



## **Is Europe keeping its promises on Development Assistance to Africa?**

### **1 Summary**

**Five countries - Austria, France, Greece, Italy, and Portugal - are making little or no real effort to keep their promises to increase development assistance globally and to Africa. These countries are undermining the efforts of those European countries that either have decent levels of development assistance or are making efforts to increase their aid. It means that overall aid increases to Africa from the EU have not been rising at anything like the rate necessary for Europe to meet its aid promises to Africa.**

**European countries like Sweden, Luxembourg, the Netherlands, and Denmark are the most generous on the planet. Other countries, like Ireland, Spain, the UK and most recently Germany<sup>1</sup> are making real efforts to increase their development assistance.**

### **2 Introduction**

Development assistance is not a silver bullet that will answer all Africa's problems. But it can have, and is having, an important impact.

In only a few years the Global Fund to Fight Aids, Tuberculosis and Malaria has already provided 1.4 million people in Africa with treatment for AIDS, treated 3.3 million people with tuberculosis, and distributed 46 million bed nets to protect against malaria. It is estimated that these actions have saved over 2 million lives. It is hard to imagine a better investment.

Effective development assistance is also supporting increased access to education across Africa. There were 29 million more children enrolled in primary school in sub-Saharan Africa in 2005 than in 1999 as a result of better African government policies, debt relief and development assistance.

African countries need to increase their share of global trade if they are to achieve sustainable economic growth and reduce poverty. But those who argue for trade not aid are wrong. A large injection of "aid for trade" is needed in Africa in order to build capacity to produce, market and transport products for export.

Development assistance is important. In 2005 European countries made historic commitments to increase their development assistance globally and to Africa:

- All EU countries (apart from the newest member states) agreed to spend at least 0.51% of national income on development assistance by 2010, and 0.7% by 2015
- Some member states (Belgium, Finland, France, Ireland, Spain, and the UK) have more ambitious target dates for reaching 0.7%

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<sup>1</sup> The German Parliament has recently passed the 2008 budget with an ODA increase of €750m. The majority of this has been promised to Africa

- The EU countries promised that half of these increases in development assistance would go to Africa
- Some member states have already reached the 0.7% target and some of them (Denmark, Luxemburg, Netherlands, Sweden) have committed to go further
- All those countries that joined the EU after 2002 will strive to increase ODA to 0.17% of GNP by 2010, and to 0.33% by 2015
- Collectively the EU has agreed to reach an average of 0.56% by 2010

This paper looks at whether these countries are keeping these promises both collectively and individually.

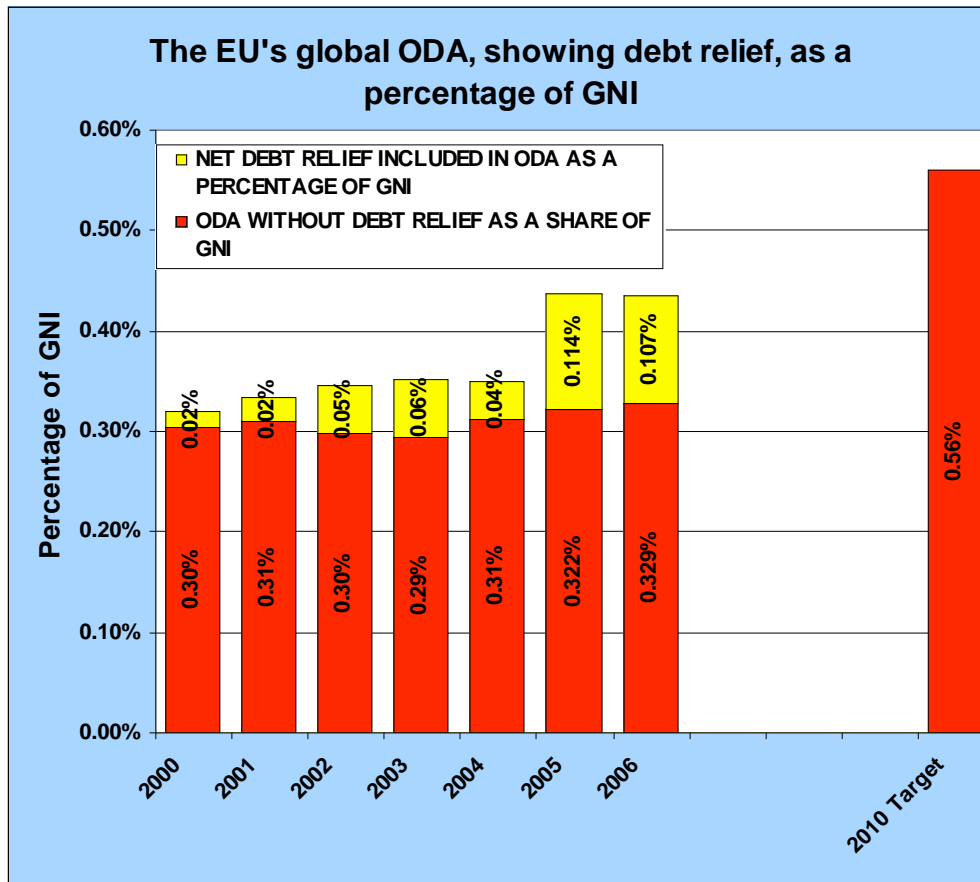
### **3. EU Overseas Development Assistance to all Countries**

Overall levels of EU development assistance as a proportion of national income are not increasing at the rate necessary for the EU to meet its promises. Graph 1 below shows the trend in overall development assistance between 2000 and 2006, as well as the target level for 2010.

The figures excluding debt relief (red in the graph) are the key figures to focus on. Excluding debt relief from our assessments of aid is the correct approach because:

- 1) Debt relief, although beneficial to the recipient, does not translate dollar for dollar into real additional resources at the recipient country level. Nor do the headline figures reflect the real cost to the creditor countries of cancelling the debts
- 2) Debt relief figures are highly volatile and obscure underlying trends
- 3) The debt stocks of many countries have now been addressed, leaving fewer debts to cancel in future years. This means that if EU countries are to meet their development assistance targets they will need to do so by increasing flows of real resources

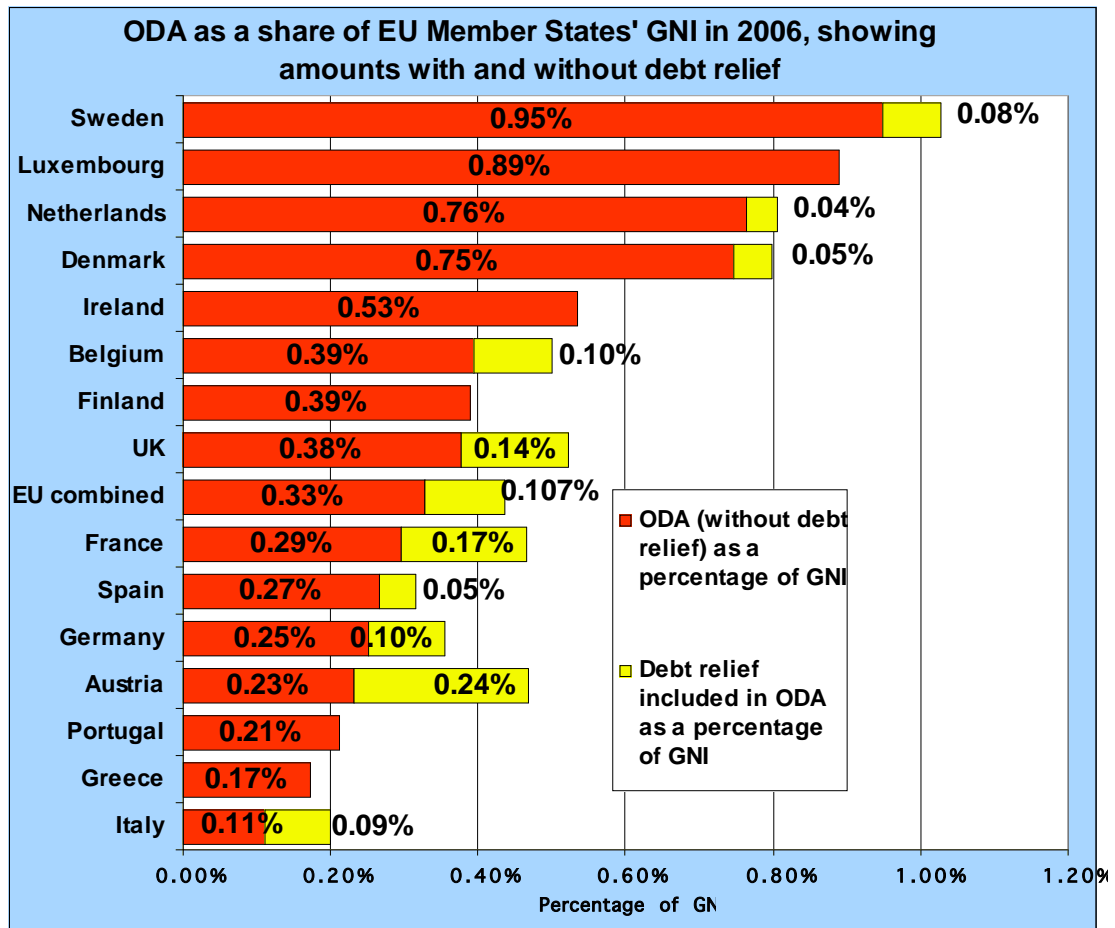
Graph 1.



Source: OECD DAC statistics Table 1

Graph 2 below shows development assistance levels to all countries from EU countries as a proportion of national income for 2006, the most recent year for which comparable data is available. (See note 1)

**Graph 2.**



Sources: OECD DAC online database, Tables 1 and 2a.

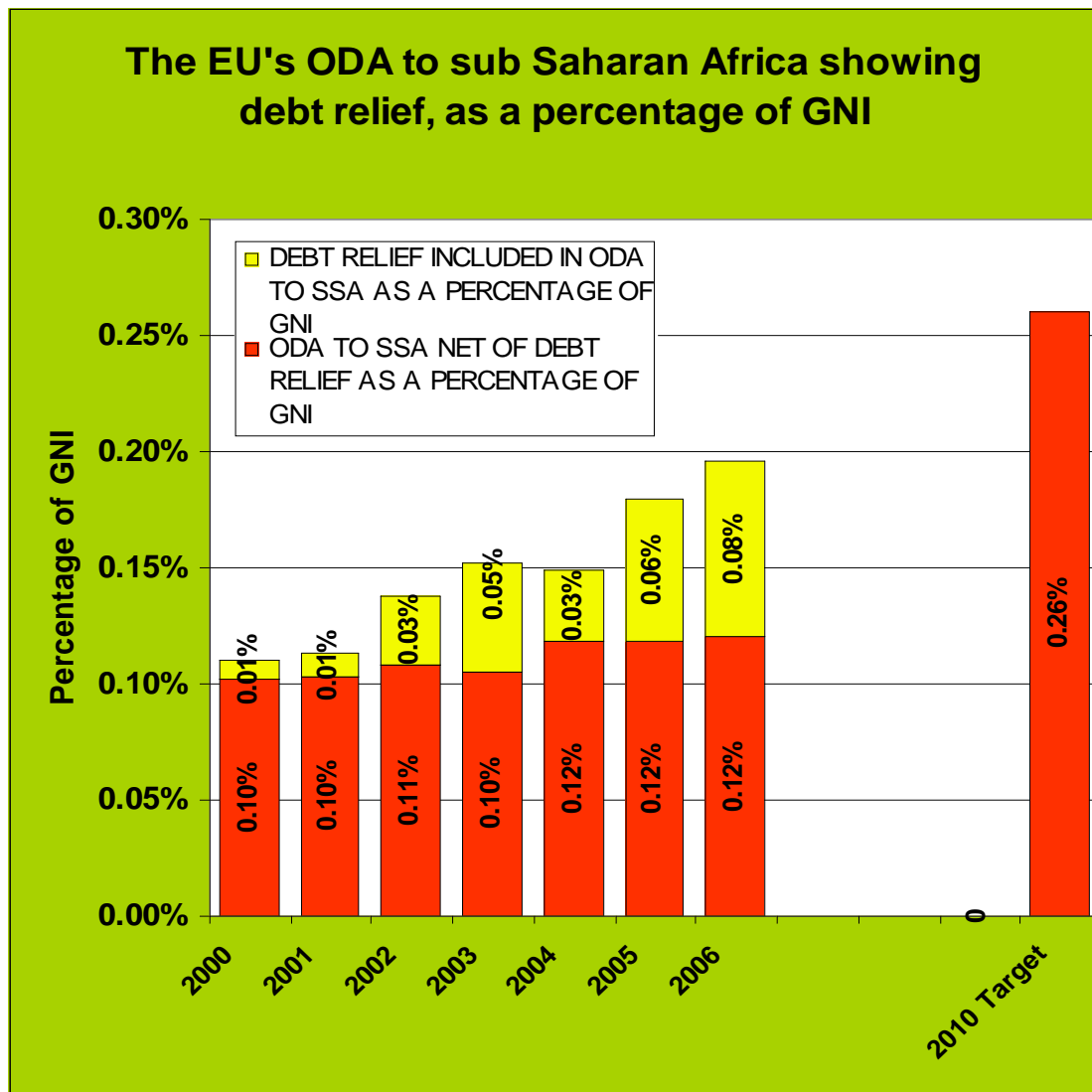
Note 1: All data used in this report is based on 2006 preliminary data released in April 2006. The finalised data will be released by the OECD on 11 December 2007.

#### 4. EU Overseas Development Assistance to Africa

The trends in EU development assistance to the continent of Africa are no more inspiring than trends in total EU development assistance.

Levels of EU development assistance to Africa as a proportion of national income are not increasing at the rate necessary for the EU to meet its promises. Graph 3 below shows the trend in development assistance to Africa between 2000 and 2006, as well as the target level for 2010. The target is a projection based on the EU commitment that half of aid increases would go to Africa.

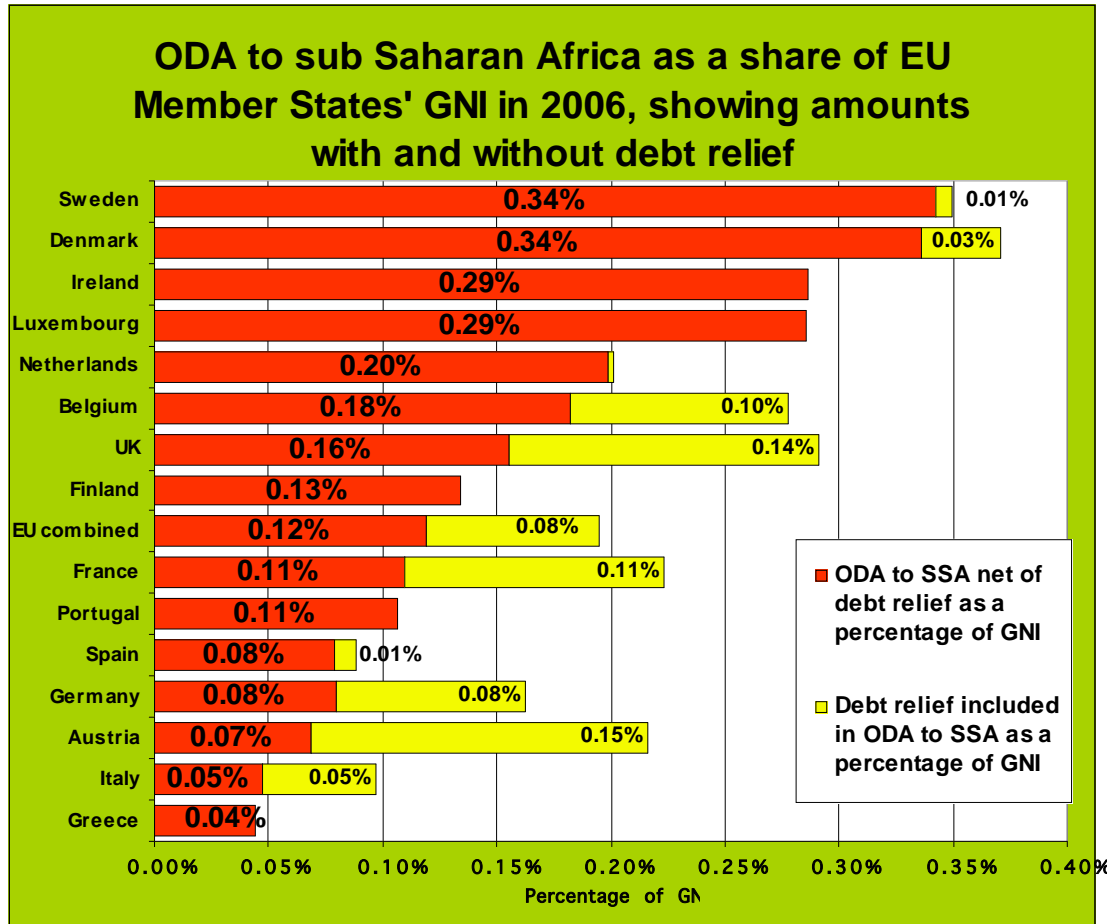
Graph 3.



Source OECD DAC Statistics Tables 1 and 2a

Graph 4 below shows development assistance levels to Africa from EU countries as a proportion of national income for 2006, the most recent year for which comparable data is available.

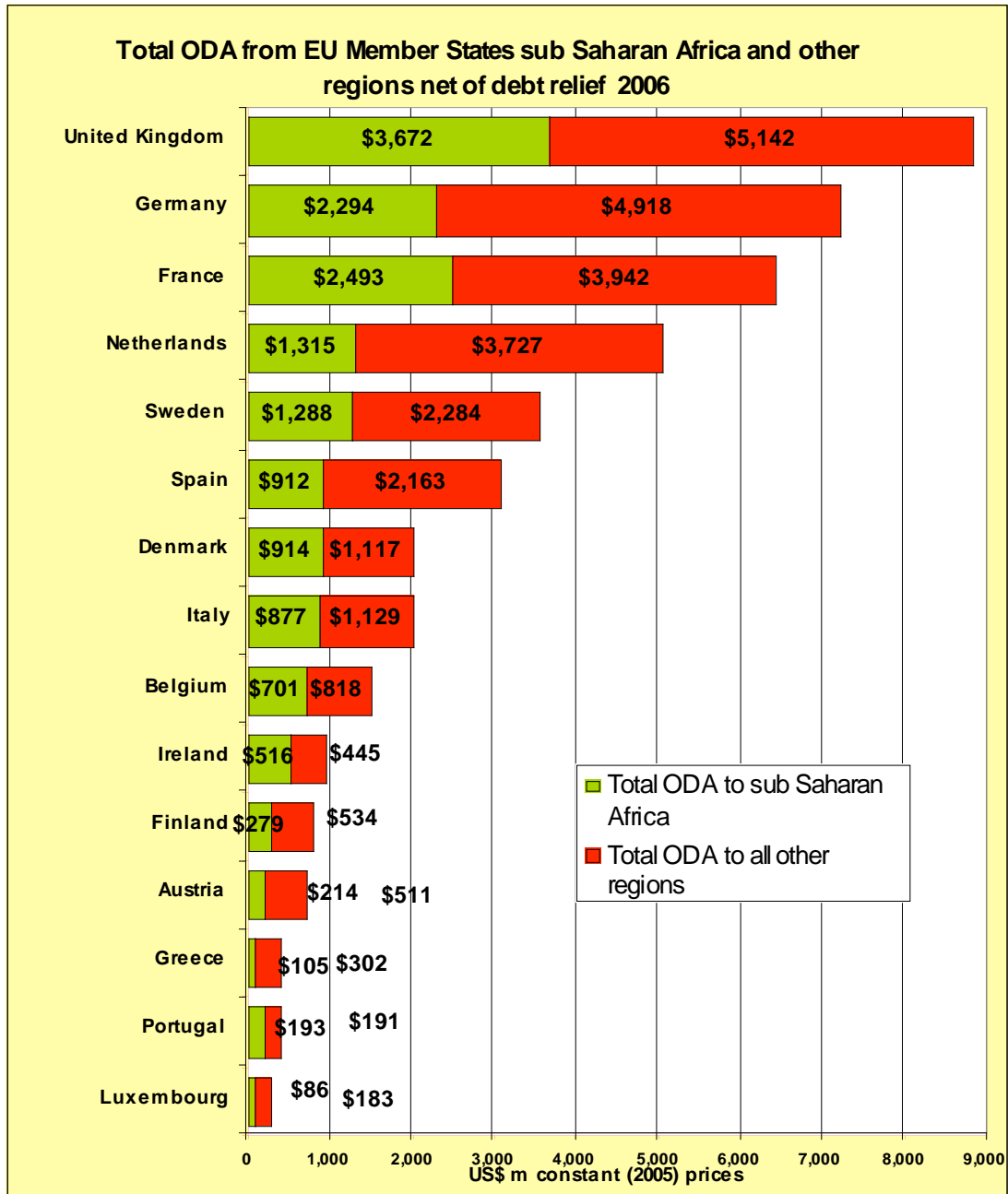
**Graph 4.**



Sources: OECD DAC online statistics, Tables 1 and 2a.

Graph 5 below shows in dollar terms how much each EU Member State gave to Africa and to all other countries in 2006.

**Graph 5**



Source: OECD DAC Statistics, Table 2a

**5. How are particular EU countries doing?**

The summary above masks the trends in development assistance from particular countries over time.

Five countries - Austria, France, Greece, Italy, and Portugal -are making no real effort to keep their promises to increase development assistance globally and to Africa. This is undermining the efforts of those European countries that either have decent levels of development assistance or are making efforts to increase their aid. It means that overall aid increases to Africa from the EU have not been rising at anything like the rate necessary for Europe to meet its aid promises to Africa.

European countries like Sweden, Luxembourg, the Netherlands, and Denmark are the most generous on the planet. Other countries, like Ireland, Belgium, Finland, the UK, Spain and most recently Germany are making real efforts to increase their development assistance.

Another factor that impacts the overall trends is that two generous donors, Luxembourg and the Netherlands, saw a reduction in the proportion of their aid that went to Africa in 2006. It is to be hoped that this is a blip due to a short-term change in contributions to multilateral agencies or to fund debt relief.

**Table 1.** Provides a summary of both headline assistance levels to Africa and the extent to which an effort is being made to increase assistance for each of the major EU member states.

**Appendix 1.** contains a series of graphs showing overall development assistance trends and trends in development assistance to Africa for all of the major EU donor states.

**Appendix 2.** Is a table summarizing key data used in this paper.

#### Table 1. COMMENTARY ON PERFORMANCE

Traffic light colour coding:

Red, urgent progress needed

Orange, not there yet

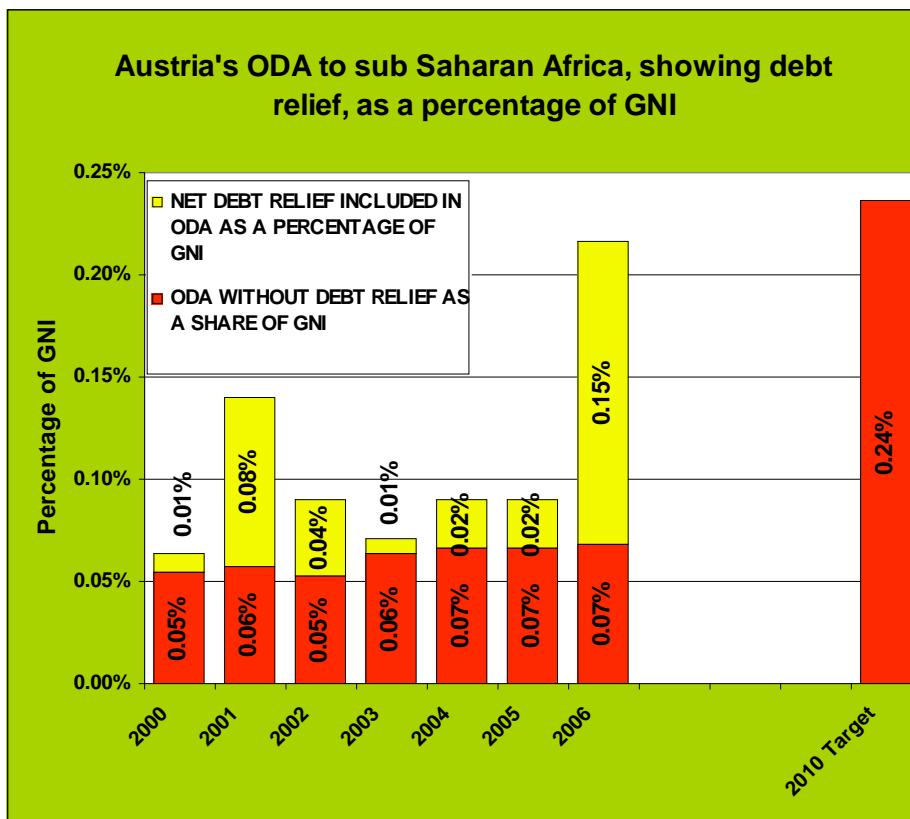
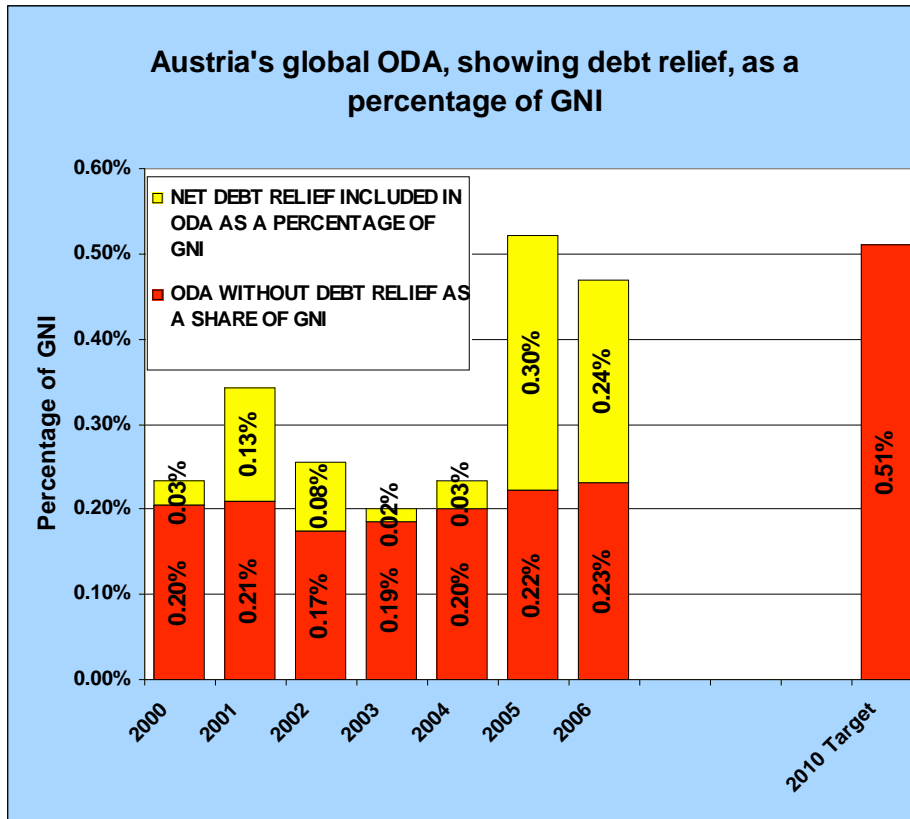
Green, on track to reach targets

	Performance	Effort
Austria	Austria gives 0.07% of its GNI in aid to sub-saharan Africa net of debt relief and 0.23% of GNI for aid net of debt relief globally. This puts it in the bottom four donors. In 2006, aid to Africa increased by 7%.	Increasing aid to sub-saharan Africa, starting from a low base. Greatly accelerated and sustained progress is needed to reach the target
Belgium	Belgium is the sixth most generous EU Member State to Africa, giving 0.18% of GNI net of debt relief in 2006. Its global ODA net of debt relief is 0.39% of GNI. Belgian aid for Africa increased by 12% in 2006 and at 0.7% in 2010, its target for ODA is more ambitious than the EU as a whole.	Doing well and increasing aid to sub-Saharan Africa within its general growth of ODA.

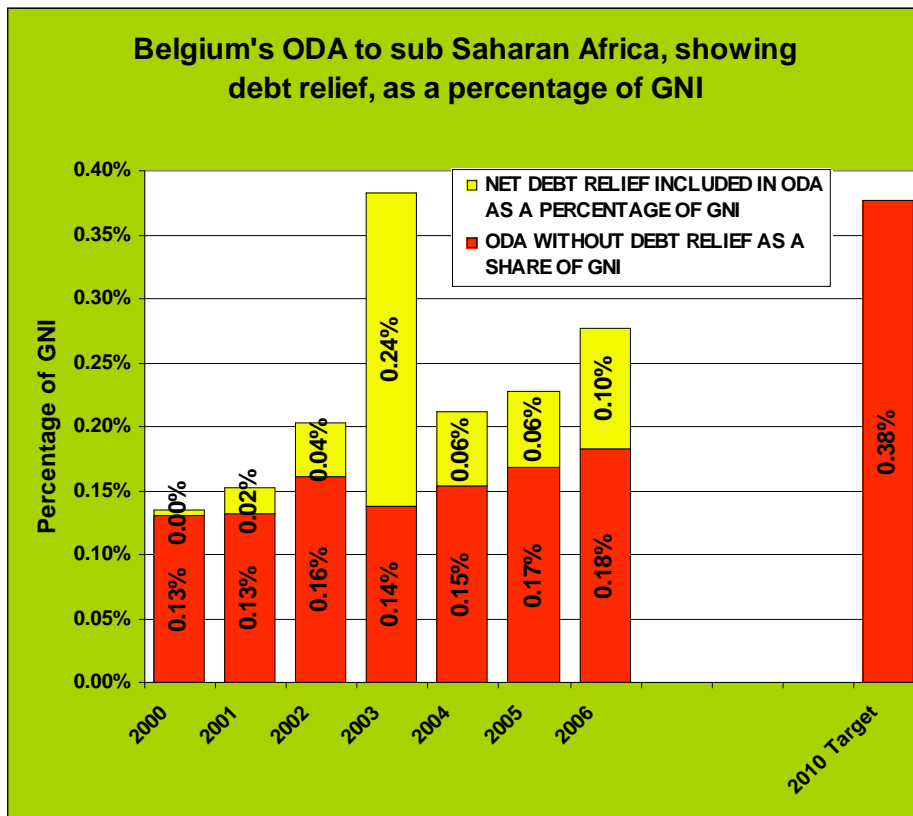
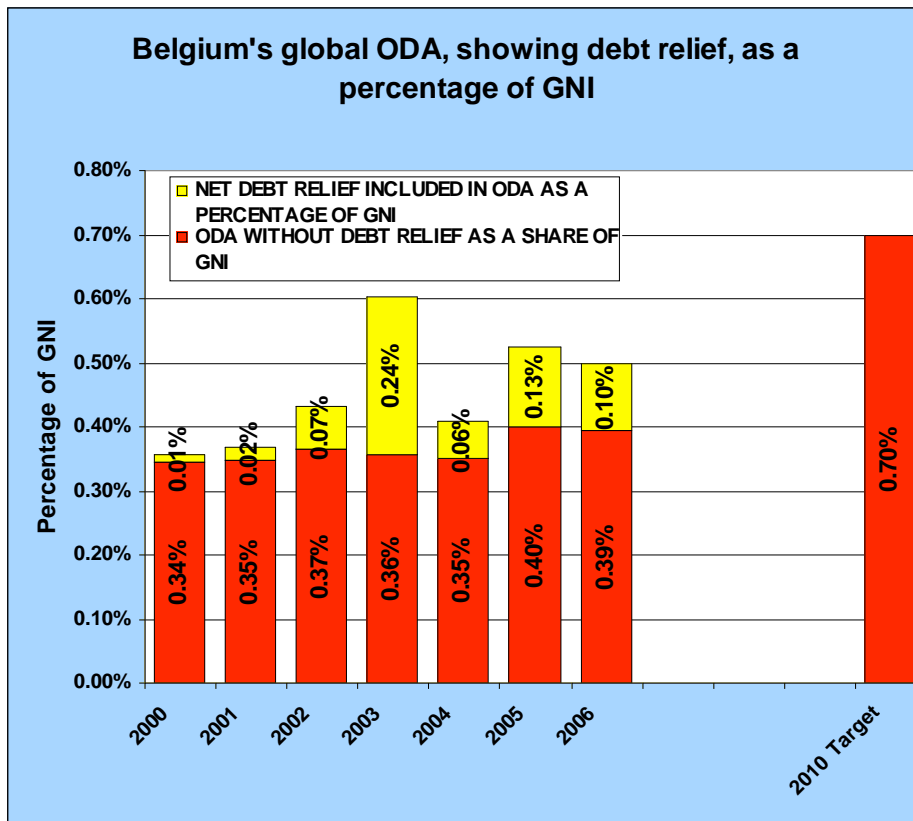
Denmark	Shares the top position for generosity with Sweden for aid to sub-Saharan Africa – giving 0.34% of GNI. Globally Denmark gives more than 0.75% of GNI net of debt relief. In 2006 Denmark's aid to Africa net of debt relief increased by 5%.	Doing well and increasing aid to sub-Saharan Africa within its commitment to maintain ODA at 0.8% of GNI.
Finland	Finland gave 0.13% of its GNI in aid net of debt relief to sub-Saharan Africa and 0.39% of ODA globally. In 2006 it increased aid to Africa by 5% and at 0.7% in 2010 its target for aid is more ambitious than the EU commitment	Increasing aid to sub-Saharan Africa but sustained progress needed to reach the target
France	France gave 0.11% of GNI in aid net of debt relief to sub-Saharan Africa in 2006 – making it the second largest donor to sub-Saharan Africa in cash terms. Globally, 0.29% of French GNI is given in aid net of debt relief. Aid to Sub-Saharan Africa was up by just 3% in 2006. Its target is slightly more ambitious than the EU commitment.	Aid to sub-Saharan Africa has barely changed between 2005 and 2006. There is no increase planned in the 2008 budget. France has a long way to go to reach its target
Germany	German aid to sub-Saharan Africa net of debt relief amounted to 0.08% of GNI, one of the bottom five EU member states. However, this makes Germany the third highest donor to Africa in cash terms. Globally, Germany gives 0.25% of its GNI in aid net of debt relief. In 2006 German aid to sub-Saharan Africa net of debt relief increased by just 1%.	Aid to sub-Saharan Africa net of debt relief did not change between 2005 and 2006. Germany has to make major increases in its ODA to reach the EU target. Parliament has just passed the 2008 budget with an ODA-increase of €750 m, the majority of which has been promised for Africa.
Greece	Greece is the least generous Member State for aid to sub-Saharan Africa – giving 0.04% of GNI in 2006. ODA as a share of GNI globally is 0.17%, placing Greece second to last in the EU for aid without debt relief. However, aid to sub-Saharan Africa was increased in 2006 by 22%.	Greece is below where it should be now but has increased aid to Africa and needs to make sustained progress to reach the EU minimum commitment.
Ireland	Ireland is the third most generous donor to sub-Saharan Africa in Europe, giving 0.29% of GNI net of debt relief. Globally, Ireland gave 0.53% on GNI in aid net of debt relief. In 2006, Ireland's aid to sub-Saharan Africa increased by 26%. Ireland's target for aid also exceeds the EU commitment.	Doing well and increasing aid to sub-Saharan Africa within a strongly growing aid programme, well focused on Africa.
Italy	Italy is the least generous Member State to sub-Saharan Africa but one, giving just 0.05% of its GNI in aid net of debt relief. It also occupies the bottom position for global aid as a share of GNI – 0.11%. On top of this, its aid to Africa decreased by nearly a third in 2006.	Italy is way below where it should be now, has cut aid to Africa; it is a long way off the track to reach the EU minimum commitment.
Luxembourg	Luxembourg shares the position of third most	Doing well but aid to sub-

	generous donor to sub-Saharan Africa with Ireland, giving 0.29% of GNI net of debt relief. Globally Luxembourg is the second most generous donor, giving 0.89% of its GNI in aid and aiming for 1% by 2009. In 2006 aid to sub-Saharan Africa fell by 26%, hopefully this is a one-off blip due to irregular trends in multilateral payments and debt relief	Saharan Africa fell in 2006. Luxembourg needs to increase commitments to Africa as it reaches its target of 1% of GNI in ODA
Netherlands	Netherlands gave 0.2% of GNI in aid to sub-Saharan Africa (5 <sup>th</sup> in the DAC) and 0.76% of GNI in aid net of debt relief globally. The Netherlands has introduced legislation to ensure that its ODA cannot fall below 0.8% of GNI. Dutch ODA to sub-Saharan Africa fell by 24% in 2006, hopefully this is a one-off blip due to irregular trends in multilateral payments and debt relief	Doing well but aid to sub-Saharan Africa fell in 2006. Netherlands needs to increase commitments to Africa within its firm budget provision for ODA
Portugal	At 0.11% of GNI, Portugal is one of the bottom six donors for sub-Saharan Africa. Globally, Portugal gives 0.21% of GNI in aid, lower than all but two EU member states. In 2006 Portuguese aid to Africa increased modestly (3%).	Portugal has to make major increases in its ODA to reach the EU target. As host of the EU-Africa summit Portugal is expected to make a major development assistance announcement
Spain	At 0.08% of GNI, Spain is one of the bottom five donors for aid to sub-Saharan Africa as a share of GNI. Globally it gives 0.27% of GNI. Spanish aid to sub-Saharan Africa increased by 33% in 2006.	Spain has to make major increases in its ODA to reach the EU target, but has increased aid to Africa. The current government is firmly committed to increasing development assistance
Sweden	Sweden shares the top position for generosity with Denmark for aid to sub-Saharan Africa – giving 0.34% of GNI. Globally Sweden gives 0.95% of GNI in aid net of debt relief. In 2006 Sweden's aid to Africa net of debt relief increased by 11% and it has been committed to a total ODA of 1% of GNI since 2006.	Doing well and increasing aid to sub-Saharan Africa within its overall excellent record on ODA.
United Kingdom	The UK is the seventh most generous donor to Africa in the EU with 0.16% of GNI net of debt relief, and this makes it the largest EU donor to Africa in cash terms. The UK gave 0.38% of its GNI in global ODA net of debt relief and increased aid to sub-Saharan Africa by 38% in 2006.	The UK has made good progress towards its target for sub-Saharan Africa and has made budget provision to maintain this through to 2010.

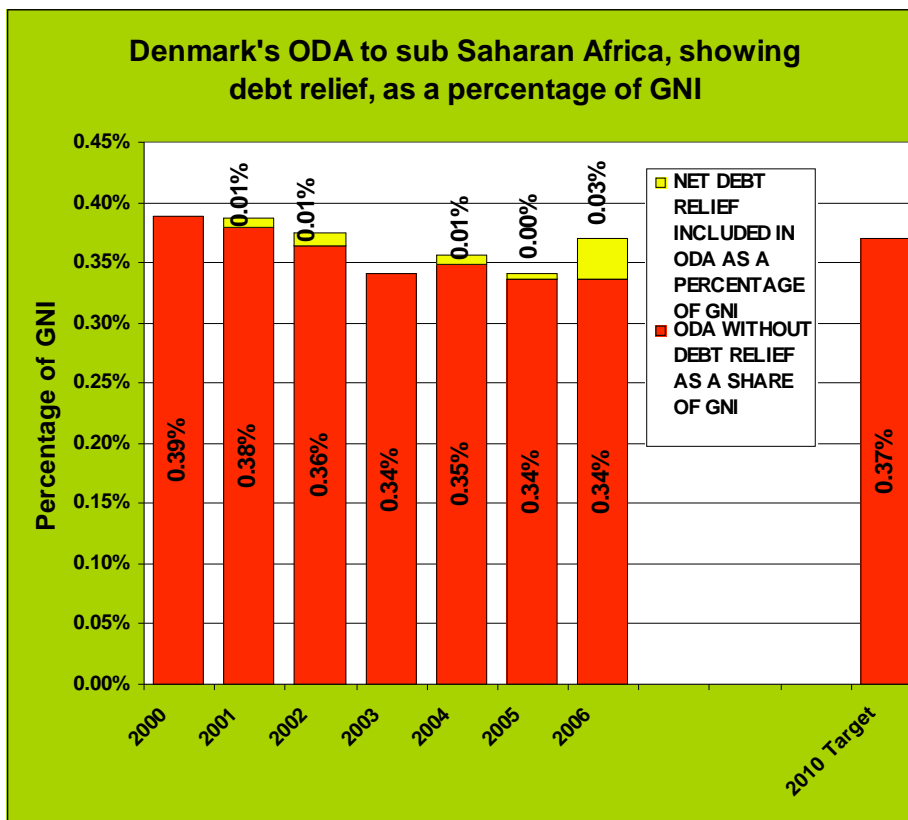
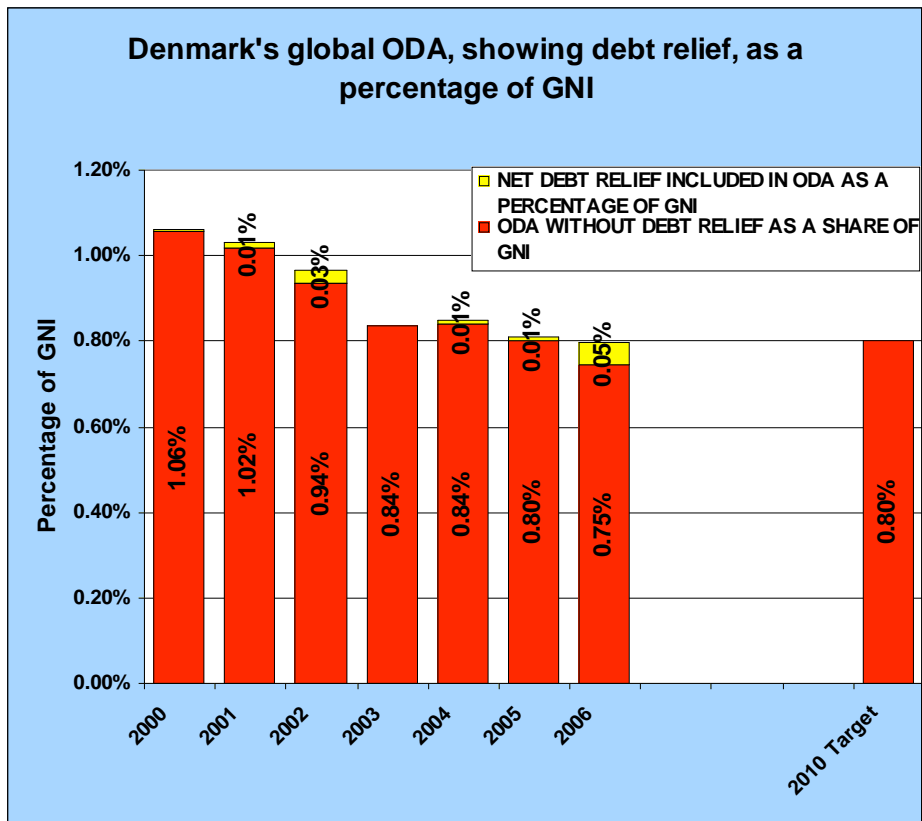
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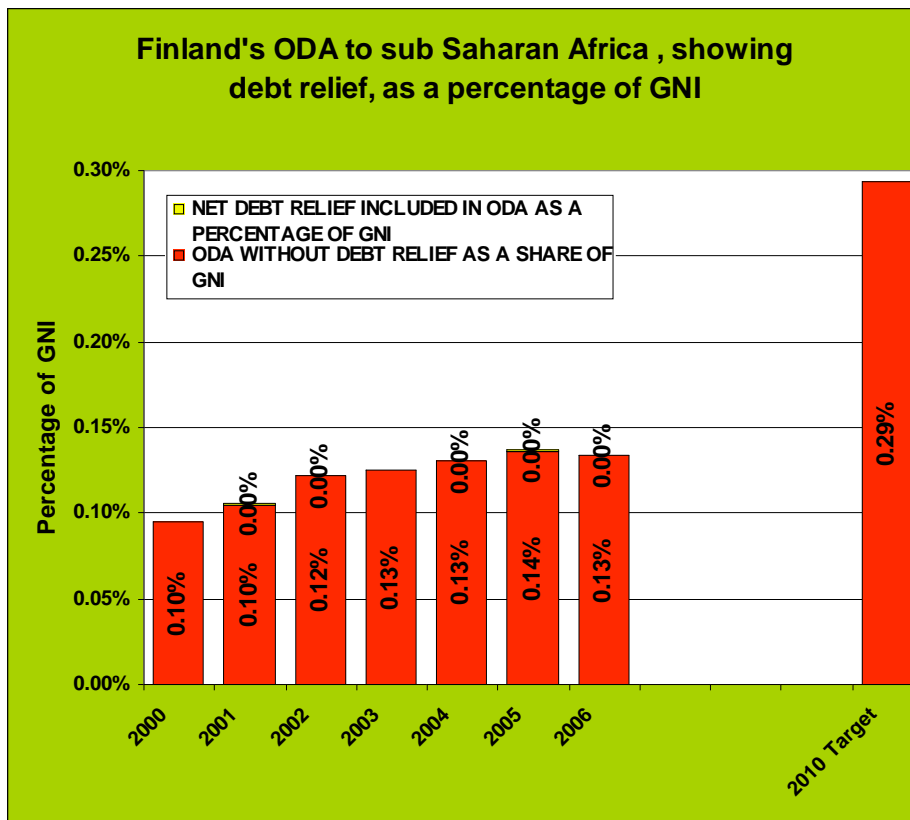
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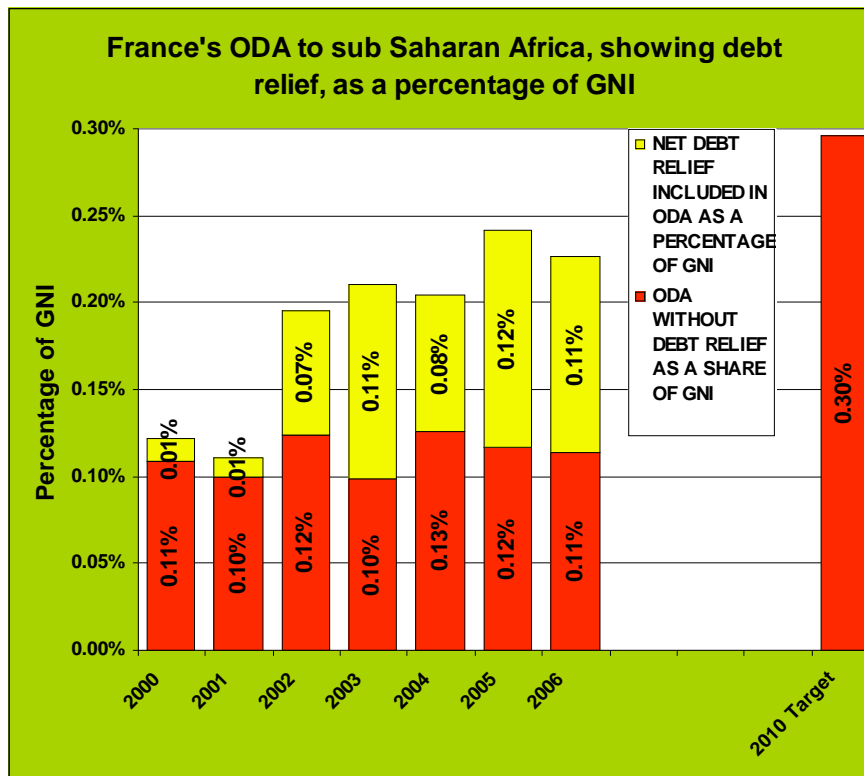
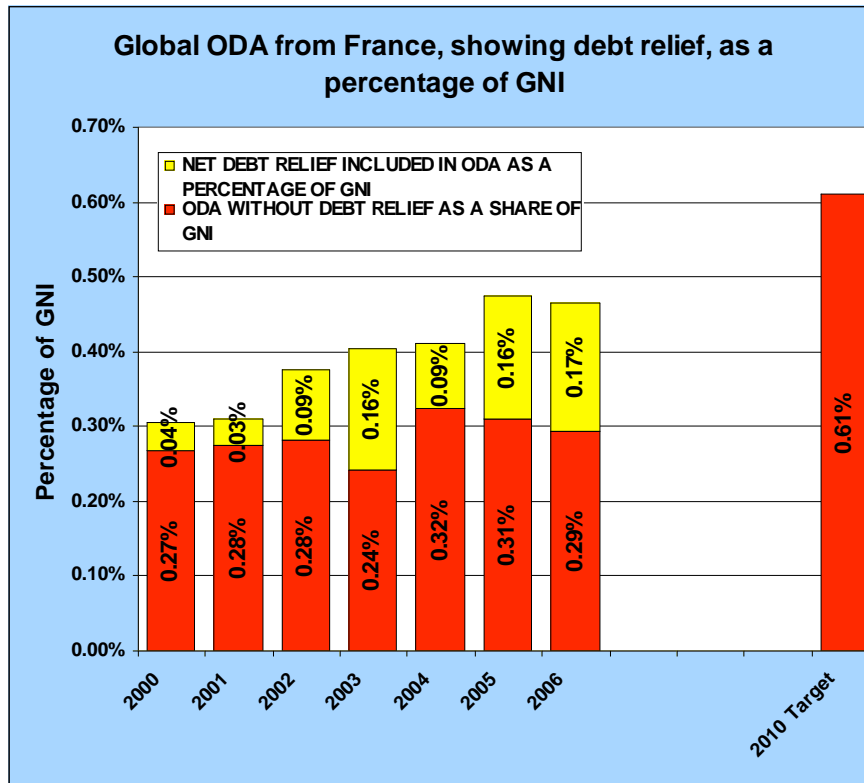
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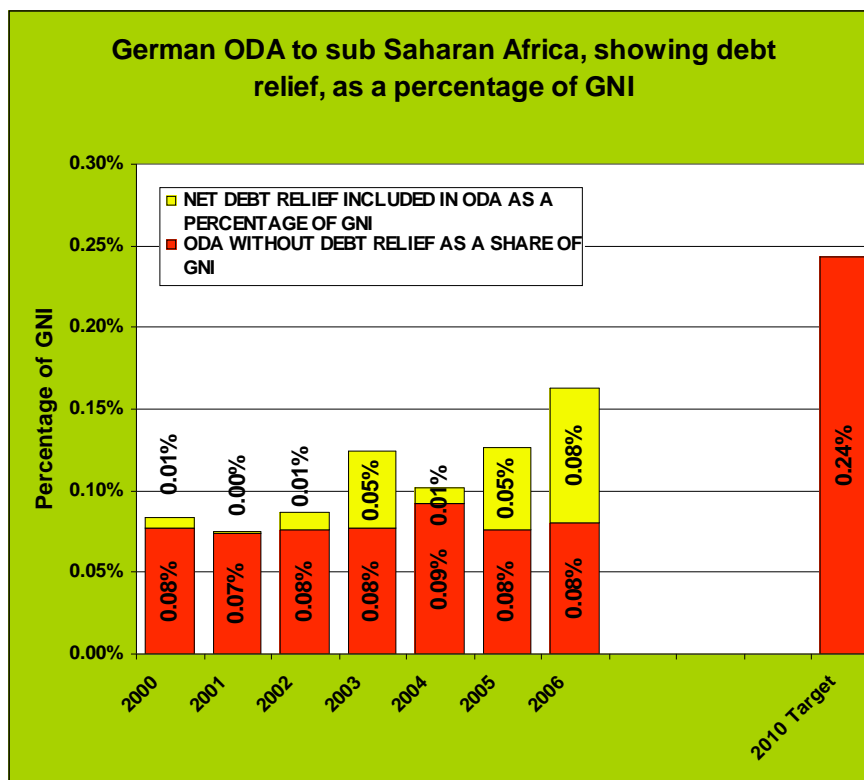
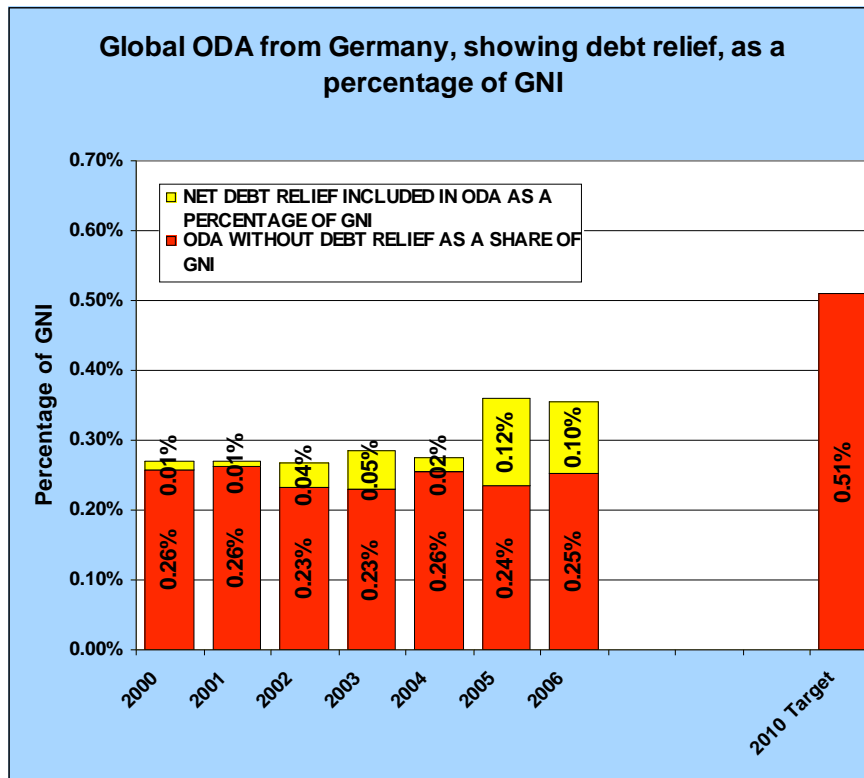
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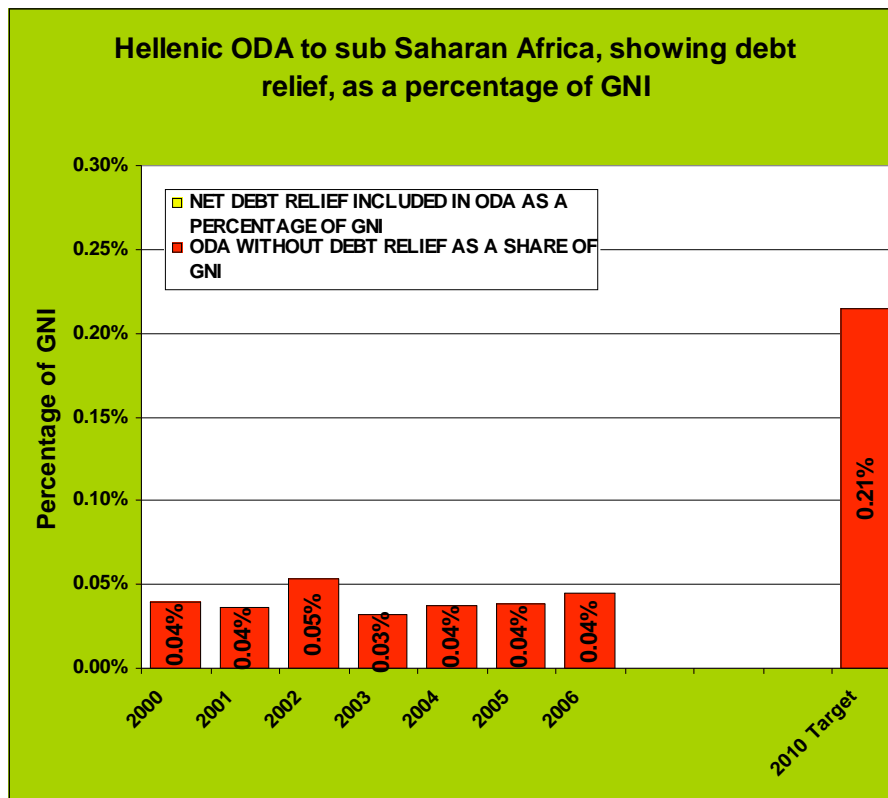
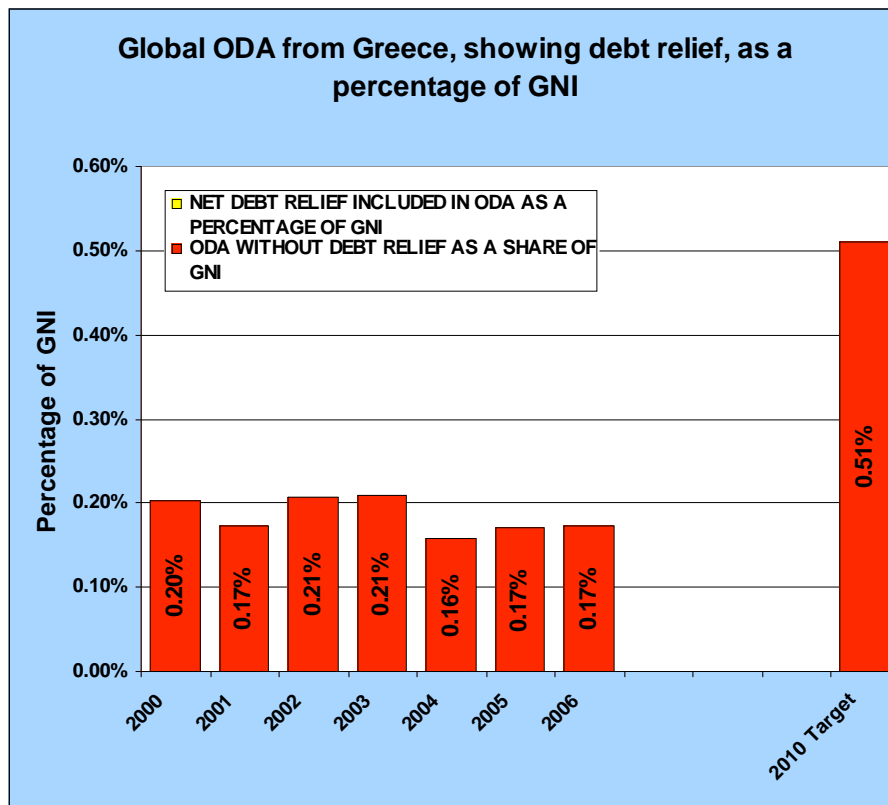
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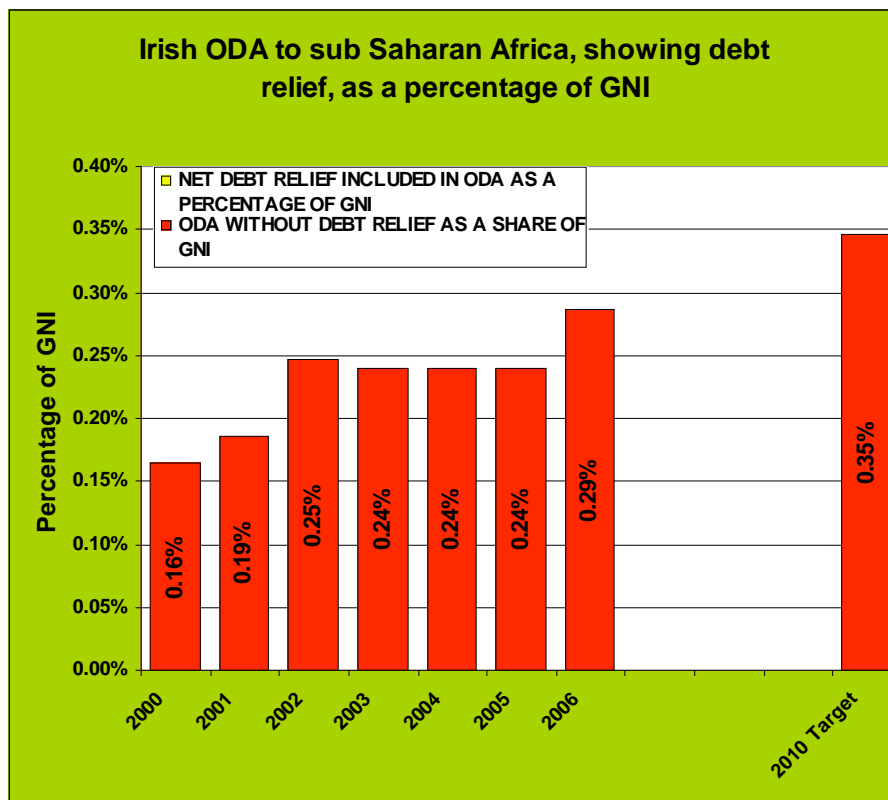
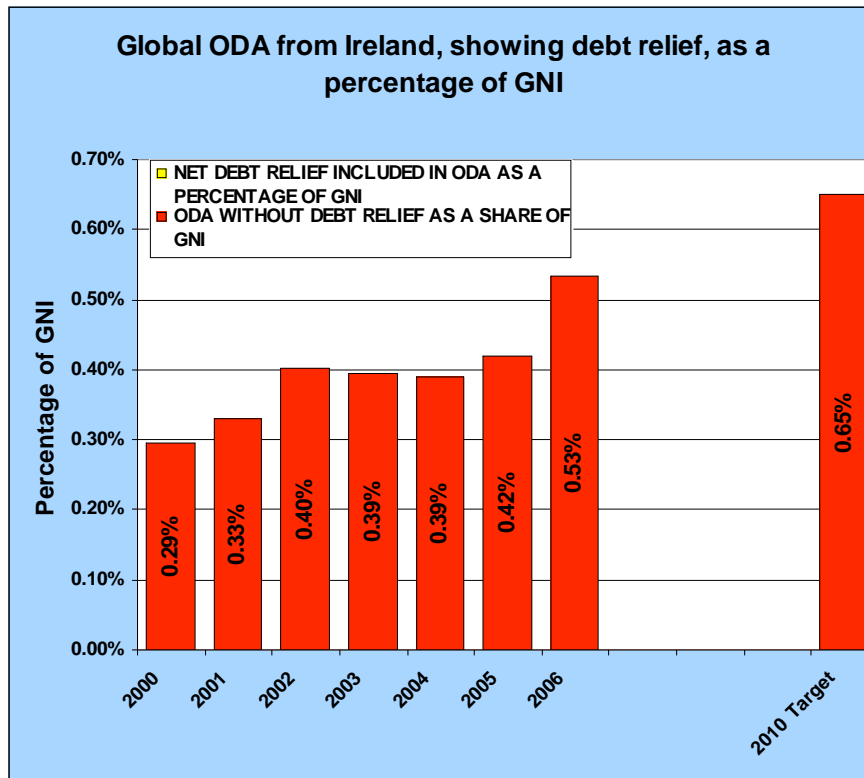
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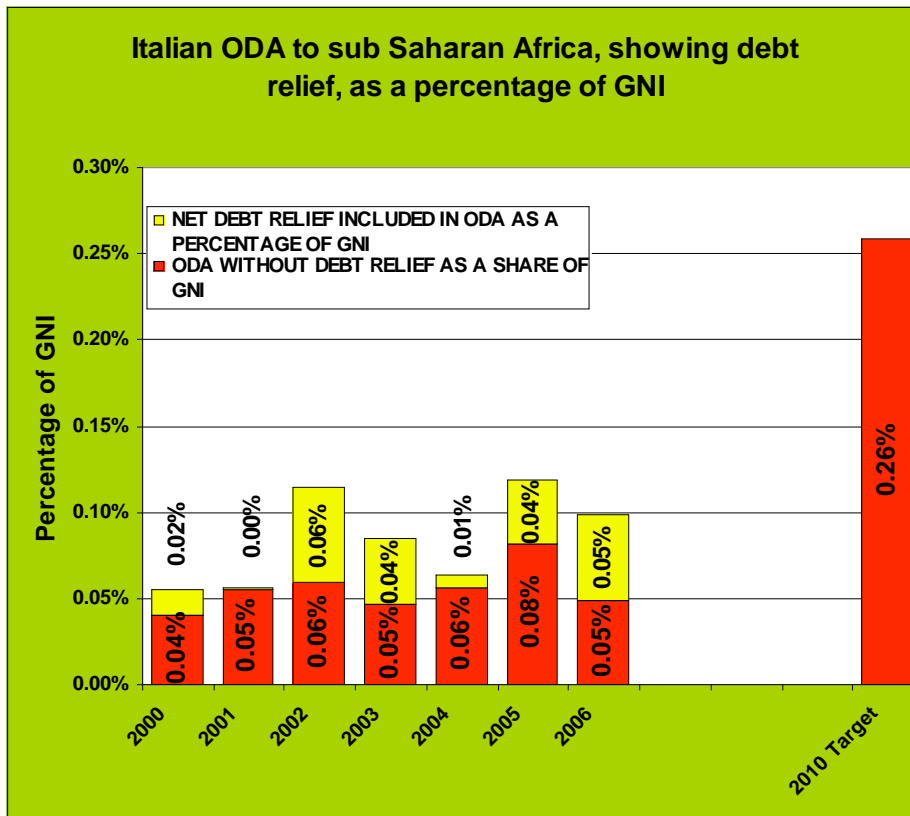
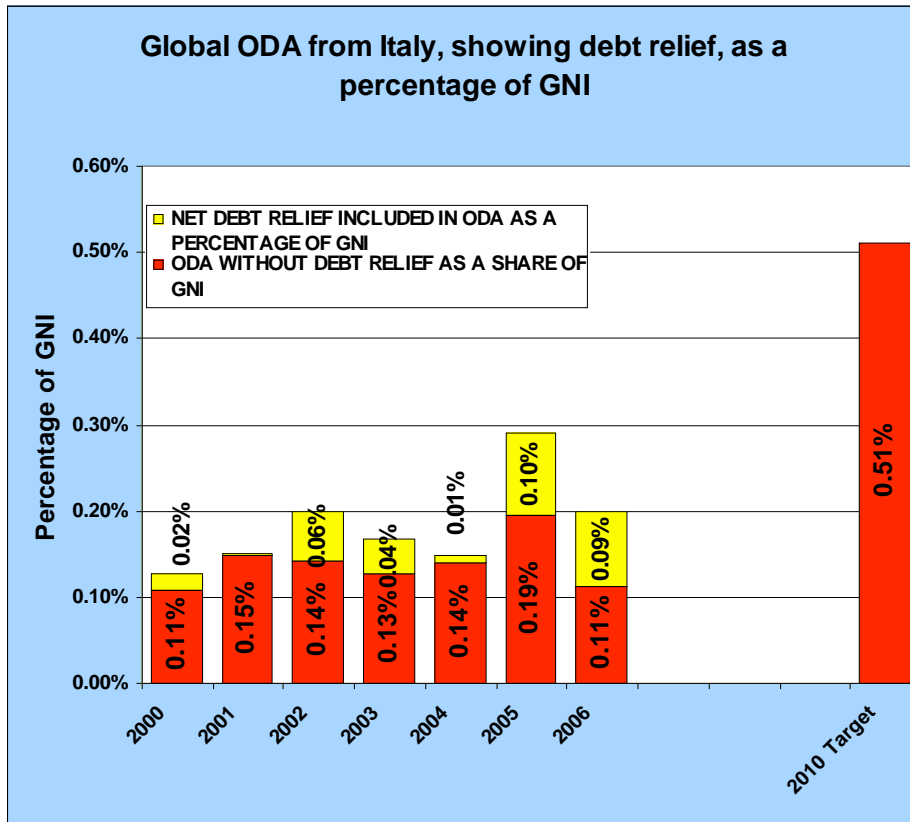
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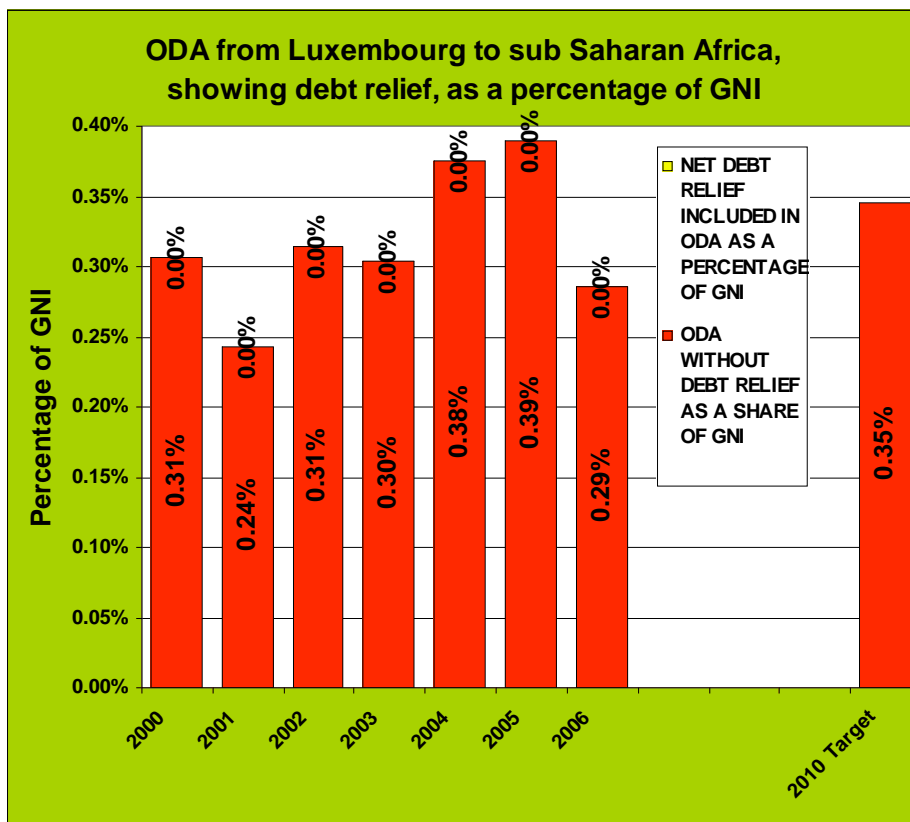
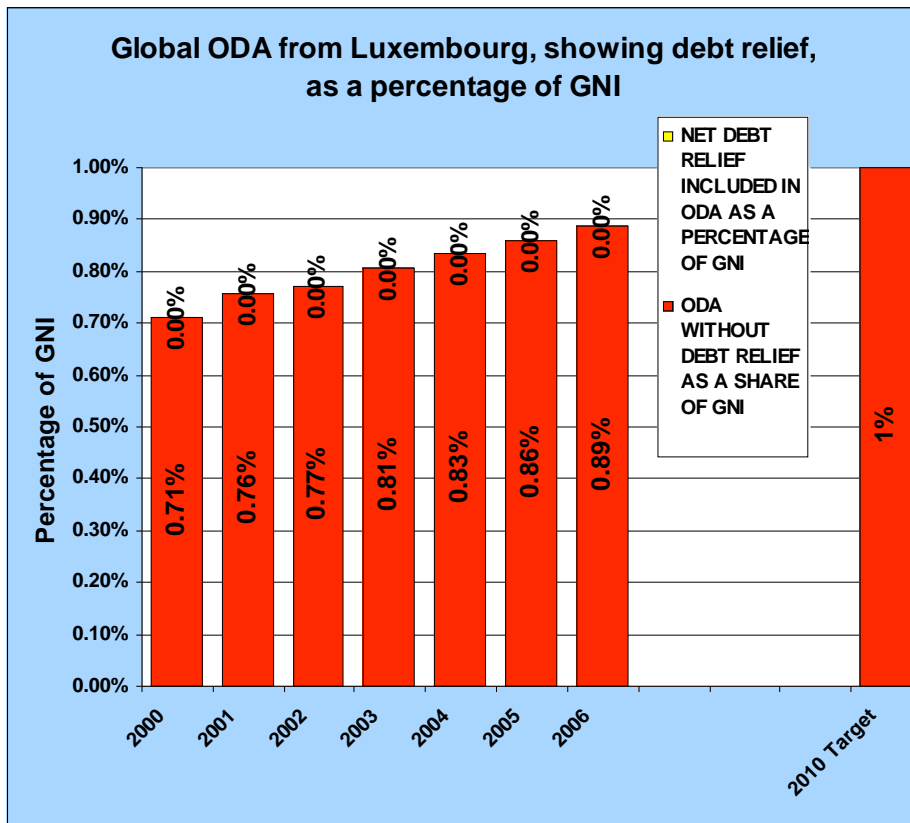
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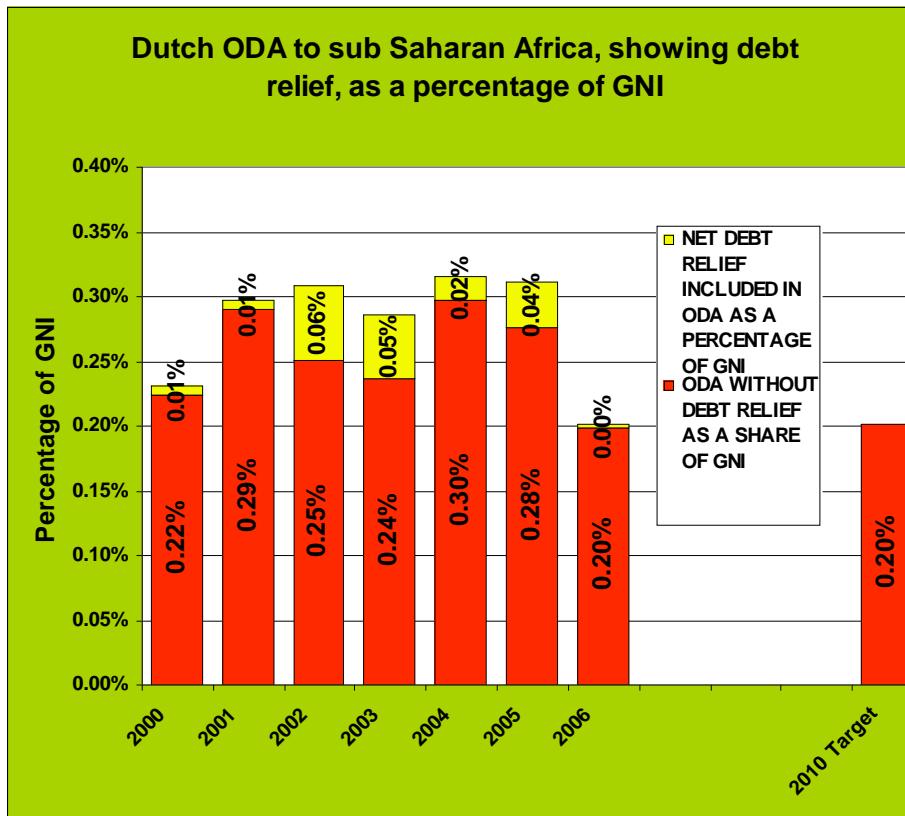
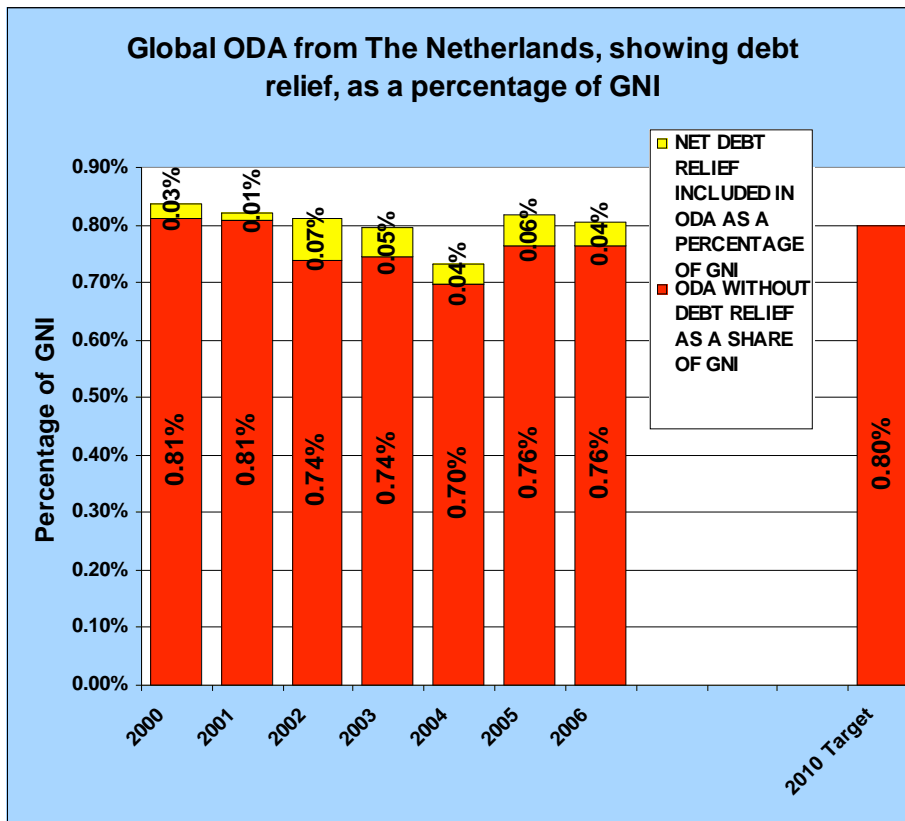
# ITALY



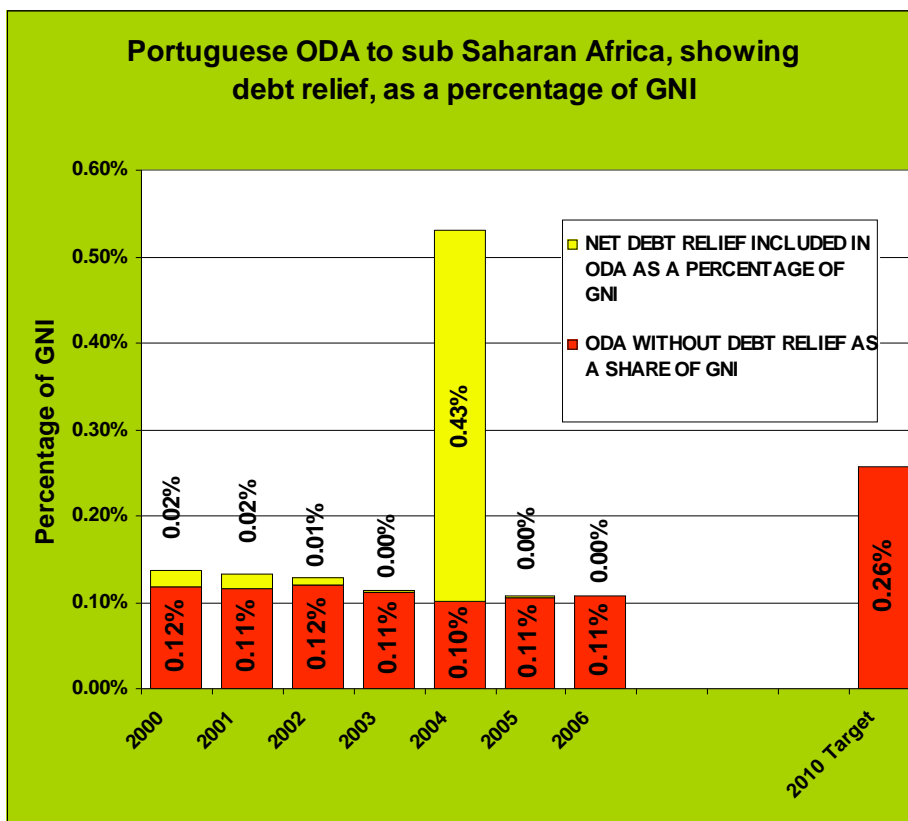
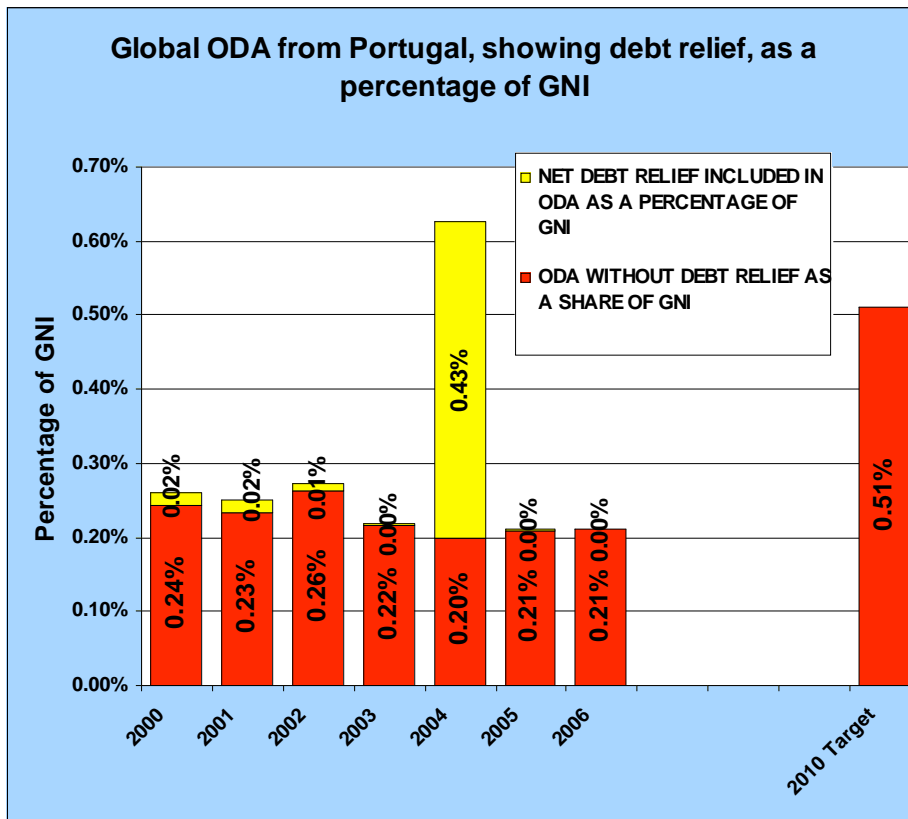
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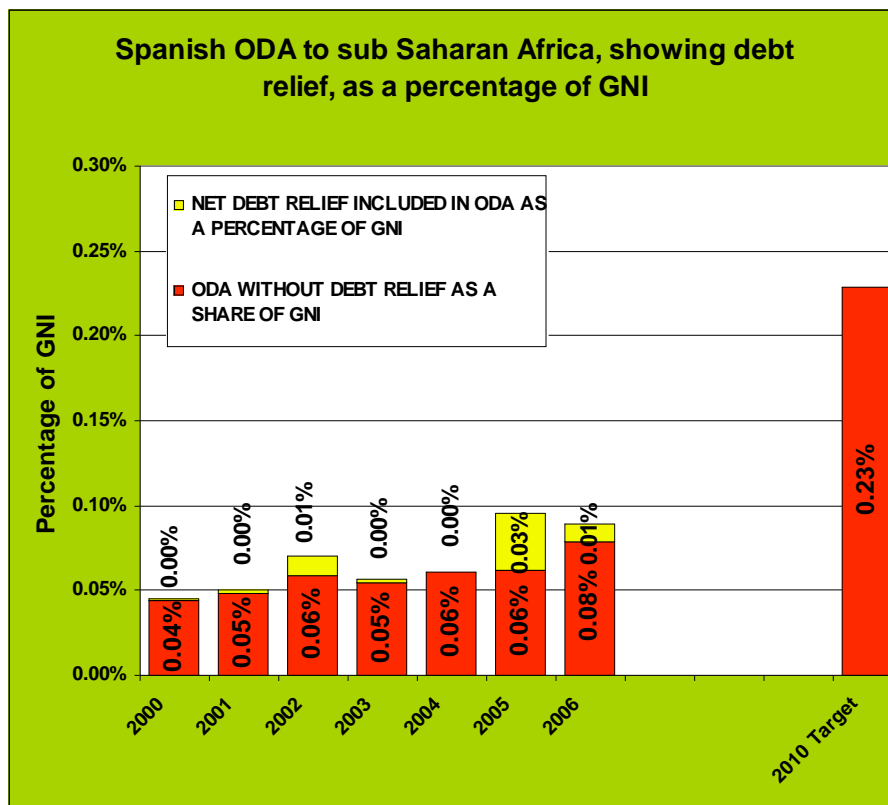
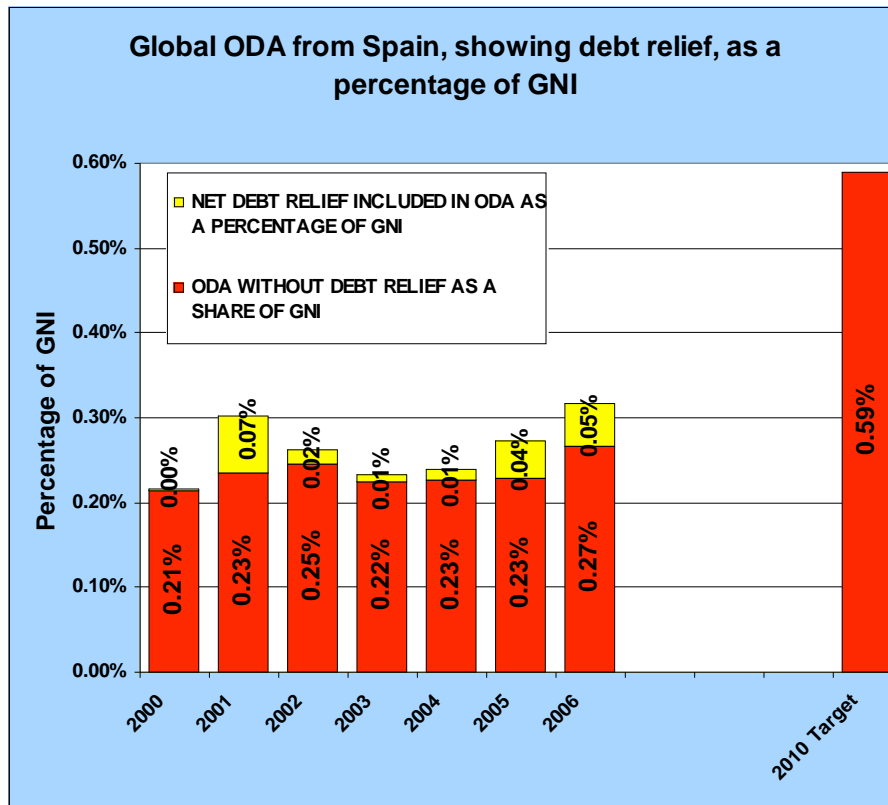
## THE NETHERLANDS



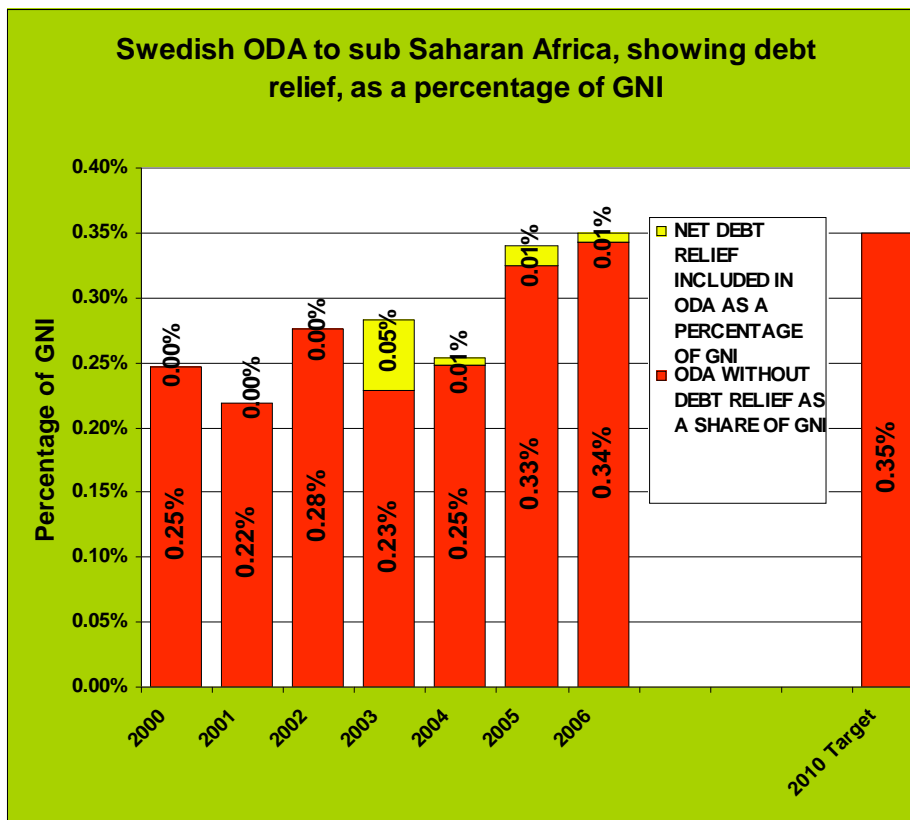
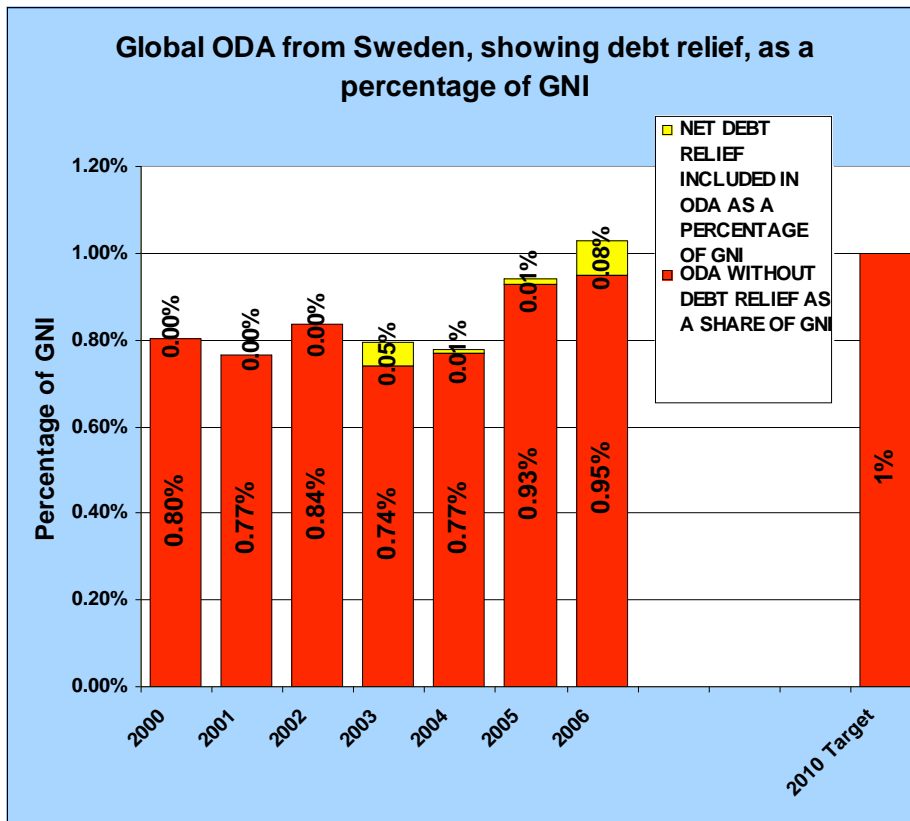
## PORTUGAL



## SPAIN



# SWEDEN



## UNITED KINGDOM

