

Indicator (definition)	Official Development Assistance (ODA): The indicator is defined as net disbursements for ODA to the OECD Development Assistance Committee (DAC) countries as a percentage of gross national income (GNI) at market prices.
Eurostat Unit	Key indicators for European policies
Other Commission DGs	
European Statistical System Working Group (WG)	None
Date	November 2010

1. Overall assessment of accuracy and comparability (Description of quality grades under the following link: http://circa.europa.eu/Public/irc/dsis/structind/library?l=/general_information/quality_profiles/annex_enpdf/EN_1.0_&a=d)

A B C Indicator to be developed

Data are collected from administrative sources applying high standards with regard to the methodology. Comparability over time is limited because of frequent changes in the list of recipient countries.

2. Objective and relevance of the indicator:

This indicator provides an indication of the level of financial resources earmarked by EU governments for the development of less-favoured countries. The delivery of ODA and private investments can be considered as a necessary condition for sustainable development.

The principal aim of the European Union's development policy is poverty alleviation, with a view to its eventual eradication. The EU is the source of approximately half of the public aid effort worldwide and is the main trading partner for many developing countries. ODA is particularly important for countries facing difficulties in attracting international investment.

The renewed sustainable development strategy includes as one of its overall objectives to actively promote sustainable development worldwide, and to ensure that the European Union's policies are consistent with global sustainable development and its international commitments. To this end, the volume of ODA should raise to 0.7% of GNI by 2015 which is a long-standing United Nations target.

GNI at market prices equals GDP minus primary income payable by resident units to the rest of the world, plus primary income receivable by resident units from the rest of the world.

Restriction of the indicator's relevance and other characteristics which may lead to restrictions in using it in monitoring and reporting

The indicator does not assess the effectiveness of the aid to development, and more specifically sustainable development, fulfilling EU and international commitments.

3. Data availability: details

(t_1 : earliest reference year available; t_2 : latest reference year available in November 2010)

	Member States	Candidate and Acceding Countries	US and Japan	EEA-EFTA
t_1	1995: BE, DK, DE, IE, ES, FR, IT, LU, NL, AT, PT, FI, SE, UK 1996: EL 1998: CZ, PL, 1999: SK 2003: HU 2004: CY, LV, LT, MT, SI 2005: BG, EE 2006: RO	1995: TR 1999: IS	-	1995: NO, CH
t_2	2009: 27 Member States	2009: IS, TR	-	2009: NO, CH

Comments (including information on time series): Break in series for PL in 2002.

4. Overall accuracy

High



Data are collected annually from the Members of the OECD DAC¹ and disseminated by the OECD (CRS online database). 'DAC Statistical Reporting Directives' give detailed instructions on how to collect and enter the required data in specially formulated data capture tables.

The DAC conducts periodic Peer Reviews of the individual development co-operation efforts of DAC members. The policies and efforts of each member are critically examined approximately once every four years. Compliance with the DAC Statistical Reporting Directives is verified during the reviews.

The financial data reported in the DAC questionnaire on items entering a Member's balance-of-payments statistics should as a rule be reconcilable with the balance-of-payments data it submits annually to the IMF and to the OECD. Accordingly, balance-of-payments concepts and definitions should be used wherever possible for these items unless there are strong reasons for not doing.

The EU-27 aggregate includes the sum of all Member States contribution, but does not include the contribution of the EU as a separate and individual donor.

Restricted



(sources, errors,
methodology, etc.)

5. Comparability across countries

High



Restricted



Comparability is of the essence, the DAC Statistical Reporting Directives and the Peer Reviews are tools that contribute to ensure that the data are reported on the same basis by all donor countries. Moreover, where possible the statistics conform with balance-of-payments norms and definitions and the 1993 System of National Accounts (SNA).

6. Comparability over time

High



Restricted



The DAC Statistical Reporting Directives evolved over time to take account of new decisions on reporting techniques. In recent years, the main changes in the coverage of the data have been:

- changes in the ODA concept (in spite of unchanged ODA definition) and in the coverage of GNI;
- recipient country coverage;
- donor country coverage;
- treatment of debt forgiveness.

The effects of the changes in ODA concept are difficult to evaluate but the amounts involved can be substantial. The introduction of the SNA has tended to depress donor's ODA/GNI ratios, by about 3% on average.

Concerning the recipient country coverage, data on total aid follow the recipient list for the year in question. However, when a country is added to or removed from an income group in Part I, totals for the groups affected are as much as possible adjusted retroactively to maximise comparability over time with reference to the current list. This may impact on the total assistance, and even more on the breakdown by level of income, as it is often not possible to recalculate backward the time series.

Concerning the donor country coverage, the accession of new members has added to total DAC ODA, but has usually reduced the overall

¹ The Members of the DAC Committee comprise 23 donor countries and the European Commission.

ODA/GNI ratio, since their programmes are often smaller in relation to GNI than those of the longer-established donors. Some EU Member States such as the new Member States were considered as recipients for ODA before being considered as donors.

7. Development perspective for improving the quality of this indicator (including as far as possible an indication of the burden on Member States and respondents.)

8. Contribution to the coherence of the set/potential to qualify for an integrated policy analysis

This indicator is the main measure of the implementation of public commitments for the development of less favoured countries but it should be analysed together with its own breakdowns and other official and private flows.

Relevant European legislation: None