



FINLAND

According to the latest OECD statistics Finland is significantly ahead of the EU 2006 minimum aid target, registering 0.47% ODA/GNI in 2005. But €132 million (18%) of this delivered no new aid resources for developing countries, according to our calculations. Once the inflated aid is removed, however, Finland still remains comfortably above the EU target, registering 0.38% ODA/GNI.

Finnish NGOs are pleased that their Government has met the EU minimum target ahead of schedule with genuine aid. However, they urge their Government to stop inflating their ODA figures immediately and note their concern that in the next couple of years, their Government will continue to inflate its figures even more in order to make the 2010 targets.

The 115 Finnish NGOs who took part in the 0.7% campaign in Finland in 2005, note that Finland can easily afford to fulfil its aid

commitments and believe that Finland should genuinely increase its aid.

Will Finland meet its minimum EU aid target by 2006 without inflating its aid?

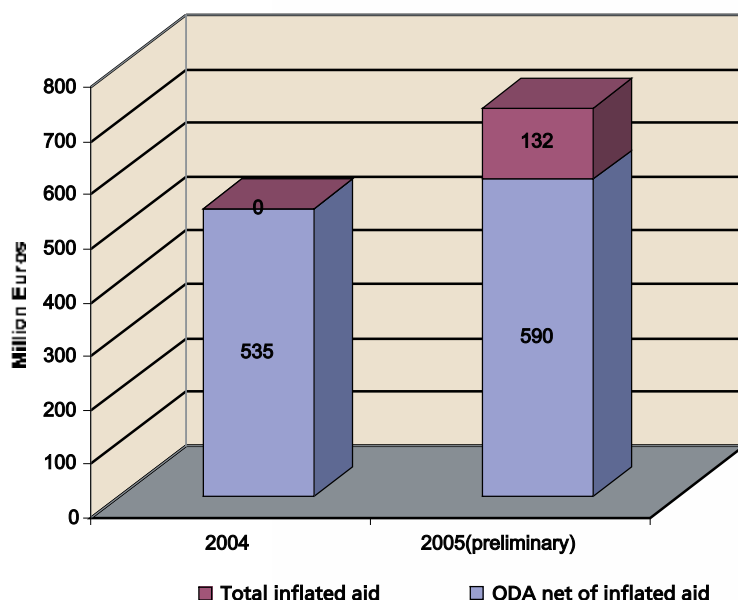
NGO Prediction : YES

OECD figures reveal that €121 million, or 17%, of Finnish ODA in 2005 was spent on cancelling debt, mostly for Iraq and Nigeria. Debt cancellation is likely to make up a significant part of Finland's aid budget in future years and is not just a one off problem.

In addition, if we draw on Finland's official aid trends over the last four years, 2% of Finnish ODA or €11million is likely to have been spent on housing refugees in Finland in 2005.

Though at present Finland does not register on its aid figures the cost of educating foreign students in Finnish universities, it is currently considering whether to count this on this ODA. Finnish NGOs appeal to their Government to abandon the idea of subsidising Finnish universities from aid money – money for poverty reduction. Finnish NGOs are also concerned that Finnish aid includes mixed concessional credits used to support Finnish exports to poor countries.

Finland's inflated and actual ODA



Source: OECD (2006); OECD (2005)

Finnish NGOs demand that:

- Finland follows the example set by its Nordic neighbours and fulfils its commitment to raise its ODA to 0.7. This should be through genuine transfers of real resources.
- Stop paying for refugee related costs and mixed concessional credits from aid funds.
- ➔ Continues efforts in the field of debt relief and makes them additional.

On top of this Finnish NGOs demand that: the Finnish Government raises its support to the least developed countries, especially to Ethiopia, Mozambique, Zambia and Tanzania, which are among Finland's eight chosen partner countries. Finnish NGOs also call on their Government to stop attaching harmful economic policy conditions to Finnish aid, including through multilateral organisations. Donors must respect the right of poor people and countries to determine their own development model.

Organisations consulted : **KEPA**