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To: Delegations

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Subject: Annual Report 2016 to the European Council on EU Development Aid
Targets
- Council conclusions (12 May 2016)

1. Delegations will find in the annex the Council conclusions on the Annual Report 2016 to the European Council on EU Development Aid Targets, as adopted by the Council at its 3462nd meeting held on 12 May 2016.

Council conclusions**Annual Report 2016 to the European Council on EU Development Aid Targets**

1. The Council welcomes the publication by the Commission of preliminary information on 2015 EU Official Development Assistance¹ (ODA), analysing the trends with regard to EU collective and individual ODA commitments². The Council reiterates that ODA is an important and catalytic element in the overall financing available for developing countries. Although ODA is quantitatively small for developing countries as a whole, it remains a major source of finance for least developed countries (LDCs) and fragile states, which particularly lack domestic capacity to raise finance from other sources.

2. On 17 June 2010 the European Council requested the Council to make an annual report on the EU and Member States' commitments and delivery on ODA. This is the sixth such report to be submitted to the European Council.

¹ http://europa.eu/rapid/press-release_IP-16-1362_en.htm and http://europa.eu/rapid/press-release_MEMO-16-1363_en.htm

² Presidency Conclusions, European Council of 16 and 17 June 2005 (10255/1/05), Council conclusions of 11 November 2008 (15480/08) and Council conclusions of 26 May 2015 (9241/15). See Annex for commitments.

3. Bearing the above in mind, the Council wishes to report the following elements to the European Council:
- a. In 2015, and for a third year in a row, EU collective ODA increased, reaching €68.226 billion, its highest ever level to date and up from €59.313 billion in 2014: an increase of 15% in nominal terms. EU collective ODA reached 0.47% of EU gross national income (GNI)³ in 2015 a significant increase compared to 0.43% in 2014. The total ODA of the EU Member States alone increased from €57.174 billion (0.41% of GNI) in 2014 to €66.716 billion (0.46% of GNI) in 2015.
 - b. The EU and its member states have maintained their position as the biggest collective global ODA donor (see Figure 1), accounting again for well over half of the total ODA to developing countries from Members of the OECD's Development Assistance Committee (DAC). In contrast to the notable growth in the EU's ODA/GNI ratio, the non-EU OECD DAC country average fell from 0.23% in 2014 to 0.21% of GNI in 2015.
 - c. The above figures reflect the improved performance of most EU Member States. 15 Member States increased their ODA over GNI ratios by more than 0.01% and 4 maintained them at their 2014 levels. 9 Member States experienced a decrease in their ODA/GNI levels of more than 0.01%. Five EU Member States met or exceeded the 0.7% ODA/GNI threshold (see Figure 2 and Table 1).

³ EU collective ODA is the sum of ODA from the EU Member States and the part of ODA provided by the EU institutions that is not imputed to Member States. Most of the EU institutions' ODA spending is, for the purposes of ODA/GNI reporting, imputed to EU Member States, i.e. Member States data include part of the institutions' spending. The ODA provided through European Investment Bank (EIB) own resources is not imputed to Member States and is additional to the Member States' ODA.

- d. In light of the ongoing refugee crisis, the OECD data this year also shows the level of 'in-donor' refugee costs⁴ reported as ODA by DAC Members. The OECD data indicates a significant growth in reporting of these costs amongst EU countries, from €3.3 billion (or 5.6% of collective EU ODA in 2014) to €8.6 billion (or 12.5% of collective EU ODA in 2015). However, the overall EU ODA increase (€8.9 billion) was greater than the surge in refugee costs (€5.3 billion). This means that in 2015 the EU increased both its support to refugees as well as its other development aid.
4. The Council notes with disappointment that despite a real growth in EU ODA of over one third since 2002, the economic crisis and severe budgetary pressures in most EU Member States meant that the EU did not meet the ambitious target to collectively provide 0.7% of GNI as ODA by 2015 that it set for itself in 2005.
5. However the Council also notes that the EU's ODA/GNI ratio of 0.47% in 2015 is over twice the non-EU DAC countries' average of 0.21%.
6. The Council also recalls the new ODA commitments it has taken as set out in Council conclusions of 26 May 2015⁵. The Council reaffirms its political leadership and commitment to EU development aid noting that development cooperation remains a key priority for the EU. In this context, the EU and its Member States reaffirm all their individual and collective ODA commitments and will take realistic, verifiable actions towards meeting these commitments.

⁴ Such costs can only be reported as ODA in line with OECD-DAC rules, and reporting is limited to costs incurred during the first 12 months of a refugees stay.

⁵ <http://data.consilium.europa.eu/doc/document/ST-9144-2015-INIT/en/pdf>

7. The Council stresses the transformative nature of the Addis Ababa Action Agenda, which is an integral component of the 2030 Agenda and which establishes the move to a new sustainable finance paradigm, to achieve sustainable development in its three dimensions (economic, social and environmental), in addition to a recommitment to the importance of ODA. At the core of this are good governance, responsibilities for all, the diverse needs and challenges faced by countries in special situations, primacy of domestic action, including on tax and transparency, the importance of sound and enabling policies, a commitment to policy coherence by all, to 'leaving no one behind' and to gender as a cross-cutting priority. The Council therefore also reiterates the importance of a comprehensive and integrated approach, through the enhanced and revitalised global partnership for sustainable development, to mobilising financing and other means of implementation from all available sources (public/private, domestic/international) and all actors, notably through multi-stakeholder partnerships, will therefore be crucial in support of developing countries sustainable development, including through innovative financing sources and instruments, knowledge, expertise, capacity-building, technology and non-financial resources. In this regard, the Council further encourages the Commission to implement its Collect More Spend Better⁶ approach thus supporting the Domestic Resource Mobilisation efforts of developing countries.

⁶ Commission Staff Working Document, 13186/15 - SWD(2015) 198 final, 15.10.2015 'Collect More – Spend Better, Achieving Development in an Inclusive and Sustainable Way'.

8. The Council looks forward to continuing work in the United Nations, international financial institutions (IFIs) and multilateral and bilateral development banks, and within the European Union to implement the Addis Ababa Action Agenda and to develop mechanisms for monitoring its impact and assessing results. In this regard, the Council takes note of the outcome of the United Nations Economic and Social Committee (ECOSOC) Forum on Financing for Development held from 18-20 April 2016 in New York, and looks forward to building on, and deepening, those discussions at future Forums. The Council further looks forward to continuing discussions in the Organisation for Economic Development and Cooperation (OECD) Development Assistance Committee (DAC) on the development of a new statistical measure for Total Official Support for Sustainable Development (TOSSD), complementary to ODA, as an important way to better measure, recognise and further incentivise some of the broader efforts that are being made in support of poverty eradication and sustainable development. The Council encourages open, inclusive and transparent discussions on the development of the new measure.
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Previous EU ODA Commitments and Targets

(Council conclusions, 24 May 2005 (doc. 9266/05, paragraph 4.))

‘Increased ODA is urgently needed to achieve the MDGs (Millennium Development Goals) ... the EU agrees to a new collective EU target of 0.56% ODA/ GNI by 2010, that would result in additional annual € 20 billion ODA by that time.

(i) Member States, which have not yet reached a level of 0.51% ODA/ GNI, undertake to reach, within their respective budget allocation processes, that level by 2010, while those that are already above that level undertake to sustain their efforts;

(ii) Member States, which have joined the EU after 2002, and that have not reached a level of 0.17% ODA/ GNI, will strive to increase their ODA to reach, within their respective budget allocation processes, that level by 2010, while those that are already above that level undertake to sustain their efforts.

(iii) Member States undertake to achieve the 0.7% ODA/ GNI target by 2015 whilst those which have achieved that target commit themselves to remain above that target; Member States which joined the EU after 2002 will strive to increase by 2015 their ODA/GNI to 0.33%.’

Current EU ODA Commitments and Targets

(Council conclusions of 26 May 2015, (doc. 9241/15 paragraphs 31-33))

‘The EU and its Member States are generous providers of ODA, having provided annually more than half of ODA in recent years. Although ODA is quantitatively small for developing countries as a whole, it is a major source of finance for LDCs and fragile states, which particularly lack domestic capacity to raise finance from other sources. ODA can also help leverage other means of implementation, in particular public domestic financing and private sector investment, but also science, technology and innovation.

The EU therefore reaffirms its collective commitment to achieve the 0.7% ODA/GNI target within the time frame of the post-2015 agenda. Member States which joined the EU before 2002 reaffirm their commitment to achieve the 0.7% ODA/GNI target, taking into consideration budgetary circumstances, whilst those which have achieved that target commit themselves to remain at or above that target; Member States which joined the EU after 2002 strive to increase their ODA/GNI to 0.33%.

The international community should also help to target resources to where the need is greatest, especially LDCs and countries in states of fragility and conflict. In the context of the overall ODA commitment and whilst fully respecting individual Member State's priorities in development assistance the EU reaffirms its commitment to support LDCs. The EU undertakes to meet collectively the target of 0.15 - 0.20% of ODA/GNI to LDCs in the short term, and to reach 0.20% of ODA/GNI to LDCs within the time frame of the post-2015 agenda.'

Figure 1

**ODA as a % of GNI
EU compared to non EU G7 Donors.**

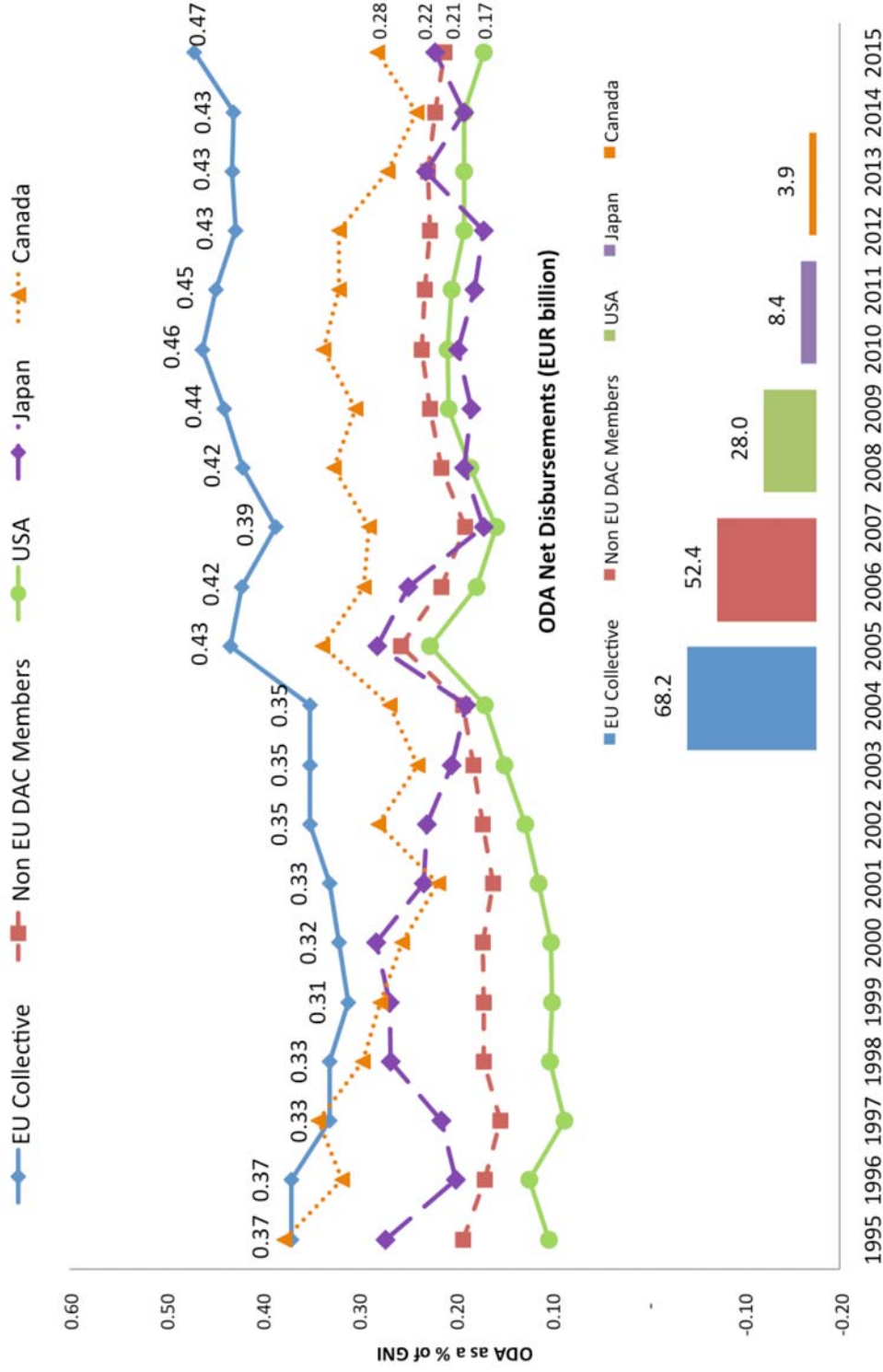


Figure 2

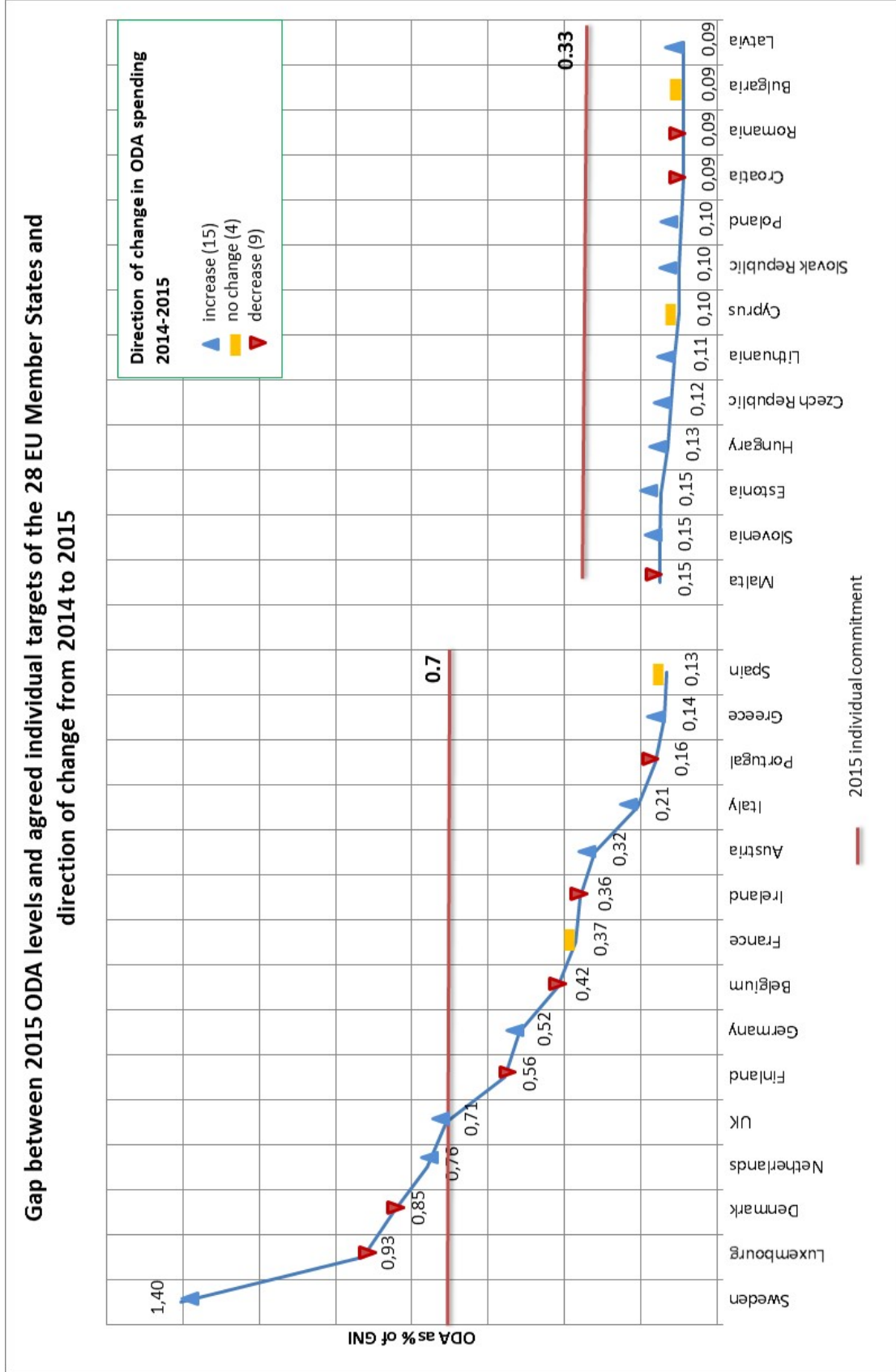


Table 1: EU ODA (Net) 2012-2015

Member State	2012		2013		2014		2015		Gap (1)	
	EUR Million	% of GNI	EUR Million	% of GNI	EUR Million	% of GNI	EUR Million	% of GNI	% of GNI	% of GNI
Austria	860	0.28	882	0.27	930	0.28	1,089	0.32	0.38	0.38
Belgium	1,801	0.47	1,732	0.45	1,845	0.46	1,708	0.42	0.28	0.28
Bulgaria	31	0.08	37	0.10	37	0.09	37	0.09	0.24	0.24
Croatia	15	0.03	41	0.10-0	53	0.13	46	0.09	0.24	0.24
Cyprus	20	0.12	15	0.10	15	0.10	15	0.10	0.23	0.23
Czech Republic	171	0.12	159	0.11	160	0.11	182	0.12	0.21	0.21
Denmark	2,095	0.83	2,205	0.85	2,264	0.86	2,313	0.85	(0.15)	(0.15)
Estonia	18	0.11	23	0.13	28	0.14	30	0.15	0.18	0.18
Finland	1,027	0.53	1,081	0.54	1,232	0.59	1,165	0.56	0.14	0.14
France	9,358	0.45	8,543	0.41	8,005	0.37	8,317	0.37	0.33	0.33
Germany	10,067	0.37	10,717	0.38	12,486	0.42	16,028	0.52	0.18	0.18
Greece	255	0.13	180	0.10	186	0.11	254	0.14	0.56	0.56
Hungary	92	0.10	97	0.10	109	0.11	137	0.13	0.20	0.20
Ireland	629	0.47	637	0.46	615	0.38	647	0.36	0.34	0.34
Italy	2,129	0.14	2,592	0.17	3,022	0.19	3,466	0.21	0.49	0.49
Latvia	16	0.08	18	0.08	19	0.08	21	0.09	0.24	0.24

Lithuania	40	0.13	38	0.11	34	0.10	39	0.11	0.22
Luxembourg	310	1.00	323	1.00	319	1.06	326	0.93	(0.23)
Malta	14	0.23	14	0.20	15	0.20	13	0.15	0.18
The Netherlands	4,297	0.71	4,094	0.67	4,200	0.64	5,240	0.76	(0.06)
Poland	328	0.09	355	0.10	341	0.09	399	0.10	0.23
Portugal	452	0.28	368	0.23	324	0.19	276	0.16	0.54
Romania	111	0.08	101	0.07	162	0.11	138	0.09	0.24
Slovak Republic	62	0.09	65	0.09	63	0.09	77	0.10	0.23
Slovenia	45	0.13	46	0.13	46	0.12	56	0.15	0.18
Spain	1,585	0.16	1,789	0.17	1,415	0.13	1,446	0.13	0.57
Sweden	4,077	0.97	4,389	1.01	4,698	1.09	6,393	1.40	(0.70)
UK	10,808	0.56	13,498	0.71	14,551	0.70	16,858	0.71	(0.01)
EU15 Total	49,749	0.42	53,003	0.44	56,091	0.44	65,525	0.49	
EU13 Total	964	0.10	1,000	0.10	1,083	0.10	1,191	0.10	
EU28 Total	50,713	0.39	54,004	0.41	57,174	0.41	66,716	0.46	
EU Institutions' ODA not imputed to EU Member States	4,544	0.04	2,873	0.02	2,139	0.02	1,510	0.01	
Collective EU ODA	55,257	0.43	56,877	0.43	59,313	0.43	68,226	0.47	0.23

Note: (1) Gap, as % of Gross National Income (GNI), to Member States Individual EU ODA targets, and to 0.7% of GNI for collective EU ODA. Bracketed figures show the extent, as a % of GNI, by which the Member State has exceeded its EU target. Non-Imputed EU Institutions ODA is calculated based on submissions by Member States to the OECD-DAC. Apparent inconsistencies in the table are due to the rounding up to two decimals.

Collective EU ODA is the sum of the net ODA reported by the EU institutions and by the Member States. Data up to 2014 include loans of the European Investment Bank's own resources that are not imputed to EU Member States and are additional to the EU28 Total, based on calculations by the EU Commission (see footnote 3). The 2015 non-imputed EU Institutions ODA value is based on submissions by Member States to the OECD-DAC to ensure consistency with Member States reporting and to avoid double counting.

Sources:

- For figures 1995 – 2015
 - o for OECD members: OECD/ DAC.
 - o for non-OECD EU Member States: OECD/ DAC where available, otherwise Member States own data. ODA for Cyprus is estimated at the same volume and GNI ratio as 2013 as updated figures are not yet available.
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