



# CYPRUS

## Will Cyprus meet the EU target of 0.17% of GNI in 2010 without inflating its aid? NGO prediction: UNLIKELY

According to the latest figures by the European Commission, Cyprus has quadrupled its ODA to €16 million in 2006, from €4 million in 2005. While Cyprus only spent 0.03% of its GNI on ODA in 2005, this increased to 0.11% in 2006. If Cyprus continues this trend, it is likely to reach its target of 0.17% by 2010.

Given lack of data, we do not know how much of this ODA is inflated. If Cyprus has been following the poor example of the older EU states however, it is likely that it has been inflated by some of its debt cancellation to Iraq. Cyprus was another of many creditors to Iraq. Following the Paris Club agreement to cancel 80% of Iraq's debt at the end of 2004, Cyprus also agreed to cancel its claims on the country. In fact, to its credit Cyprus declared it would cancel outstanding debt on terms "beyond" the Paris Club deal. In total, Cyprus agreed to cancel €80 million debt to Iraq with €24 million falling in 2006. Cyprus may have included some of this debt cancellation in its ODA figures.

Cypriot NGOs are also very concerned about the quality of Cypriot aid. The Cyprus government in its Medium Strategy Report for ODA emphasises the Cypriot comparative advantages that are reflected in its sectoral priorities of development aid to achieve the Millennium Development Goals. However, very little can be seen in terms of effort in this area. One major problem is aid effectiveness. Since Cyprus has only recently become an aid donor country, it has not yet developed mechanisms to assess the effectiveness of Cypriot aid, even more so as development aid is spent multilaterally, mostly through organisations based in other countries (e.g. Ireland).

Furthermore, taking into consideration the five programme countries of Cyprus (Egypt, Mali, Lesotho, Yemen and the Autonomous Palestinian Authorities), a poverty focus is visible neither in the choice of the countries, nor in the actual spending of aid.

Cyprus Total ODA and % ODA/GNI

