

News hook: Release of OECD Aid figures
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False sheen on European aid money

Figures released today reveal that development aid from rich country members of the Organisation for Economic Cooperation and Development (OECD), has barely risen despite the huge impact of the financial crisis on developing countries.

"The 2008 aid figures announced today showed a slight increase in the aid given collectively by OECD EU Member States from 0.39% to 0.42% of GNI. However the European Union is still way off track towards meeting its collective target of 0.56% of GNI by 2010," said Jasmine Burnley, Coordinator of the CONCORD AidWatch campaign.

She added: *"Today's release by the OECD gives no grounds for celebration. Whereas aid rose slightly in 2008, this year EU countries are cutting their budget just as the financial crisis begins to bite into developing countries resources."*

December saw Italian aid cut by over 50%. Earlier this year Ireland cut 10% of its aid budget and further cuts are feared in the forthcoming April budget. Latvia's aid budget has been wiped out completely with a 100% cut and this month Estonia announced a 10% reduction in its aid spend. This drop-off in support from Europe - particularly from EU-15 countries which have a long history of support to development - is a huge blow to those living in extreme poverty.

"Developing countries are caught in a lose-lose situation. Rising poverty levels triggered by the financial crisis – a crisis they did not cause - are being met with a cold response from Europe. Rich countries are way off on their aid targets and still budgets are being slashed this year," said Luca de Fraia, ActionAid Italy.

Calculation from CONCORD shows that developing countries will be receiving 27 billion US dollars less in aid between 2008 and 2010 as a result of the economic slowdown.

"We are very disappointed that the Irish government cut aid so disproportionately in February and we strongly urge the government to avoid further cuts in the upcoming budget on April 7th. We must keep our promises to the developing world" says Justin Kilcullen, Director of Irish NGO Trócaire and President of CONCORD.

Aid is crucial to the realisation of the UN Millennium Development Goals. It is helping people in poor countries to realise their basic rights to food, education and healthcare. But the combination of falling aid levels and the food, financial and energy crises, means that the MDGs hang in the balance: in this year alone an additional 46 million people will be living on less than one US dollar a day. It is critical that leaders taken this message on board at the G20 this week.

"CONCORD acknowledges the difficult situation facing European governments, but calls on them not to break their aid promises to those living in poverty in the wake of the downturn. At this time of crisis aid is more important to poor countries than ever. EU governments must live up to their promises on development aid" added Justin Kilcullen.

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Note to the editor:

- **OECD figures of ODA** in 2008: www.oecd.org/departement/0,2688,en_2649_33721_1_1_1_1_1,00.html
- **The commitments:** In 2002, the EU15 committed to give at least 0.33% of GNI as aid by 2006 (with an average of 0.39%) and 0.7% by 2015. In 2005, they committed to give 0.51% at least by 2010 (with an average of 0.56%) The 12 New member States committed to give 0.17% of GNI as aid by 2010 and 0.33% by 2015.
- Most European donors inflate their official aid figures by counting as aid debt relief and funding to foreign students and refugees in European countries. It was falls in debt relief that accounted for much of the fall in aid shown in the official figures - Warnings from NGOs that ODA figures provided in recent years were distorted and over-flattering have been borne out. But EU governments are continuing to mislead by counting debt relief and student and refugee costs as ODA. These items accounted for 17% of EU ODA in 2007. Excluding these items, [CONCORD's 2008 AidWatch Report](#) found that the EU15 countries provided only 0.33% of their national income as genuine aid in 2007 – continuing to miss the target set for 2006 of 0.39%.
- In 2005, all OECD donors signed the Paris Declaration on Aid Effectiveness, which included a set of indicators and targets to improve the effectiveness of aid. Last September donor and recipient countries met in Accra to asses their performance and concluded that [not enough progress has been achieved](#).
- CONCORD's 2009 European Aid Watch Report will be published on 14th May, and will include a detailed analysis of the degree to which European aid was inflated in 2008.
- **CONCORD** is the European confederation of relief and development NGOs. Its national associations and international networks represent over 1 600 NGOs which are supported by millions of citizens across Europe. CONCORD leads reflection and political actions and regularly engages in dialogue with the European institutions and other civil society organisations. Read more on <http://www.concordeurope.org>
- **AidWatch** is CONCORD group leading pan-European lobby and campaigns initiative monitoring and advocating on the quality and the quantity of ODA provided by the EU Member states and the European Commission. The AidWatch network is an active group of aid experts from across the 27 EU Member States, working collectively to hold EU Member States to account on their aid quality and quantity commitments. Each year, the AidWatch Initiative publishes a European-wide report analysing the qualitative and quantitative performance of each EU Member States and the European Commission according to international and EU pledges on aid. The initiative also carries out ongoing lobby, research and campaigns activities on a wide range of aid related issues throughout the year.