

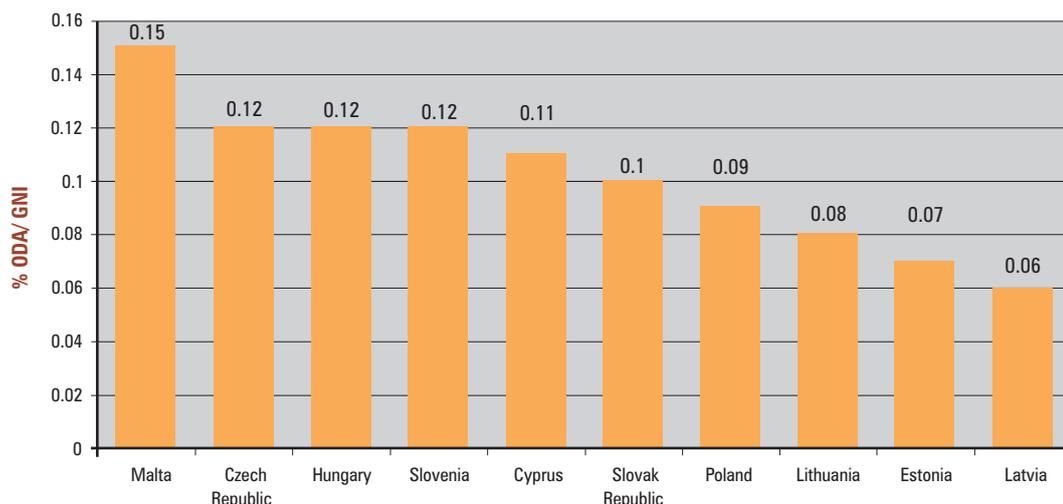
Ten European countries joined the EU in 2004. Of these, several are relative newcomers to providing development assistance. Yet some are fast approaching levels of generosity comparable to the weaker performers of the more traditional EU donors. Malta, despite having decreased its aid since 2005, still gives the highest percentage of GNI as aid among the EU 10, at 0.15%, coming in

just behind Greece. The Czech Republic, Hungary and Slovenia all reported 0.12% in 2006.

While most of these countries show rising aid levels – Cyprus jumped dramatically to 0.11% of GNI in 2006 from 0.03% in 2005 – some are showing worrying signs of not progressing towards their 2010 target. The Slovak Republic's aid fell by more than 9% and Latvia's by 1% this year.

Figure 2: The official picture for the EU's new member states

The official picture 2006: ODA as % of GNI for EU 10 member states



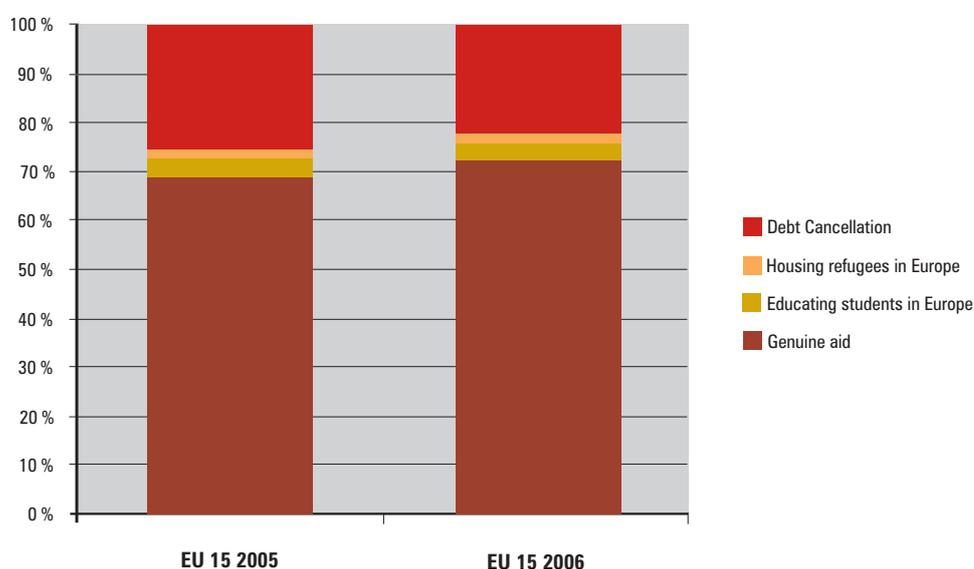
Source: European Commission 2007b¹³

Beneath the gloss: European governments missing the mark

The flattering official figures do not tell the whole story. European governments are in danger of failing to live up to their commitments to the world's poor unless concrete plans are put in place to increase aid

volumes. Beneath the gloss of the official figures, a more detailed examination shows that EU governments cannot afford to relax. According to our calculations, nearly 30% of officially reported European

Figure 3: Continued inflation of total ODA by nearly one third in 2006



Source: Eurodad calculations based on OECD CRS, www.oecd.org/dac/stats/idsonline, (See endnote 1)

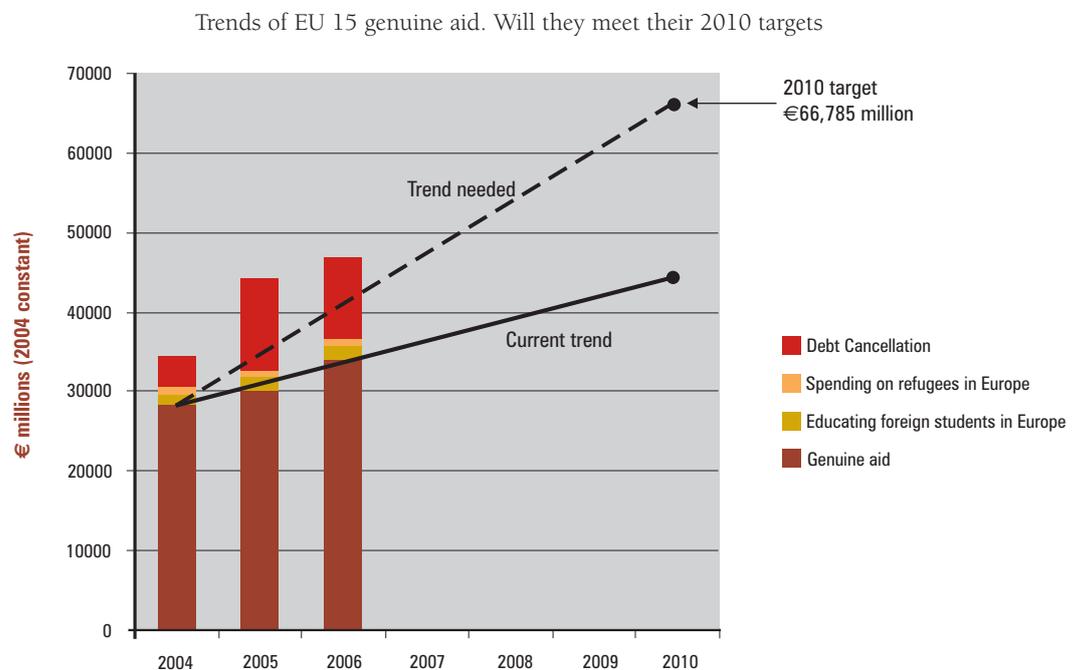
ODA in 2006 in fact was not genuine aid. European governments included €13.5 billion of spending on debt relief, educating foreign students and refugees in Europe in their official statistics. For the second year in a row, European NGOs reveal that, despite their commitments, EU member states have seriously inflated their aid figures.

The lion's share of this inflation in 2006 was exceptional debt relief for Iraq and Nigeria. This gives the impression that aid is both higher and rising more quickly than is the case in reality, and masks slow progress on genuine aid. In 2007 aid figures will be partly inflated again by Iraq and Nigeria debt relief. Unless European governments start planning today to increase their aid budgets, the hill to climb to meet the 2010 promise will be impossibly steep. Some key officials agree that better plans for genuine aid

increases need to be put in place. Richard Manning, current chair of the Development Assistance Committee of the OECD has said "it is clear that leaving delivery to sudden and colossal increases in the last year or two would not be a sensible policy. (...) It seems highly unlikely that debt write-off to Africa will continue at the levels of the recent past. Other forms of aid will therefore need to rise very fast to compensate for this if the target is to be reached".¹⁴

Aid from European governments has been gradually increasing since 2004. But if they are to meet their 2010 commitments by providing genuine aid, they need to at least double their aid budgets in real terms. However, as illustrated in figure 4, if current trends continue, we estimate that poor countries will have received €50 billion less by 2010 than what they have been promised.¹⁵

Figure 4: Will European governments keep their promises ?



Source: Eurodad calculations based on OECD official statistics (see Endnote 1)
 Note: all figures including 2010 target figure in 2004 prices for comparability

Figure 5 (below) shows how EU countries are really doing at providing genuine aid for poor countries. When non-aid items are excluded, collectively they provided 0.31% of GNI as aid in 2006, missing their collective target of 0.39%, and many even their individual minimum target of 0.33%.

At the top of the table Sweden, Luxembourg, Denmark and the Netherlands all reach the 0.7% target even once inflated aid has been deducted. This continued leadership is welcome; nonetheless even these countries cannot afford to sit back. Denmark's genuine aid resources have decreased slightly since 2005, and Denmark and the Netherlands both missed their own 0.8% commitments when inflated aid is excluded.

Four further countries (Ireland, Finland, UK and Belgium) have met the European target of 0.33% in

2006 when inflated aid is excluded. This is welcome but these countries should also ensure they continue to increase genuine aid towards the 0.7% target.

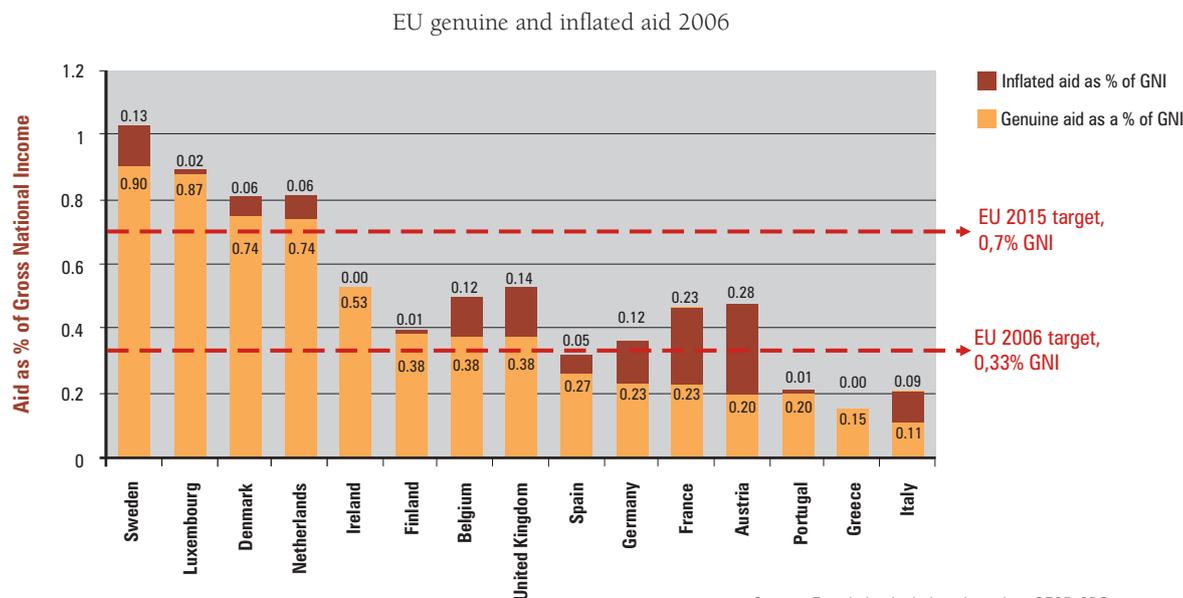
Seven of the EU 15 countries did not reach the minimum 0.33% of GNI with genuine aid resources. Included in this group is Germany, current holder of the EU presidency and host to this year's G8 summit. Germany only provided 0.23% of GNI with genuine aid resources. France (0.22%), Austria (0.20%) and Italy (0.11%) perform even worse. More than half of France's and Austria's aid is inflated, and nearly half of Italy's. France is the worst culprit in terms of inflating its aid with student and refugee costs.

There are nonetheless some encouraging examples of rapidly rising aid levels. Ireland increased its aid

by one third in 2006 and inflated its total by only 1%. Although Spain did not reach the target, it has made progress, having increased its genuine aid by 29%. Spain decided in 2005 to keep the costs of educating foreign students separate from its aid budget. This is an example others should follow. The UK, despite inflating 28% of its aid, increased genuine aid resources by more than one fifth.

Due to lack of access to official data from new member states we are unfortunately unable to assess how much they have inflated their aid. Cyprus, the Czech Republic, Hungary, Poland and the Slovak Republic all cancelled significant debts to Iraq, some of which may have been included in their aid figures for 2006. Individual country pages provide some more analysis where possible.

Figure 5: EU genuine and inflated aid in 2006



Source: Eurodad calculations based on OECD CRS, www.oecd.org/dac/stats/idsonline, (See endnote 1)

Debt cancellation: important for development, but not aid

European governments announced their headline aid figures of €47 billion for 2006 in early April 2007. But a massive amount – nearly €11 billion – of EU reported ODA was in fact debt cancellation. €8 billion of this was spent on cancelling the debts of Iraq and Nigeria alone. Norway, a non-EU country, is the only donor not to report debt cancellation as part of its aid figures.

Debt relief is essential, and European development NGOs welcome the cancellation of debts to poor countries. However, we are firmly opposed to the counting of debt cancellation towards donors' progress in meeting their aid targets.

Counting debt relief towards the 0.7% target effectively means that the value of the debt is being offset by a reduction in the aid that would otherwise be delivered in order to meet the target. Both increasing aid volumes and substantial debt cancellation are required to meet the MDGs. In the 2002 Monterrey Consensus donors recognised the importance of "ensuring that resources provided for debt relief do not detract from the aid resources intended to be available for developing countries".¹⁶ Indeed the European Commission warned this year that "some member states may also be on the verge of breaching the promise they made at the Monterrey Conference on Financing for

Development in 2002, reiterated by the Council in April 2006".¹⁷

Debt relief is an issue of justice. Donors share responsibility for flawed lending/borrowing decisions that created many of today's debts. The poor should not pay, through lower aid levels, for the cancellation of debts that cannot anyway be legitimately claimed from them. European NGOs will continue to push for more debt cancellation for poor countries but this money should not be counted toward donors' headline aid claims. Impoverished people need aid and debt cancellation.

Including debt cancellation in ODA figures distorts the figures and is misleading to the public. European governments include the entire nominal value of the debt in their ODA figures despite the fact that, in most cases, the debt cancellation is worth only a fraction of this in real terms. Governments also often announce debt cancellation and aid volumes separately, giving the false impression that they are separate amounts of money, even though they include debt cancellation in their aid figures.

Debts to Iraq and Nigeria made up three-quarters of all debt cancellation counted as ODA in 2006. The majority of these debts were export credit

debts. Counting the cancellation of export credit debts as ODA is particularly unjust: export credit agencies (ECA) in rich countries aim to support domestic companies in doing business abroad, particularly in lucrative but risky developing country markets, by providing government-backed loans to cover economic and political risks. The investor pays an insurance premium to the ECA, which should cover all costs in case of default by the developing country counterpart. But in fact the ECA often compensates the company but then tries to recover payment from the developing country, effectively trans-

ferring the risk of domestic private companies to the developing country governments. When European governments cancel this kind of debt, they count it as official ODA – despite the fact that the project may not have any development purpose in the first place.

Poor countries should not be penalised with reduced levels of aid as a result of debt relief measures. European governments should report debt cancellations separately from ODA, and they should only report the real value of the cancelled debt to the poor country involved.

Table 2: Distorting official aid figures: Iraq and Nigeria debt cancellations in 2006 (millions)

	Iraq debt cancellation in 2006 ODA figures (€ millions)	Nigeria debt cancellation in 2006 ODA figures (€ millions)	% of ODA spent on Iraq and Nigeria debt cancellation in 2006
Italy	€ 374	€ 607	34%
France	€ 625	€ 1,621	27%
United Kingdom		€ 2,418	24%
Germany	€ 300	€ 1,399	21%
Austria	€ 185		15%
Belgium		€ 156	10%
Spain	€ 147	€ 107	8%
Sweden	€ 218		7%
Denmark	€ 6	€ 68	4%
Netherlands		€ 6	0%
TOTALS	€ 1,855	€ 6,381	18%

Source: OECD DAC Reference statistical tables, "Net ODA in 2006" April 3, 2007

Creative accounting: the case of Nigeria's debt write-off

In October 2005, Nigeria secured a €13.3 billion cancellation of its €23 billion external debt. Much of this was owed to European creditor countries and in particular the United Kingdom, France, Italy and Germany.

In order to secure this massive write-off, Nigeria agreed to pay back some of the money it owed to creditors in two lump sums: it paid €4.7 billion in 2005 and a further €4.4 billion in 2006. In sum, this means Nigeria paid creditors €9.1 billion in exchange for €13.3 billion debt cancellation.

What happened next? Creditor countries first collected their €9.1 billion windfall payment from Nigeria. They then reported €11 billion of the cancellation as ODA. Finally, creditors began to squabble over whether to count a further €2.3 billion as ODA because they had given Nigeria a discount when it had bought back some of its debt, i.e. it hadn't paid the full face-value of the debt. In the end, €1.9 billion of this discount was counted as aid. Some European countries argued that this "buy-back" was purely a commercial transaction and should not be counted as ODA. In the absence of consensus within the OECD, anarchy ruled as to how to deal with this disagreement. The Netherlands and Denmark were the only countries not to count this portion.

This is a clear example of creative accounting and of money reported as ODA not reaching poor countries and instead staying in rich country finance ministries. Creditors have received an unexpected €9.1 billion in their budgets thanks to Nigeria. At the same time, they have reported €12.9 billion as aid payments. This is a double-win for creditor countries.

The case is made even worse by the fact that much of this debt is illegitimate and had already been repaid by Nigeria. Most of the debt was export credit debt, incurred to fund unviable projects in Nigeria that promoted rich country business interests. It is also astonishing to note that original loans from creditors amounted to only €12.7 billion. Since 1985, Nigeria has paid creditors €8.6 billion in debt service. In 2001 however, the country still owed the Paris Club a total of €23 billion due to compound interest, accumulation of arrears and penalties on late payments.

Refugee costs: a human rights obligation, but not aid

Spending on refugees in donor countries should not be counted as ODA.¹⁸ Supporting refugees is vital - it forms part of our international responsibilities and European human rights obligations, but it is not development assistance. Some countries – such as Belgium and Sweden – even include the cost of so-called “voluntary repatriation” of refugees to their home country as ODA. These are not expenditures that citizens expect to see described as development assistance as they provide no resources to developing countries. Nor are they linked to development objectives of improving the welfare of poor people in those countries.

Assuming that European governments continued to spend similar levels of ODA on refugees as they have done in the last five years, we estimate that €909 million of ODA was spent on refugees in 2006. Refugee spending claimed as ODA by EU DAC members has nearly doubled in real terms since 1996.¹⁹

Some European governments and officials clearly agree that refugee spending is not aid. The UK does not report refugee spending on this basis. Fritz Meijndert, the previous chair of the working party on statistics in the OECD, which sets the rules for reporting ODA, said counting refugee costs was of “questionable value as ODA” and proposed that the OECD should “simply abolish it”.²⁰

Student costs: university subsidies, not aid

Some European countries also inflate their aid figures by including spending on educating foreign students in their country. This functions as a direct transfer from the ministry of finance to the ministry of education in the donor country. Assuming the trends from the last five years have continued, we calculate that European governments will have spent more than €1.66 billion of ODA on educating foreign students in their own countries. This amount has nearly doubled since 2000 and has quadrupled since 1996.²¹

European countries benefit from having international students in their universities as much as developing countries benefit if and when such students return to their home country. Many of course do not return – in which case developing effectively are paying for their own brain drain. This cost is a subsidy by developing countries to European universities, using money they should have spent on poverty reduction. Furthermore, EU governments are not transparent in how they calculate these costs and there is no evidence of links to development objectives. OECD rules should be changed to prohibit this practice.

Table 3: Which EU 15 countries inflate their aid?

	Non-inflators	Inflators
Debt cancellation	(Norway)	Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Netherlands, Spain, Sweden, UK
Refugee costs	United Kingdom	All the rest
Educating foreign students	Belgium, Denmark, Finland, Greece, Italy, Luxembourg, Netherlands, Spain, Sweden, UK	Austria, Germany, France, Ireland, Portugal

Quality of aid

Is aid focused on helping the world's poor?

Aid money should be used to reduce poverty and inequality, but too much is still directed to support donors' political allies and to advance donors' own domestic interests. The World Bank's 2006 Global Monitoring Report argues that “aid should be targeted to countries with poorer populations and governments committed to poverty reduction” but says that “other factors still determine a large share of aid disbursements. For example, over 60 percent of the increase in ODA between 2001 and 2004 was directed to three countries — Afghanistan, the Democratic Republic of the Congo, and Iraq, although these three countries collectively account

for less than 3 percent of the poor people in developing countries”.²²

The vast majority of European donors cite poverty reduction as their overall objective. France also considers “cultural diversity” to be a main objective. The newer European member states have a stronger focus on promoting democracy.²³ However it would seem that there are many other motives that determine where donors allocate their aid, not all of them based on poverty reduction. In recent years many European governments and the European Commission itself have been increasingly

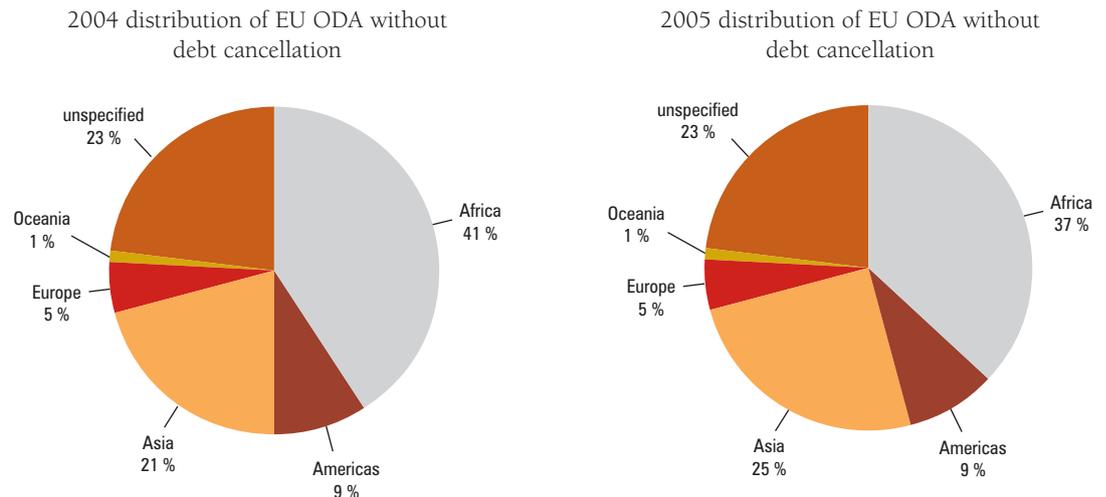
inclined to allocate resources based on European concerns on security and migration issues.

Sub-Saharan Africa is the poorest region in the world, with 70% of people living on less than \$2 per day.²⁴ If aid were focused on poverty reduction, we would expect an increasing volume of it to go to Sub-Saharan Africa. In 2005 European governments committed to giving 50% of all aid increases to Africa. At first glance it looks like they had already made steps to do so in 2005. From 2004 to

2005 total official EU ODA figures for Africa rose by €3.2 billion. But this is deceptive. In reality, aid volumes to Africa without debt relief have remained static since 2004.

Furthermore, as figure 6 demonstrates, the share of European aid going to Africa is dropping. In 2004 aid to Africa without debt cancellation amounted to 41% of the global EU aid spend. In 2005, it amounted to only 37%.

Figure 6: Decreasing share of aid to Africa



Source: OECD Development Database on Aid Activities: CRS online, www.oecd.org/dac/stats/idsonline

Another indicator of poverty focus is how donors allocate their aid between different sectors. At the 1995 Copenhagen World Summit for Social Development donors set a target of spending 20% of aid on basic health, education and water and sanitation for poor countries. Most European countries, as well as the European Commission, spend a much smaller percentage than this. According to DAC statistics, Austria and Portugal spend less than 4% of their bilateral aid on basic social services.

Since September 2001 there have furthermore been moves by a number of countries to use aid money to directly or indirectly contribute to the so-called

“war on terror”. Some donor countries have been lobbying the DAC to broaden the list of security-related items that can be counted as ODA. Aid should always benefit the poorest people, and support for global security and the “war on terror” should not tap the already limited resources allocated to development.

All EU donors should enact legislation to ensure that their aid is focused on fighting poverty and inequality and guarantee that aid budgets not be used for other purposes. Governments should report to parliaments and citizens on how their aid contributes to meeting the needs of poor people.

Tying aid to donor goods and services²⁵

Tied aid continues to be a serious problem affecting the quality of EU aid. Most European governments still tie their aid. This means they give money only if the recipient country uses it to buy goods and services from the donor country. This practice results in an increase in the cost of purchasing goods and services, meaning that poor countries can afford to buy significantly less. It also tends to skew the priorities of developing countries towards the interests and priorities of the donor. It acts as an expensive subsidy to donor country industries and jobs, and can potentially damage poor country markets. Untying aid would increase the value of

aid by up to 30%²⁶ and have little impact on donor country economies.

A majority of donors still tie their aid, despite recommendations by the OECD to discontinue this practice. The UK and Ireland are the only EU countries to have entirely untied their aid. On average, seven of the EU 15 countries tied more than one fifth of their aid to least developing countries between 2000 and 2004, despite the fact that they agreed in 2001 that they would stop this practice. In this period Greece tied one half of the aid it gave to the world's poorest countries; Austria tied more

than one third and Germany and Spain each tied one third of their aid to some of the world's poorest countries.

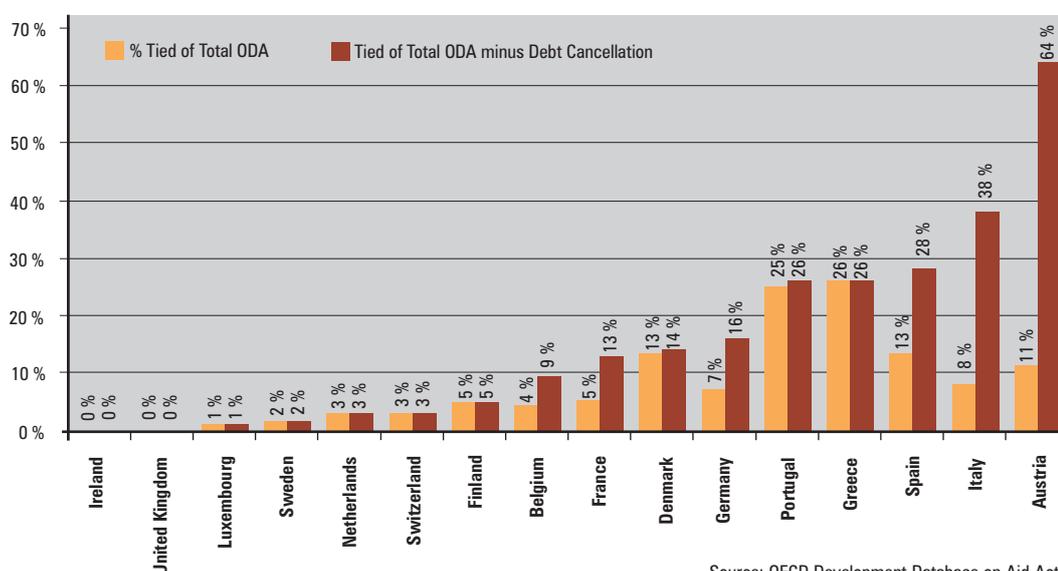
Even these figures are hugely flattering at present and fail to tell the whole story. They do not take into account technical assistance or food aid (both often tied), which means they almost certainly underestimate the level of tied aid. Tied food aid is often linked to trade dumping of surplus food from donor countries. This can prevent the emergence of markets and harm producers in poor countries. Existing OECD agreements cover untying aid only

to the world's least developed countries. They do not cover technical assistance and food aid, although the OECD/DAC is taking steps at least to study what proportion of these items is tied.

Debt cancellation, as we have seen, makes up a significant amount of total ODA. Debt cancellation is by its nature untied. By including debt in ODA figures, the statistics underestimate the proportion of aid that is tied. If we exclude debt figures from total bilateral aid commitments in 2005, we see in figure 7 that the percentage of tied aid for countries such as Austria, Italy, Spain and Germany rises dramatically.

Figure 7: European governments continue to tie aid to own goods and services

Tied aid as a % of EU bilateral commitments 2005



Source: OECD Development Database on Aid Activities: CRS online, www.oecd.org/dac/stats/idsonline

Untying aid is an urgent priority, but this is not the whole story: even in cases where aid is untied, markets are not always open. In the UK, where all aid (including technical assistance) has been untied since 2001, at least three quarters of contracts pro-

cured centrally by the Department for International Development (mostly technical assistance) continue to go to UK firms, demonstrating that even when governments reform their policy, it can have limited impact on procurement in practice.

Making aid more effective

European governments have recognised that they need to do more to make their aid more effective and have made a number of commitments in this regard. The 2005 Paris Declaration on Aid Effectiveness, signed by both donors and recipients, includes 56 commitments and 12 targets based around five principles:

- ◆ Ownership – recipient countries set their own development strategies and manage their own resources.
- ◆ Alignment – donors base their aid on countries' own strategies and institutions.
- ◆ Harmonisation – donors work together to improve their collective effectiveness.
- ◆ Managing for Results – aid is managed in ways that focus on development results.
- ◆ Mutual Accountability – donors and recipients are accountable to each other, and to citizens, for results.

EU governments promised in May 2005 to go further than the Paris Declaration in a number of areas.²⁷ They agreed to make sure all European capacity building programmes be coordinated; that they use recipient countries' own administrative systems to deliver at least half their aid, and reduce the number of donor missions by at least half. The European Commission has also developed guidelines to ensure European donors come to a more effective division of labour at the country level.

NGOs have identified a number of priority issues where more progress is urgently needed:

Technical assistance accounted for €6.7 billion of aid in 2006. This service is often ineffective in building capacity. ActionAid International estimates €5 billion of this money is not effective.²⁸ If technical assistance is to be effective, it must be driven by demand, not supply. Much technical assistance does more to benefit European nationals and consultancy firms than to combat poverty. A study by ActionAid International reported that the total cost of 740 international advisors in Cambodia exceeded the wage bill for that country's 160,000 civil servants.²⁹ The OECD even estimates that in Cambodia, Zambia and Tonga, spending on technical assistance far exceeds that on education.³⁰ Monitoring of the Paris Declaration has revealed that in some countries the government does not judge that any technical assistance provided by donors supports their national development plans. Donors must move urgently to agree best practice standards and set more ambitious targets to make sure that technical assistance delivers real capacity improvements.

Predictability of aid remains a major problem. Current targets focus only on predictability within financial years, and data suggests that some poor countries face shortfalls of hundreds of millions of euros even on this measure, causing significant problems for budgets. Donors must also provide more aid in the form of multi-year commitments, allowing poor countries to plan ahead, especially for recurrent costs such as salaries. The European Commission is one donor that is making plans in this direction.

Conditionality: In exchange for aid money, donor governments and multilateral agencies often impose policy conditions on poor countries. This limits the ability of poor countries to set their own policies and priorities, and undermines accountability. Current donor commitments on aid effectiveness do not address this issue, although some individual European governments such as the UK have done so.

The commitments made in the Paris Declaration and by the EU are significant, and will, if implemented, go some way towards making aid more effective. However, rapid action is needed to deliver real change on the ground, and new agreements focusing on donor behaviour will be needed in a number of key areas, as outlined above. The first priority must be to reform the aid system to allow real democratic leadership from poor countries, overseen by their citizens and parliaments. The reform process itself also needs to be made more open and accountable. Existing agreements on aid effectiveness have been made in donor-dominated processes, with limited participation from poor countries, and little accountability to citizens. In 2008 there will be two major opportunities to make progress on this agenda: the Accra High Level Forum on Aid Effectiveness and the Financing for Development Conference in Qatar.

Transparency

European governments should be accountable to their own citizens and also to citizens of developing countries for how they allocate and spend their aid money. Transparency is critical for accountability. Yet data is often very difficult to obtain, although the DAC has improved the clarity and disaggregation of ODA figures provided by its members in the last two years.

There is a huge time lag between spending and reporting of the figures. Many OECD member

countries are slow to report on their statistics to the DAC, and final statistics for each country are only made public after a lag of two years, making it difficult for citizens to evaluate their government's performance. Access to information for EU countries that are not members of the OECD/DAC is even more difficult. This report has already demonstrated some of the problems associated with lack of transparency – European governments must do more to improve the availability, timeliness and quality of their aid data.

Conclusion and demands

This year the European Union turns fifty. As European governments play an increasingly important global role in providing development assistance, their reputation and credibility is at stake. They have a moral obligation to keep their promises to increase resources for poor countries, and to make sure that money is targeted and effective for helping the world's poor.

European NGOs are very concerned that their governments continue to make misleading claims to the public about their aid figures. Governments are relying on non-aid items to mask a worrying lack of progress on aid. The apparent steady progress towards their targets in 2010 and 2015 is a serious misrepresentation. In 2006 the "Nigeria and Iraq effect" has been dramatic. It will feature again in 2007 but after that its impact will drop off sharply. At current rates of progress on genuine aid the hill for European governments to climb to meet their targets looks increasingly and almost impossibly steep. Yet we have a moral imperative to ensure that as Europeans we do not yet again miss the 0.7% target that was originally set 37 years ago.

If the current trend of genuine aid resources continues, European governments will break their promises in 2010.

This report calls on European governments to:

1. Provide genuine increases in European aid.
Seven out of 15 European governments missed their 2006 target when non-aid items are excluded. EU governments must increase genuine aid budgets to meet their minimum targets by 2010 and their 0.7% target by 2015, at the latest. Aid figures must not be inflated with debt cancellation or spending on foreign students and refugees in Europe.
2. Agree clear and binding year-on-year timetables to reach, at a minimum, the 2010 and 2015 targets with genuine aid resources.
All European governments including new member states must draw up clear timetables for reaching their 2010 and 2015 targets. This is crucial to ensure that they do not have an impossibly steep hill to climb to keep their promises at the end, and also to enable poor countries to plan for aid increases. Poor countries need steady and predictable aid increases to facilitate their planning and investment.
3. Stop including refugee costs, student costs and debt relief in official aid reporting.
EU governments should stop counting non-aid items in their reported ODA. Rich country governments present in the Development Assistance Committee of the OECD, which is responsible for official aid statistics, should change the rules to ensure that debt cancellation, imputed student costs and refugee costs cannot be counted as ODA. The DAC must also reject efforts by some members to broaden the rules further to include additional security-related expenditures.
4. Improve transparency in aid reporting.
European governments should be accountable to their own citizens and also to citizens and governments of developing countries regarding how they allocate and spend their aid money. All European governments must provide a complete breakdown of their official aid each year and publish their data much more rapidly.
5. End all tied aid.
Untying aid would increase the value of aid to poor countries by up to 30%. European governments should untie all aid – including technical assistance and food aid. Austria, Italy, Spain, Greece and Portugal in particular need to take immediate steps to end this practice.
6. Ensure aid is focused on fighting poverty and inequality.
Despite stating poverty reduction as a primary objective, European governments continue to be influenced by geopolitical, security and domestic industry interests in the allocation and use of their aid. All European governments should enact legislation to ensure that their aid is focused on helping the world's poor and guarantee that aid budgets are not directed for other purposes. European governments must meet their commitment to increase aid to Africa.
7. Take further steps to make aid more effective.
European governments need to accelerate the actions they are taking to make their aid more predictable and accountable, and more effective for poor countries. Donors should improve their technical assistance, stop linking economic policy conditions to their aid, and reform the aid system to allow real democratic leadership from poor countries overseen by their citizens and parliaments.

Part 2: European NGOs assessment and demands of national aid programmes

European development NGOs across the European Union have united to analyse the extent to which their governments are living up to their aid commitments and improving the quality of their aid. Each of the following 27 country pages has been produced by a group of national NGOs. Brussels-based NGOs have written the European Commission page.

In the case of the EU 15, a detailed breakdown of official, genuine and inflated aid for 2006 is accompanied by NGOs analysis of the progress and challenges faced by their country in improving its aid. National NGOs also assess whether their government is on track to meet its aid commitments with genuine aid money.

There is much less information available for the member states that joined the EU in 2004. In most cases this means we have been unable to provide data on the extent of aid inflation for these countries. Nonetheless NGOs in new member states provide very interesting analyses of their countries' aid programmes and have carried out extensive investigation of their own to supplement the limited statistical information that is publicly available. Romanian and Bulgarian NGOs also provide a short analysis of their countries' aid programmes even though these countries only joined the EU on the 1st January 2007 and did not have EU aid commitments to live up to in 2006.

EU 15: Snapshot of genuine and inflated aid

	Country	Inflated aid 2006 (€ millions)	Genuine aid 2006 (€ millions)	% of aid that is inflated	Genuine aid as % of GNI
1	Sweden	389	2772	12%	0.90
2	Luxembourg	5	227	2%	0.87
3	Denmark	123	1657	7%	0.74
4	Netherlands	342	4001	8%	0.74
5	Ireland	6	789	1%	0.53
6	Finland	16	642	2%	0.38
7	United Kingdom	2769	7275	28%	0.38
8	Belgium	371	1197	24%	0.38
9	Spain	440	2589	15%	0.27
10	Germany	2866	5381	35%	0.23
11	France	4177	4147	50%	0.23
12	Austria	706	499	59%	0.20
13	Portugal	16	295	5%	0.20
14	Greece	7	299	2%	0.15
15	Italy	1278	1647	44%	0.11

Source: Eurodad calculations based on OECD CRS, www.oecd.org/dac/stats/idsonline, (See endnote 1)

EU 10: Snapshot of official ODA

Position	Country	Official ODA (€ millions)	Official ODA/ GNI
1	Malta	7	0.15
2	Hungary	96	0.12
3	Czech Republic	124	0.12
4	Slovenia	35	0.12
5	Cyprus	16	0.11
6	Slovak Republic	44	0.1
7	Poland	239	0.09
8	Lithuania	15	0.08
9	Estonia	8	0.07
10	Latvia	9	0.06

Source: European Commission, (2007b)

**"The Federal Government recognises the resolutions of the EU Council according to which a share of 0.51% of the gross national product is to be used for development cooperation purposes by 2010."
Programme of the Austrian Federal Government (2007-2010), January 2007.**



**Did Austria hit the EU target of 0.33% in 2006 without inflating its aid? NO
Will Austria meet the EU target of 0.51% of GNI in 2010 without inflating its aid? NGO prediction: NO**

The main problems of Austrian aid are inflation through debt cancellation; poor poverty focus of overall ODA and unpredictability of ODA.

In 2006 Austria reported €1,205 million as ODA, or 0.48% of GNI. Austria's overall ODA figures have fallen by 6% in real terms since 2005.

Austria is the worst culprit in the EU overall for inflating its aid. In 2006, 59% of Austrian aid is in fact inflated. Latest OECD figures show Austria spent nearly half of its ODA (€600 million) on debt cancellation, primarily to Cameroon, Iraq and Serbia. According to our calculations, a further €51 million was spent on educating foreign students in the donor country and €55 million on housing refugees.

Without this inflation, Austria in fact only spent 0.20% of GNI on aid. Austria clearly has a long way to go to catch up with other European countries. There are some signs that that it is trying to do so. As the graph below shows, genuine aid resources have been creeping up steadily since 2004.

In terms of aid quality, the Austrian Ministry of European and International Affairs has agreed to follow the DAC development cooperation principles. But the way the aid is spent means that most ODA does not reflect the DAC quality objectives at

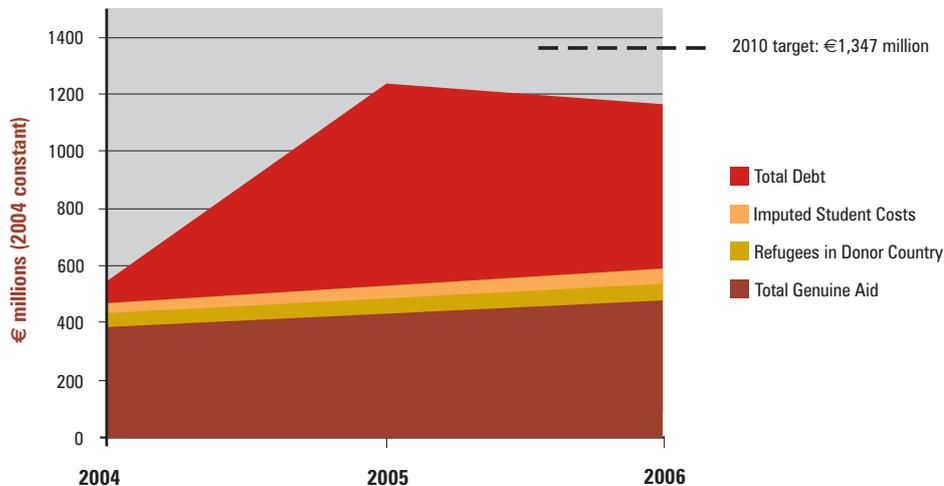
all. The bilateral core budget, which is implemented by the Austrian Development Agency, amounts to only €91 million (8% of total Austrian ODA). Most of the remaining budget which is reported as ODA is spent by the Ministry of Finance, the Ministry of Science and Education and the Ministry of Interior where there is lack of coherence and little or no commitment to the DAC principles.

Without a significant increase of real ODA components the geographical and sector allocation of ODA will be influenced much more by the decisions of the Paris Club and the foreign students and asylum seekers who come to Austria, rather than by Austrian development policy. Due to the high amount of inflated aid Austria's ODA contributions in the future are not predictable at all.

Austrian NGOs call on the Austrian government to:

- ♦ agree a binding budgetary ODA timetable to put in practice the quantitative and qualitative commitments;
- ♦ increase real ODA significantly while ensuring that all Austrian ODA components respect and reflect internationally agreed and adopted development cooperation objectives.

Austria's genuine and inflated aid



Note: all figures including 2010 target figure in 2004 prices for comparability (see endnote 1)

Organisations consulted: Arbeitsgemeinschaft Entwicklungszusammenarbeit (AGEZ), Evangelischer Arbeitskreis für Entwicklungszusammenarbeit (EAEZ), Koordinierungsstelle der Österreichischen Bischofskonferenz für internationale Entwicklung und Mission (KOO), Austrian EU-Platform of Non-Governmental Development Organisations.



BELGIUM

"Even in a difficult budgetary context, Belgium holds on to its promise to reach 0.7% by 2010. Our efforts to reach it are constant and ongoing." Prime Minister Guy Verhofstadt, at Belgian Technical Cooperation, February 2007.

Did Belgium hit the EU target of 0.33% in 2006 without inflating its aid? YES
Will Belgium meet its target of 0.7% of GNI by 2010 without inflating its aid? NGO prediction: UNLIKELY

Belgium has committed to reaching the 0.7% target by 2010. It is very unlikely that it will actually succeed, even with aid inflation. In 2006 Belgian ODA decreased, registering only 0.5% of GNI, according to latest OECD statistics. If we subtract debt cancellation, ODA has barely increased over the last four years.

According to our calculations, €371 million or one quarter of Belgian aid was inflated. €326 million of this was debt cancellation. According to estimates by the Belgian government, €45 million consisted of spending on refugees in Belgium.

Since 2004, Belgian ODA figures have also been systematically inflated by debt relief. After 2008, however, the debt operations in the framework of HIPC will decrease enormously. The debt relief operation for DR Congo (€270 million), probably due in 2008, will provide a final aid spike. After that, Belgium still has a total of €500 million of outstanding debts in Sudan, Ivory Coast and Togo. It is, however, unlikely that the countries concerned will meet the World Bank criteria for debt cancellation operations. The new government will therefore have to find new resources urgently in order to close the gap created after these debt reductions.

Since 2004, Belgium has consistently included its contribution to the MONUC peace-keeping operation in Congo in its aid budget. This is not compatible with DAC criteria, and therefore not reflected

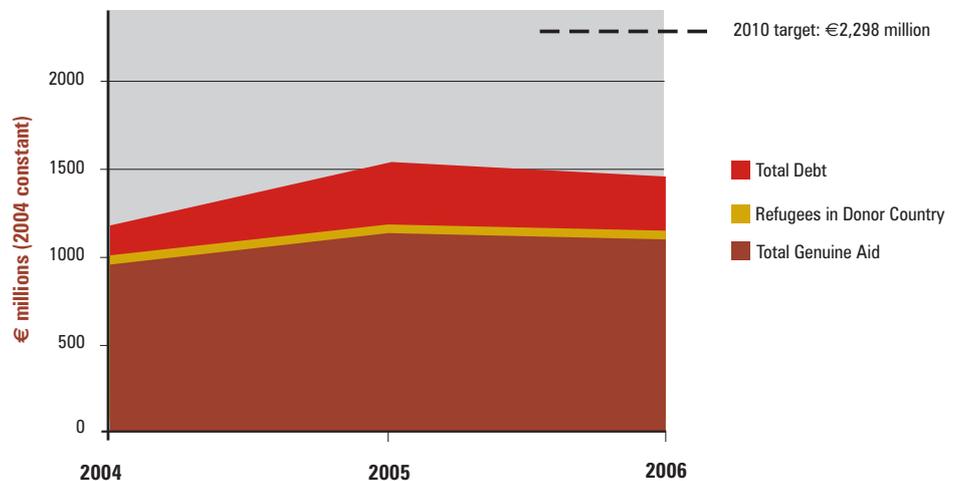
in the ODA statistics. Development Cooperation Minister Armand De Decker repeatedly stresses the importance of peace for development however, and shows he is in favour of including more military spending as part of aid.

Belgian aid lacks predictability. It takes 14 steps to go from the formulation of a project or programme to its actual implementation. Procedures are difficult and lengthy and result in a considerable time lag between formulation and implementation. This process makes alignment with the partner country's budget cycle extremely difficult. A new management contract between the Belgian state and the executing agency BTC sealed in July 2006 should enable the Belgian development co-operation ministry to improve this situation. However, the next government will have to show clear political will in order to increase aid predictability.

Belgian NGOs call on the Belgian government to:

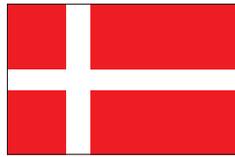
- ◆ confirm its commitment to respect the legal obligation to reach 0.7% by 2010 and to establish an explicit programming of the resources needed for this purpose;
- ◆ end inclusion of debt cancellation and refugee-related expenditure in ODA statistics;
- ◆ reform the current project cycle to enable actual alignment with development country budgeting processes and priorities;
- ◆ oppose any proposals within OECD/DAC to include military spending in the ODA definition.

Belgium's genuine and inflated aid



Note: all figures including 2010 target figure in 2004 prices for comparability (see endnote 1)

**“...Danish development policies will focus on Africa in the coming years ... We have guaranteed that Danish development aid will be minimum 0.8% of GNI.”
Anders Fogh Rasmussen, Prime Minister. October 3, 2006.**



Did Denmark hit the EU target of 0.33% in 2006 without inflating its aid? YES
Will Denmark meet its target of 0.8% of GNI by 2010 without inflating its aid? NGO prediction: NO

Although Denmark is among the aid-giving champions in Europe, it is also slowly falling behind. In the period of 2001 to 2006 Danish development assistance declined as a proportion of GNI, to 0.8% from 1.03%. Denmark has set its own national commitment not to go below this 0.8% contribution.

The latest OECD statistics show Denmark registered a total of €1.78 billion in ODA in 2006. But according to our calculations, Denmark inflated its aid by €123 million, spending €90 million on debt cancellation, primarily export-credit debt to Nigeria, and €33 million on refugees in Denmark. Without this inflation, Denmark in fact only gave 0.74% of its GNI in genuine aid resources.

Unless Denmark changes its practice of counting debt cancellation as ODA, Denmark's ODA will be inflated again in 2007, with Nigeria debt cancellation alone likely to increase to approximately €75 million. In the coming years debt relief to Sudan and Angola is expected to draw huge additional amounts from the Danish development budget.

But some positive events have also taken place lately. Six Danish youth parties have developed a new consensus on Danish development assistance. Most striking is their consensus on bringing Danish ODA back to 1% of GNI and financing debt relief outside the ODA budget. The six youth parties include the youth wings of the two government parties, the Liberals and the Conservatives. This could start a new political debate and dialogue on development assistance. Last year, the Conservative Party (junior

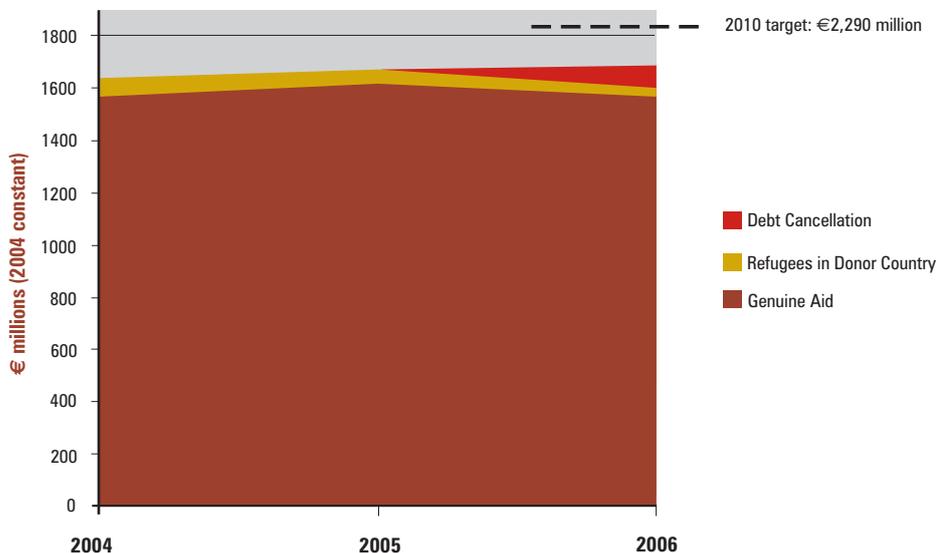
partner in the coalition government) also announced that it would be willing to increase the Danish development assistance as a proportion of GNI. With less than 21 months to the next elections, Danish development assistance has a fair chance of becoming a key element of the election campaign.

With 13% of total Danish development assistance as tied aid, Denmark is among the worst countries, when it comes to tying aid. In a recent report to parliament, the Danish government expected that 6% of Danish development assistance in 2005 would be tied aid. This is less than half of the official OECD reporting and reflects a vital lack of coherence in the Danish aid reporting, which clearly needs to be improved. It is our view that Denmark historically has played a constructive role in the untying of development assistance, but Denmark's aid reporting is generally non-transparent and must be improved to ensure an informed and qualified public debate.

Danish NGOs urge the Danish government to:

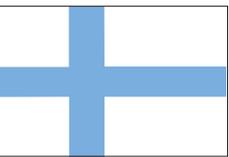
- ♦ retrieve its leadership position by increasing genuine aid resources to at least 1% of GNI;
- ♦ make debt relief truly additional and not count it as ODA;
- ♦ clear up reporting of debt cancellation (outside of ODA) and ensure that only the face value of the debt is accounted for;
- ♦ publish more coherent and transparent aid figures that are comparable across financial years.

Denmark's genuine and inflated aid



Note: all figures including 2010 target figure in 2004 prices for comparability (see endnote 1)

Organisations consulted: EU NGO Platform.



FINLAND

"It is essential that also during the next government period a European-based plan to increase aid is kept and followed, and that the 0.7% commitment is maintained..." Minister Paula Lehtomäki's speech at the Development Policy Committee, March 1, 2007.

Did Finland hit the EU target of 0.33% in 2006 without inflating its aid? YES
Will Finland meet its 0.7% target of GNI in 2010 without inflating its aid? NGO prediction: NO

Finnish NGOs are pleased that the new government has committed to increase aid by €375 million by 2011. However NGOs are concerned that the new government has not specified the target year for Finland to reach 0.7%, and that the current pace is too slow for Finland to seriously contribute to reaching the international commitment of the Millennium Development Goals by 2015.

Latest OECD statistics show that in 2006 Finland reported €658 million as ODA, equivalent to 0.39% of GNI. This is 7% less than in 2005 (€726 million or 0.46%).

Based on trends from the last five years Finland also spent €16 million (2% of its declared ODA) in 2006 on housing refugees. We welcome the fact that Finland's tied aid has fallen to 4.9% (€35.5 million) in 2005 from 14% (€76.5 million) in 2004, but we encourage further reductions.

In 2006 Finland inflated its aid by 2% (€16 million). Once the inflated aid is removed, however, Finland still remains above the EU target, registering €643 million in aid, or 0.38% of GNI.

Finnish bilateral aid spent on basic social services amounted to only 9.6% (€76 million) in 2005. NGOs encourage the government to increase its share of basic social services and aid delivered to the world's least developed countries.

Between 50% and 60% of crisis management spending is counted as ODA by Finland. This

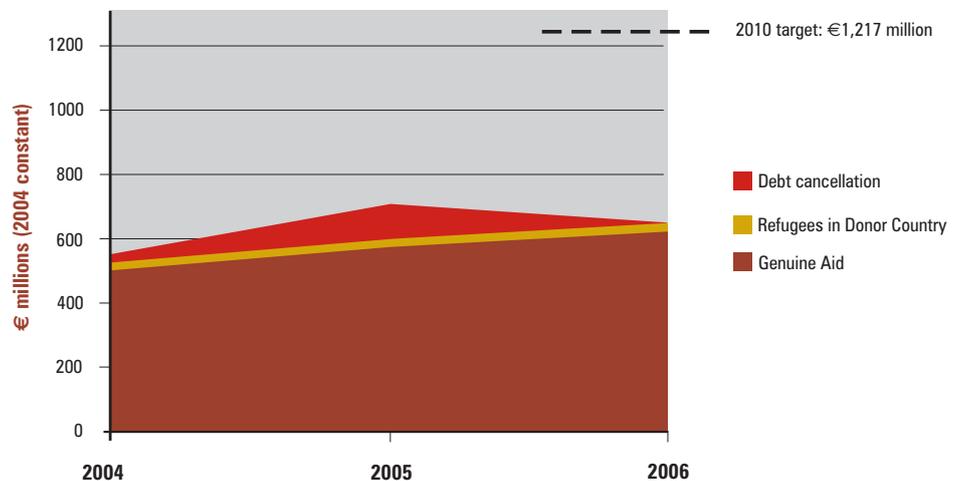
includes costs related to civil crises, refugee costs etc. Finland is committed to maintaining the integrity of ODA and not count military-related costs as ODA. Finnish NGOs encourage the government to secure policy coherence by ensuring that all aid is used for poverty reduction purposes.

Finnish NGOs are pleased that the government has taken the first steps to improve aid effectiveness by targeting its aid to fewer countries and sectors. Finnish NGOs encourage the government to continue to harmonize and coordinate its aid and gradually to increase the share of budget support to selected partner countries. New funding sources, such as international taxes, are welcomed but should be additional to ODA.

Finnish NGOs urge the Finnish government to:

- ◆ follow the example set by its Nordic neighbours and fulfil its commitment to raise its ODA to 0.7%;
- ◆ stop inflating its ODA figures;
- ◆ continue to support more debt relief for poor countries and make these funds additional to existing aid spending;
- ◆ increase financing for least developed countries especially to Ethiopia, Mozambique, Zambia and Tanzania, which are among Finland's eight chosen main partner countries;
- ◆ stop attaching harmful economic policy conditions to Finnish aid, including through multilateral organisations.

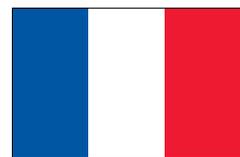
Finland's genuine and inflated aid



Note: all figures including 2010 target figure in 2004 prices for comparability (see endnote 1)

Organisations consulted: Service Centre for Development Cooperation (KEPA), The Finnish NGDO Platform to the EU (KEHYS) and FinnChurchAid (FCA).

“The international community committed to taking decisive action against poverty, hunger, ignorance, disease, gender discrimination and environmental destruction to achieve concrete results by 2015. [...] Before our peoples, the most vulnerable, and future generations, the international community does not have the right to eschew its responsibilities.”
Jacques Chirac, President of the French Republic, September 2004.



Did France hit the EU target of 0.33% in 2006 without inflating its aid? NO
Will France meet its target of 0.7% of GNI by 2010 without inflating its aid? NGO prediction: UNLIKELY

The latest OECD statistics report that France contributed 0.47% of its GNI as ODA in 2006. However, half of French ODA was inflated. Debt relief reached €2.82 billion in 2006, representing 34% of total ODA. Based on governmental data, our calculations also show that France included the largest amount of any EU country in terms of expenditure for educating foreign students (€896 million) and housing refugees in France (€458 million). When inflated aid is subtracted we see that France only contributed 0.23% GNI.

Taking into account that a large part of French ODA is currently composed of debt relief and questionable aggregates and that France has to face budgetary constraints, it is very unlikely that “real” French ODA will reach the 0.7% target by 2012. French aid is very unpredictable and has not improved in this regard.

In some cases, when debts are reimbursed, debt relief can free additional resources in the beneficiaries’ budget for financing development. However, a large part of debt relief is nothing more than a game to clear the accounts, as these debts could never have been reimbursed. Therefore, DAC reporting modalities – with the nominal value reported as debt relief – allow a clear overestimation of the debt cancellation. French NGOs see debt cancellation in poor countries as vital for their development, but by reporting it as ODA, donors do not recognise their share of responsibility in the excess of indebtedness.

French aid lacks transparency in reporting. It is very difficult even for parliamentarians to obtain information on export credit debt cancellation. It is also unclear what kind of expenses are reported as refugee costs. It seems that some expenses related to migration policies are also labelled as ODA to the DAC, although their purposes are not development-related. “Imputed students costs”, which represent the education costs of foreign students in French universities, are also opaque: it is very unclear what kind of expenses are notified by the French government and if their notification follows the DAC guidelines.

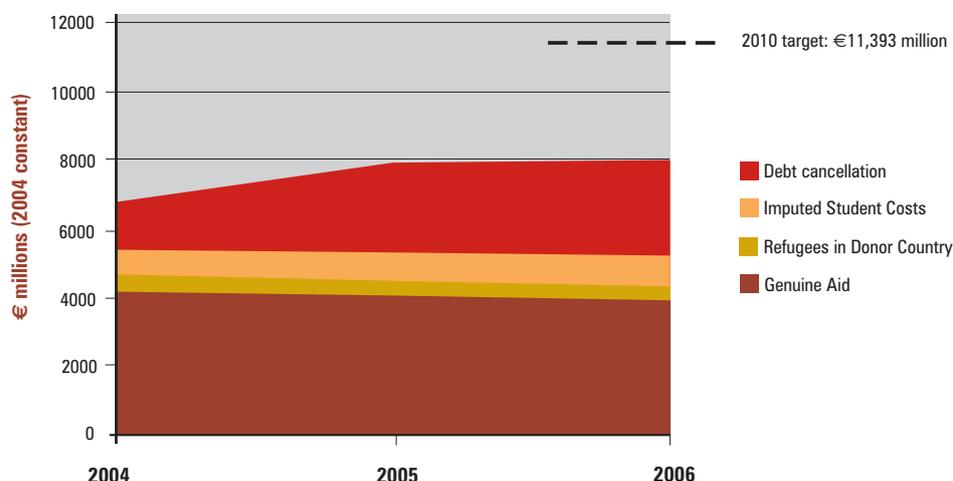
Therefore, French NGOs ask for more transparency and more control over the development policy by the parliament. They propose the establishment of:

- ◆ a specific parliamentarian body to monitor international negotiations;
- ◆ a regular debate in the parliament on public policies that are linked to development issues.

French NGOs also ask for more predictability and visibility of French aid:

- ◆ France should adopt a programming law in order to meet its commitments and to increase the predictability and visibility of its aid;
- ◆ the parliament should annually monitor the implementation of such a law.

France’s genuine and inflated aid



Note: all figures including 2010 target figure in 2004 prices for comparability (see endnote 1)



“We have committed ourselves to automatic increments in the resources allocated to official development cooperation and have included these increases in the timetable agreed at EU level. Accordingly, we will devote 0.33% of our gross national income to Official Development Assistance by 2006, at least 0.51% by 2010 and the UN target figure of 0.7% by 2015 at the latest” Coalition Agreement, 2005.

Did Germany hit the EU target of 0.33% in 2006 without inflating its aid? NO
Will Germany meet the EU target of 0.51% of GNI in 2010 without inflating its aid? NGO prediction: UNLIKELY

According to preliminary OECD figures for 2006 Germany seems to be on track to fulfil the EU 2006 aid target. In 2006 Germany’s ODA amounted to €8.2 billion, in real terms a marginal increase of 0.9% compared to the previous year. The ODA/GNI quota stayed the same as the previous year at 0.36%.

However, when we scratch just below the surface we realise that Germany did not reach the EU target without inflating its aid. €2.8 billion or 35% of Germany’s ODA in 2006 did not deliver fresh resources for developing countries. For the second year running, the lion’s share of Germany’s increase of the ODA/GNI quota was due to debt cancellation, notably for Nigeria and Iraq. In 2006, Germany’s debt relief amounted to more than €2.1 billion, including €342 million for Nigeria’s debt buy-back, which the German government insisted on counting as part of Germany’s ODA despite this being a purely commercial transaction. Excluding debt cancellation and expenditures for educating foreign students and housing refugees in the country, Germany in fact spent only 0.23% of GNI on genuine aid resources in 2006. This highlights the fact that the German government still has a long way to go to live up to its aid commitments.

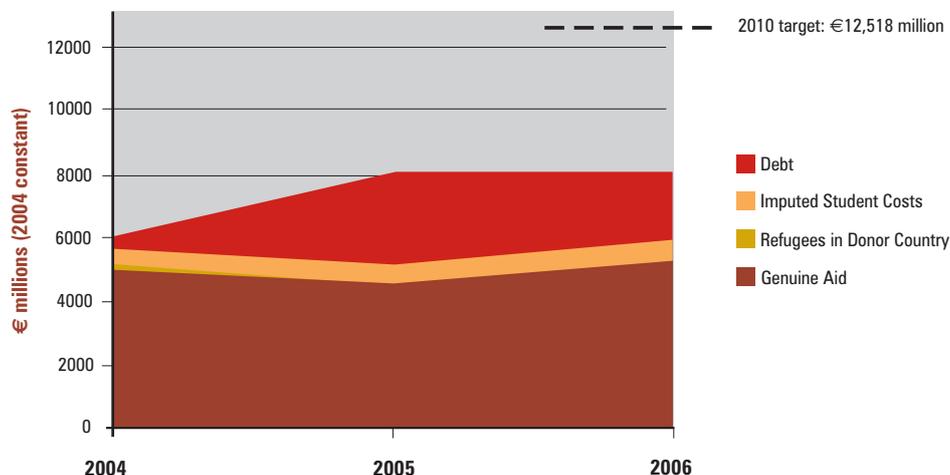
According to the latest report of the EU Commission on progress towards implementing the Monterrey commitments, the fact that Germany’s debt relief is not additional to aid commitments is criticised as “going against the Monterrey

Consensus and the Council Conclusions of April 2006”.

German NGOs call on the German government to:

- ◆ ensure that German aid increases through the injection of fresh money, in order to provide genuine new financial resources to developing countries;
- ◆ spend these additional funds primarily on food security; primary education; primary health care and access to water and sanitation. These funds should be directed predominantly toward the world’s poor and poorest countries, and to combat hunger and poverty among the poorest sections of the population in countries with higher income, in accordance with the 20:20 Initiative adopted at the 1995 World Summit for Social Development;
- ◆ enhance the effectiveness of its development co-operation by focusing on poverty-relevant sectors and the poorest countries. This should be done through better co-ordination with other donors; the elimination of superfluous bureaucratic procedures and a step-by-step transition to long-term sectoral assistance measures;
- ◆ support the introduction of innovative financing instruments, for instance a kerosene tax, a currency transaction tax or the “International Finance Facility for Immunisation”, and introduce, as an initial step, a compulsory tax on air tickets at European level.

Germany’s genuine and inflated aid



Organisations consulted: VENRO and Deutsche Welthungerhilfe, erlassjahr.de, Evangelischer Entwicklungsdienst (EED), Germanwatch, Terre des hommes Deutschland.

"In this global effort [to eradicate poverty and hunger], Greece has significantly increased its development assistance. Together with the rest of our European Union partners, we set the ambitious goal of increasing it to 0.56% of our Gross National Income by the year 2010, with particular attention and emphasis on Africa."

Kostas Karamanlis, Prime Minister of Greece, UN High-Level Plenary Meeting, September 16, 2005.



GREECE

Did Greece meet its target of 0.33% in 2006 without inflating its aid? NO
Will Greece meet its continued target of 0.51% of GNI in 2010 without inflating its aid? NGO prediction: UNLIKELY

Greek NGOs are highly concerned that, two years after joining European countries in agreeing to raise aid levels, the Greek government has still not developed a plan on how to deliver on these commitments. As the least generous donor of the EU 15 countries, giving only 0.16% of GNI in ODA, Greece has a long way to go before reaching the first goal of 0.51%.

The latest OECD statistics show that even including its inflated aid, in 2006 Greece spent only 0.16% of its GNI or €306 million on ODA. Greek aid is very low but was only slightly inflated. Based on trends of Greek aid over the last 5 years, we calculate the government spent €7 million on housing refugees in Greece. However, even this small amount should not be counted as ODA.

Greek NGOs are also concerned about the quality of Greek aid. In particular, Greek NGOs question the drivers behind Greek aid and whether aid spending is really being used in the best way possible to achieve its stated aim of poverty reduction.

Only 23% of Greek bilateral aid goes to the poorest and least developed countries of the world (31% to low income countries). By contrast, 69% is directed at middle-income countries. Greek civil society feels this allocation needs to shift towards the poorest countries in the world.

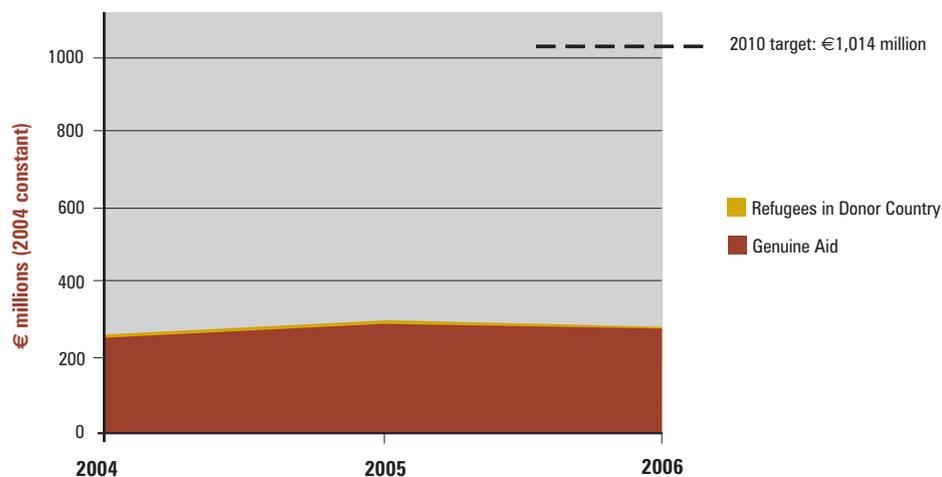
While Greece gives a relatively high proportion of its bilateral aid towards basic social services (15%), it still has some way to go before reaching the EU target of 20%. NGOs believe that the efficiency of the aid that is allocated within this category needs to be evaluated.

Greece has the highest proportion of tied aid amongst EU old Member States, 26.4% of Greek ODA in 2005. The value of Greek aid that is lost in inflated procurement costs should instead be released to be spent on reducing poverty.

Greek NGOs call on the Greek government to:

- ♦ issue a timetable immediately to set out how Greece will meet the 0.51% and 0.7% ODA targets;
- ♦ reassess the overall effectiveness of Greek aid, particularly in terms of the extent to which it is aligned with developing country priorities, and in terms of Greece's lack of coordination with other donors and actors;
- ♦ realign Greek aid away from political/geopolitical and economic/commercial interests, towards a more effective, coordinated and recipient-driven/owned aid programme that can better achieve its stated goal of poverty reduction;
- ♦ increase the transparency of Greek aid and development policies.

Greece's genuine and inflated aid



Note: all figures including 2010 target figure in 2004 prices for comparability (see endnote 1)

Organisations consulted: The Hellenic Committee Of Non Governmental Development Organisations: Medecins du Monde GR, Greek Committee for International Democratic Solidarity, European Perspective Development and Education Center, Hellenic Institute for Solidarity and Cooperation with Developing Countries, European Network for Humanitarian Development (HUMANET), Family and Child Care Center, Dimitra Institute of Training and Development, Soma Hellinikou Odigismou, XEN Hellas, SED.net, European Public Law Center, ActionAid Hellas, Hellenic Rescue Team, One Earth, Hellenic Action for Africa, Solidarity N.G.O. of the Greek Orthodox Church, Handicap Care Hellas – allied member.



IRELAND

"Irish development cooperation represents our sense of a broader global concern and our obligation to those with whom we share this planet and our humanity. It represents our shared belief in democracy, solidarity and fairness. Above all, it demonstrates a clear awareness that with prosperity comes a responsibility to assist those who are most marginalised and vulnerable."
Minister for Foreign Affairs Dermot Ahern TD, November 2, 2006.

Did Ireland hit the EU target of 0.33% in 2006 without inflating its aid? YES
Will Ireland meet its 0.7% target of GNI in 2012 without inflating its aid? NGO prediction: LIKELY.

According to the latest OECD figures, Ireland spent 0.53% of its GNI on ODA in 2006, up from 0.41% in 2005. Irish NGOs are pleased that the government increased its spending in real terms and as a percentage of GNI, and is set to achieve its first interim target of spending 0.5% by 2007. In the absence of ODA legislation the 2007 general election lends some uncertainty to this outlook.

A very small amount of Irish aid is inflated. In 2006, Ireland reported a total of €794 million in ODA. Of this, €1 million was debt cancellation and using OECD/DAC figures we estimate, based on trends from recent years, that €2.4 million was spent on educating students in Ireland and €3 million was spent on housing refugees in Ireland. Even once this inflated aid is subtracted, however, Ireland increased its genuine aid resources by one third from 2005 to 2006.

NGOs welcome the fact that Irish aid is strongly poverty-focused, with ODA going primarily to least developed and other low-income countries, and that it features good predictability.

2006 saw the publication of the first White Paper on Irish Aid. NGOs were pleased with Ireland's recommitment to an aid target of 0.7% and to wholly untied aid; to tackling poverty and inequality and to enhancing aid effectiveness. Yet a 2007 general election and the absence of ODA legislation give rise to some uncertainty about aid focus and budget.

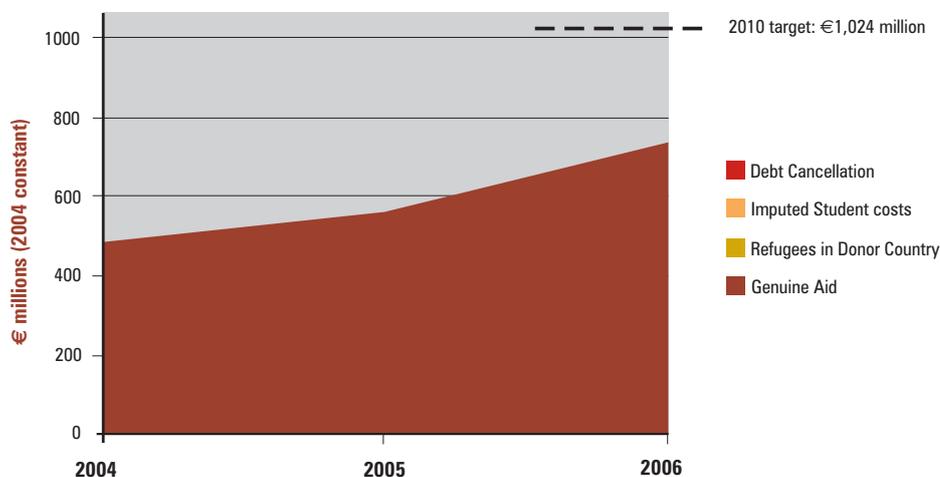
The White Paper reiterated the strong emphasis within Irish development cooperation on basic social services, though NGOs would like to see spending strengthened in this area from the 16% of bilateral ODA reported by the OECD for Ireland in 2005.

There are some concerns, in the context of staff shortages and a significantly expanding programme, about Irish Aid's continuing ability to deliver high quality aid. Irish NGOs call for clear commitment, across government departments, to providing the staff and systems needed – and real progress on this after the planned management review.

Irish NGOs urge their government to:

- ◆ lock in recent gains by setting out annual targets for reaching 0.7% ODA/GNI for all the years to 2012, and legislating for a minimum of 0.7%. This should remain exclusive of any funding for debt cancellation;
- ◆ provide sufficient resources, especially staff levels, and assure whole of government coherence for development to sustain and enhance the quality of Irish development cooperation;
- ◆ continue to improve aid effectiveness in partnership with Northern and Southern governments, through continually enhancing its own programme and the broader aid effectiveness agenda.

Ireland's genuine and inflated aid



Note: all figures including 2010 target figure in 2004 prices for comparability (see endnote 1)

Organisations consulted: Dóchas, Oxfam Ireland, Trócaire, Concern, Christian Aid Ireland, Debt and Development Coalition Ireland.

