

"We face an emergency – a development emergency – and we need to take immediate action if we are to meet the goals we have set. This year is indeed a critical year for development. After reaching the halfway point towards the MDGs it is clear that we must inject new momentum into the process."

Prime Minister Matti Vanhanen, statement at a UN General Assembly Special Session, April 2008.

Finland



Has Finland established a timetable to reach the target of 0.51% by 2010? YES

Will Finland meet the 0.51% target in 2010 without inflating its aid? NGO prediction: NO

The Finnish government has recently reaffirmed its commitment to reach the EU targets of 0.51% by 2010 and 0.7 % by 2015 in its development policy programme ratified in 2007. A timetable has been approved to increase Finnish ODA by €251 million between 2007 and 2010. However, this is not enough to keep Finland on track towards 0.7 %.

In 2007, Finland reported €711 million as ODA. As a percentage of GNI, Finland only reached 0.40% – the same as in the previous year.

Finland counts debt relief and refugee costs as part of its ODA figures. Although student costs have not been included so far, NGOs fear that this might change due to new regulations approved in 2008. In 2007, Finland inflated its aid by 2%. Real aid was 0.39% of GNI. Although aid inflation is not high in Finland, NGOs urge the government stop inflating its aid and refrain from reporting military related costs as part of Finnish ODA.

• Aid quality

The current Finnish development policy programme lacks a coherent implementation strategy and concrete targets. This makes it difficult to evaluate progress and to have a reliable overall picture of how the programme is being implemented at country level. Finland is currently elaborating the first ever country strategies for its priority partners. Finnish NGOs are concerned that this process, as well as

the overall implementation, suffers from a lack of transparency and civil society engagement.

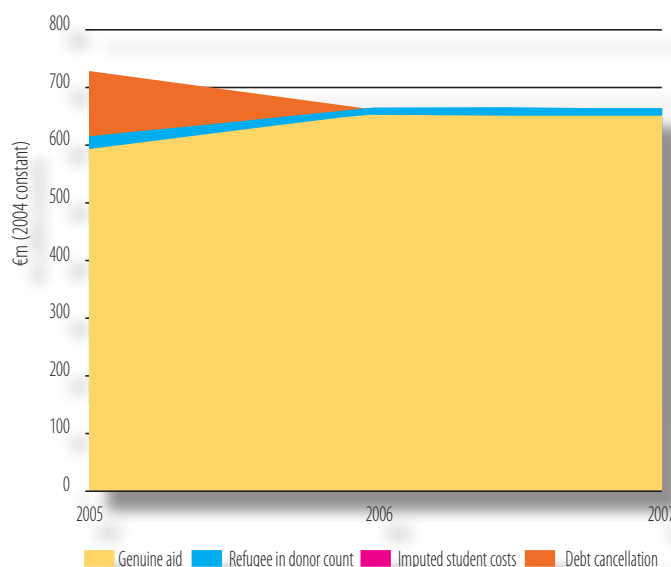
Low predictability is a major weakness of Finnish aid. Although Finland has a four year budget framework, the government has resisted moving to multi-year funding commitments. Moreover, too often committed aid flows are not disbursed in a timely manner.

Finnish NGOs are also concerned that the new emphasis on climate change and sustainable development could endanger the ultimate goal of poverty eradication in development aid. NGOs are worried that the ownership of Southern countries could be overridden by the Northern approach on these issues.

Finnish NGOs urge the Finnish government to:

- fulfil the commitment to reach the 0.7% target by 2015, with steady annual increases in the development cooperation funds;
- continue not to count student costs as ODA; stop other aid inflation; and refrain from further inflating Finnish assistance in other ways;
- make debt cancellation – particularly of illegitimate bilateral debts owed to Finland – additional to aid resources;
- increase the predictability and transparency of Finnish aid by formulating long-term, inclusive and comprehensive implementation strategies together with partner countries.

Finland's genuine and inflated aid



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