reported as non-sector-allocable aid.

Reporting on the sectoral destination and the form of aid by donors may not be complete. Also, measures of aid allocation may differ from the perspectives of donors and recipients because of difference in classification, available information, and recording time.

The proportion of untied aid is reported because tying arrangements may prevent recipients from obtaining the best value for their money. Tying requires recipients to purchase goods and services from the donor country or from a specified group of countries. Such arrangements prevent a recipient from misappropriating or mismanaging aid receipts, but they may also be motivated by a desire to benefit donor country suppliers.

### Definitions

• **Bilateral official development assistance (ODA) commitments** are firm obligations, expressed in writing and backed by the necessary funds, undertaken by official bilateral donors to provide specified assistance to a recipient country or a multilateral organization. Bilateral commitments are recorded in the full amount of expected transfer, irrespective of the time required for completing disbursements.

• **Total sector-allocable aid** is the sum of aid that can be assigned to specific sectors or multisector activities. • **Social infrastructure and services** refer to efforts to develop the human resources potential of aid recipients. • **Education** refers to general teaching and instruction at all levels, as well as construction to improve or adapt educational establishments. Training in a particular field is reported for the sector concerned. • **Health** refers to assistance to hospitals, clinics, other medical and dental services, public health administration, and medical insurance programs. • **Population** refers to all activities related to family planning and research into population problems. • **Water supply and sanitation** refer to assistance for water supply and use, sanitation, and water resources development (including rivers). • **Government and civil society** refer to assistance to strengthen government administrative apparatus

and planning and activities promoting good governance and civil society. • **Economic infrastructure, services, and production sector** group assistance for networks, utilities, services that facilitate economic activity, and contributions to all directly productive sectors. • **Transport and communication** refer to road, rail, water, and air transport; post and telecommunications; and television and print media. • **Agriculture** refers to sector policy, development, and inputs; crop and livestock production; and agricultural credit, cooperatives, and research. • **Multisector or cross-cutting** refers to support for projects that straddle several sectors. • **Untied aid** is ODA not subject to restrictions by donors on procurement sources.

### Data sources

Data on aid flows are published annually by the Organisation for Economic Co-operation and Development (OECD) DAC in *Geographical Distribution of Financial Flows to Aid Recipients and 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](http://www.oecd.org/dac/stats/idsonline).