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From:	General Secretariat of the Council
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To:	Delegations

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Subject:	Annual Report 2017 to the European Council on EU Development Aid Targets
	- Council conclusions (19 May 2017)

Delegations will find in the annex the Council conclusions on the Annual Report 2017 to the European Council on EU Development Aid Targets, as adopted by the Council at its 3540th meeting held on 19 May 2017.

Council conclusions**Annual Report 2017 to the European Council on EU Development Aid Targets**

1. The Council welcomes the publication by the Commission of preliminary information on 2016 EU Official Development Assistance¹ (ODA), analysing the trends with regard to EU collective and individual ODA commitments². The Council stresses 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 seventh such report to be submitted to the European Council.

¹ http://europa.eu/rapid/press-release_IP-17-916_en.htm and http://europa.eu/rapid/press-release_MEMO-17-949_en.htm

² Presidency Conclusions, European Council of 16 and 17 June 2005 (10255/1/05), Council conclusions of 10 and 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 2016, and for a fourth year in a row, EU collective ODA increased, reaching €75.5 billion, its highest ever level to date and up from €67.9 billion in 2015: an increase of 10.7% in nominal terms. EU collective ODA reached 0.51% of EU gross national income (GNI)³ in 2016, a significant increase compared to 0.47% in 2015.
 - b. The EU and its Member States have consolidated their position as the biggest global ODA donor (see Figure 1), accounting for close to 60% 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 remained at 0.21% of GNI in 2016 (it was 0.21% of GNI in 2015).
 - c. The above figures reflect the positive trend and stronger performance of most EU Member States. 22 Member States increased or maintained their overall levels of ODA as well as ODA over GNI ratios. Five EU Member States met or exceeded the 0.7% ODA/GNI threshold (see Figure 2 and Table 1). Notably Germany reached the 0.7% target for the first time.

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. Due to the ongoing refugee crisis, the OECD data has again this year shown the high level of 'in-donor' refugee costs⁴ reported as ODA by several DAC Members. The OECD data indicates that in-donor refugee costs amongst EU countries grew from €8.8 billion (or 12.9% of collective EU ODA in 2015) to €10.7 billion (or 14.2% of collective EU ODA in 2016), a much more modest growth than last year. 25% of overall ODA growth in 2016 was imputable to in-donor refugee costs. The overall EU ODA, net of in-donor refugee costs, increased by 10%. This means that in 2016 the EU collectively increased both its much needed support to refugees in Europe and other development aid flows to developing countries.

4. The Council notes that the EU has consolidated its position as the largest global ODA provider and has got closer to meeting the ambitious target to collectively provide 0.7% of GNI as ODA that it set for itself in 2005.
5. The Council recalls the 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. 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. These commitments are re-iterated in the new European Consensus on Development, which guides the actions of EU institutions and Member States in their cooperation with all developing countries.

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://register.consilium.europa.eu/doc/srv?l=EN&f=ST%209989%202014%20INIT>

6. The Council notes with concern that despite growth in net ODA, the EU has still not met its collective target to provide 0.15% - 0.20% of GNI to LDCs in the short-term, reaching only 0.11% of GNI in 2015 (the latest year for which complete data is available, see Table 2).
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 financing paradigm, with good governance at the core, responsibilities for all, 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 to mobilising financing and other means of implementation from all available sources (public/private, domestic/international) and all actors, notably through multi-stakeholder partnerships, 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 welcomes the work of the Commission Services and the EEAS in the areas highlighted in the document *"Achieving the 2030 Sustainable Development Goals: Putting together the means of implementation; highlight on EU early achievements in three key areas"*⁶: domestic resources mobilisation, leveraging private sector resources and Joint Programming in support of the Addis Ababa Action Agenda.

⁶ See annex to press release IP-17-916: *"Achieving the 2030 Sustainable Development Goals: Putting together the means of implementation; highlight on EU early achievements in three key areas"*

8. The Council looks forward to continuing work in the United Nations and within the European Union to implement the Addis Ababa Action Agenda and to developing mechanisms for monitoring its impact and assessing results. In this regard, the Council takes note of the United Nations Economic and Social Committee (ECOSOC) Forum on Financing for Development that will take place on 22-25 May in New York, and looks forward to building on, and deepening, those discussions at future Forums.
9. The Council further looks forward to continuing discussions in the OECD DAC on the development of a new statistical measure for Total Official Support for Sustainable Development (TOSSD), which will help to better measure and give visibility to a fuller range of development actions without undermining ODA. The Council encourages open, inclusive and transparent discussions on the development of the new measure.

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

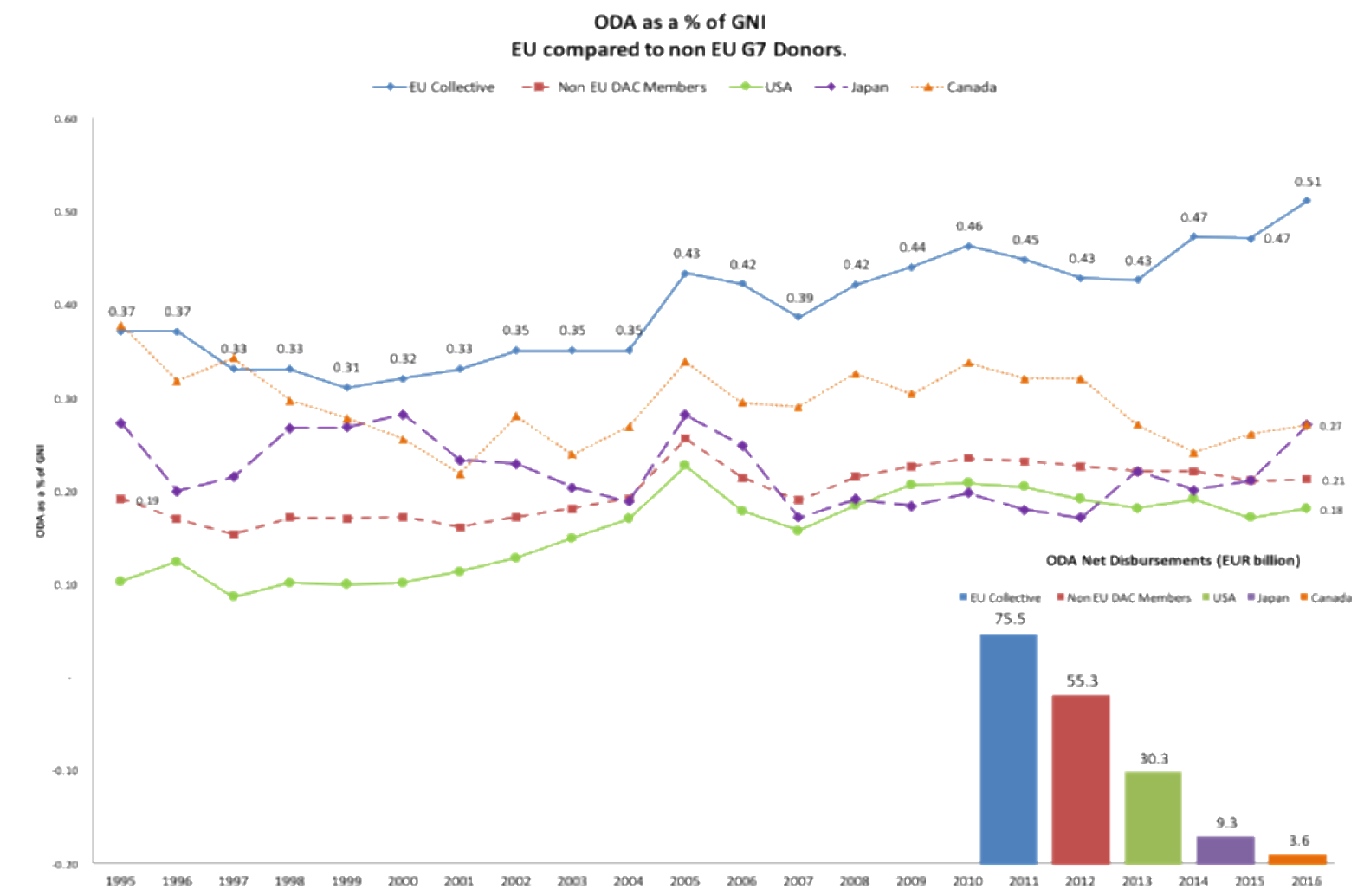


Figure 2

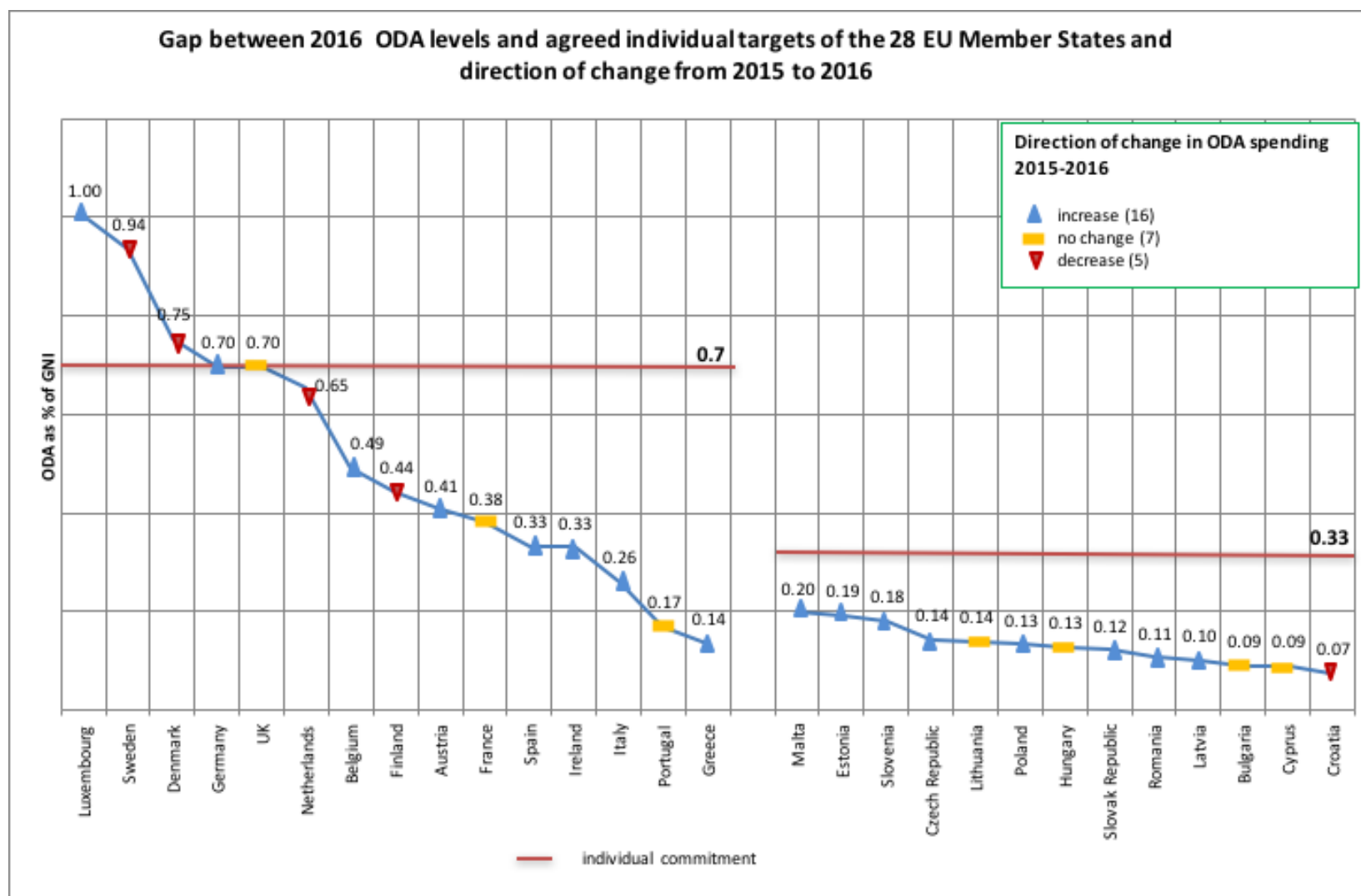


Table 1: EU ODA (Net) 2013-2016

Member State	2013		2014		2015		2016	
	EUR Million	% of GNI	EUR Million	% of GNI	EUR Million	% of GNI	EUR Million	% of GNI
Austria	882	0.27	930	0.28	1,193	0.35	1,432	0.41
Belgium	1,732	0.45	1,845	0.46	1,717	0.42	2,085	0.49
Bulgaria	37	0.10	37	0.09	37	0.09	37	0.09
Croatia	32	0.07	54	0.12	46	0.09	37	0.07
Cyprus	15	0.10	15	0.10	16	0.09	16	0.09
Czech Republic	159	0.11	160	0.11	179	0.12	236	0.14
Denmark	2,205	0.85	2,264	0.86	2,313	0.85	2,145	0.75
Estonia	23	0.13	28	0.14	31	0.15	40	0.19
Finland	1,081	0.54	1,232	0.59	1,161	0.55	956	0.44
France	8,543	0.41	8,005	0.37	8,149	0.37	8,592	0.38
Germany	10,717	0.38	12,486	0.42	16,173	0.52	22,309	0.70
Greece	180	0.10	186	0.11	215	0.12	239	0.14
Hungary	97	0.10	109	0.11	140	0.13	141	0.13
Ireland	637	0.46	615	0.38	648	0.32	725	0.33
Italy	2,566	0.17	3,022	0.19	3,609	0.22	4,391	0.26
Latvia	18	0.08	19	0.08	21	0.09	25	0.10
Lithuania	38	0.11	34	0.10	43	0.14	52	0.14
Luxembourg	323	1.00	319	1.06	327	0.95	347	1.00

Malta	14	0.20	15	0.20	15	0.17	19	0.20
The Netherlands	4,094	0.67	4,200	0.64	5,162	0.75	4,511	0.65
Poland	355	0.10	341	0.09	397	0.10	546	0.13
Portugal	368	0.23	324	0.19	278	0.16	307	0.17
Romania	101	0.07	162	0.11	143	0.09	179	0.11
Slovak Republic	65	0.09	63	0.09	77	0.10	97	0.12
Slovenia	46	0.13	46	0.12	57	0.15	72	0.18
Spain	1,789	0.17	1,415	0.13	1,259	0.12	3,704	0.33
Sweden	4,389	1.01	4,698	1.09	6,391	1.41	4,404	0.94
UK	13,498	0.71	14,551	0.70	16,718	0.70	16,289	0.70
EU15 Total	53,003	0.44	56,091	0.44	65,313	0.49	72,436	0.53
EU13 Total	1,000	0.10	1,083	0.10	1,203	0.11	1,496	0.13
EU28 Total	54,004	0.41	57,174	0.41	66,515	0.46	73,932	0.50
EU Institutions' ODA not imputed to EU Member States	2,873	0.02	2,139	0.02	1,372	0.01	1,603	0.01
Collective EU ODA	56,877	0.43	59,313	0.43	67,887	0.47	75,535	0.51

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.

Table 2: EU Member State ODA to Least Developed Countries (Net) 2014-2015

Member State	2014		2015	
	ODA to LDCs (EUR Millions)	LDC ODA/GNI ratio (% of GNI)	ODA to LDCs (EUR Millions)	LDC ODA/GNI ratio (% of GNI)
Austria	272.7	0.08	200.4	0.06
Belgium	625.0	0.16	549.5	0.13
Bulgaria	8.3	0.02	7.6	0.02
Croatia	1.9	0.00	6.4	0.01
Cyprus	2.9	0.02	3.6	0.02
Czech Republic	39.0	0.03	37.1	0.02
Denmark	678.0	0.26	549.5	0.20
Estonia	6.4	0.03	5.3	0.03
Finland	427.7	0.21	386.9	0.18
France	1,924.4	0.09	2,143.6	0.10
Germany	2,889.1	0.10	2,340.0	0.08
Greece	37.4	0.02	34.3	0.02
Hungary	21.6	0.02	23.4	0.02
Ireland	299.5	0.18	310.7	0.15

Italy	724.4	0.04	784.6	0.05
Latvia	4.2	0.02	4.2	0.02
Lithuania	7.0	0.02	8.2	0.03
Luxembourg	129.8	0.43	138.8	0.40
Malta	1.5	0.02	1.9	0.02
Netherlands	844.4	0.13	934.4	0.14
Poland	98.0	0.02	112.8	0.03
Portugal	89.8	0.05	81.4	0.05
Romania	25.4	0.02	27.8	0.02
Slovak Republic	13.2	0.02	16.7	0.02
Slovenia	8.1	0.02	8.6	0.02
Spain	367.0	0.03	283.4	0.03
Sweden	1,226.8	0.29	1,328.1	0.29
United Kingdom	4,985.5	0.24	5,514.7	0.23
EU 28 TOTAL ODA to LDCs	15,759.2	0.11	15,843.5	0.11

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 2016 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 – 2016
 - o for OECD members: OECD/ DAC.
 - o for non-OECD EU Member States: OECD/ DAC where available, otherwise Member States own data. 2016 ODA for Cyprus and Bulgaria is estimated at the same volume and GNI ratio as 2015, as updated figures are not yet available from the OECD.