

# PART FIVE

## DEVELOPMENT ASSISTANCE STATISTICS



## **E-1 Bilateral – Multilateral ODA**

### **E-1.1 Official Development Assistance – International Flows**

Total official development assistance (ODA) from members of the Development Assistance Committee (DAC) fell in 2006 by 5.10% in real terms, in relation to the previous year, reaching 103.9 BUSD (a decrease of 2.90 BUSD in relation to 2005). This represents 0.30% of combined Gross National Income (GNI) of DAC members. It is noted that ODA was exceptionally high in 2005 (106.80 BUSD) due to large Paris Club debt relief operations, notably for Iraq and Nigeria.

The combined ODA of the fifteen DAC-E.U members rose slightly by 2.70% in real terms to 58.9 BUSD, which represents 0.43% of their combined GNI. This increase was mainly due to debt relief grants. Aid provided by the European Commission rose by 5.7% to 10.2 BUSD.

In 2002, during the Monterrey International Conference on Financing for Development, the DAC members made various announcements – commitments, to increase their aid by the year 2006. Later, in the framework of the Barcelona Conference, E.U MS engaged to increase the provided ODA to 0.39% of their combined GNI, setting as a minimum goal per MS, the achievement of 0.33% of GNI until the year 2006. Greece promised to increase its aid to 0.33% of GNI until the end of 2006.

Most members reached the 0.33% of GNI country target, except for Italy, Portugal, Spain and Greece. The combined result of E.U members in 2006 was 0.43% of their combined GNI, that is well above the target of 0.39% set in 2002, mainly due to debt relief grants.

According to the DAC, ODA is expected to fall back slightly in 2007, as debt relief for Nigeria and Iraq tapers off. However, it is expected that at the same time, other types of aid will increase, as donors fulfil their more recent pledges regarding increases in the provided assistance. It is noted that among the said pledges is the one made by the 15 E.U members for raising their aid to at least 0.51% of GNI by 2010.

### **E-1.2 Greek Bilateral and Multilateral Official Development Assistance**

The Greek target since 1996, initiation year of the first medium term “Five Year Development Co-operation and Assistance Program of Greece” (1st PPASBE 1997–2001), was for total ODA (bilateral and multilateral combined) that would be granted during the years 1997-2001 to reach 0.20% of GNP (0.10% bilateral and 0.10% multilateral), from 0.12% of GNP in 1996 (0.02% bilateral and 0.10% multilateral).

Indeed, according to planning, total bilateral ODA disbursements rose considerably, whereas the corresponding amounts for multilateral ODA remained almost unchanged.

The above mentioned goal was reached in 2000, one year ahead of schedule. During the first Peer Review of Greek policy and programs by the DAC (2002), the Committee welcomed Greek endeavors and noted that Greece had clearly made a good start in building up its aid efforts, reaching almost the average of the 22 DAC members, namely 0.22% of GNP (see TABLE [1] and GRAPHS [A] and [A1]).

The first two years of the 2nd PPASBE (2002-2003) bilateral ODA disbursements tended to rise (see TABLE [1A] and GRAPH [A]).

However, by the end of 2005 the DAC brought into question an issue, namely to what extent Greek disbursements during 2004, which among others, built global cultural capacity for Olympism, Culture, Truce and Volunteerism, were eligible as “Official Development Assistance” (ODA), according to the relevant definition.

The Greek side explained analytically and with documented arguments the Greek position, both during a meeting of teams from HELLENIC AID and the DAC (January 2006), as well as by means of correspondence (November 2005 – January 2006). The DAC accepted that Greece carried out a successful task in the sector of culture within the framework of the 28th Olympiad “ATHENS 2004”. However, the DAC was dominated by the fear that, if it accepted that Greek disbursements were ODA eligible, then it should do the same in future with those DAC members that would organize Olympic Games.

Following a series of tough negotiations, during which logical arguments were presented by HELLENIC AID, the only argument of the DAC representatives claiming that the same tactics could be used in future by other countries, was settled. At this point, HELLENIC AID argued that “it is one thing to conduct Olympic Games being country A or B and another being Greece”, the country of origin of the Olympic Games and of the Olympic ideal. Afterwards, both sides agreed that the aforesaid disbursements were indeed aid, but the DAC wished to consider them as “Other Official Flows” (OOF) and not as ODA. The DAC prompted the Greek side not to insist to its views.

Then, the issue was once again brought forward during the second Peer Review of Greece by the DAC, which took place in Athens, in June 2006. The Peer Review team raised the issue yet again, by arguing that the Greek views would not be accepted neither by the DAC Secretariat nor by DAC members. In order to avoid the dead end that was coming into sight, the Peer Review team suggested the solution of writing-off Greek development disbursements that had taken place in the framework of the Olympiad “ATHENS 2004” and in their place include the imputed student costs that Greece had paid in 2004 for educating foreign students at secondary and tertiary levels, so that the ODA/GNI ratio of Greece to remain at 0.23%. It is noted that, according to the DAC/OECD Statistical Reporting Directives (DAC Statistical Reporting Directives Doc. DCD/DAC/(2000)10, page. 60 & DCD/DAC/(2007)34, par. 1.11-1.13), the disbursements in question are registered as ODA. The proposition of the DAC was accepted by the Greek side and the issue was deemed closed.

However, when HELLENIC AID submitted revised statistics on resource flows for the year 2004, according to what had been agreed with the Peer Review team (June 2006), the DAC stated that the imputed student costs of the year 2004 for educating foreign students of secondary education, were not eligible as ODA, except the ones concerning higher education students. Correspondence followed, in which the Greek views were set out on an analytical and well-documented basis. Moreover, a meeting was held on this issue, between a team from the Permanent Delegation of Greece to the OECD and the DAC President. However, the DAC did not reconsider its stand, since as it argued, it cannot allow the

establishment of a precedent on the issue, during a period that it is under pressure by international NGOs, as far as the validity of its published statistics is concerned.

It is noted that disbursements for educating foreign secondary students in Greek Schools in the year 2004 amounted to 117.13 MEURO or 0.07% of GNI and were distributed per recipient country as follows:

COUNTRY	DISBURSEMENTS	COUNTRY	DISBURSEMENTS
Albania	101.499.320,62	Kazakhstan	533.220,91
Armenia	1.855.464,65	Lebanon	46.836,97
Egypt	345.873,02	Moldova	832.256,96
Ethiopia	97.276,79	Nigeria	162.127,98
Brazil	93.673,94	Uzbekistan	205.362,11
Georgia	7.418.255,75	FYROM	68.454,04
China	36.028,44	Pakistan	144.113,76
India	32.425,60	Syria	302.638,89
Jordan	68.454,04	Turkey	259.404,77
Iraq	284.624,67	Philippines	223.376,33
Iran	97.276,79	Ukraine	2.521.990,78

Since the most significant disbursements were made for students coming from Albania, it is noted that Greece has developed, for some 15 years, an overall policy as regards its relations with the neighboring country. Furthermore, a strategic interest in Albania is also shown by the USA, the E.U and International Organizations, and mostly by the Organization for Security and Co-operation in Europe (OSCE). In this context, Albania is a pilot model of development strategy on immigration issues for Greece.

The Greek policy regarding Albania includes various phases:

- At a first phase, Greece had an on-site presence, through the direct financing to the Albanian government, which however did not have the expected results, due to corruption that was prevailing in the early '90.
- Later, Greece proceeded to the second phase, which includes the provision of scholarships for free education of Albanian pupils and students in Greece, in order to contribute to the economic development of their country when they return back home.
- Finally, the third phase of the program for Albania, which has already begun, anticipates for the construction of Schools - equivalent to European standards - in co-operation with NGOs. In agreement with the Albanian government, Schools have been constructed in Tirana, in Gjirokaster, in Korce, in Himare, in Shkoder, while other schools are planned to be constructed in Sarande etc.

In the meantime, the Greek State creates also incentives for the repatriation of young Albanians who graduate from Greek Schools or Universities, through the creation of new jobs. In this regard, the Greek Plan for the Economic Reconstruction of the Balkans (ESOAB), which subsidises private investments by over 30%, the program for financing small and medium enterprises (SMEs), the lifelong learning/training program and the programs for transferring know-how in various sectors, such as agriculture, tourism, banks, etc., move towards this direction.

Following the abovementioned, Greek bilateral ODA granted in developing countries during the years 2004-2006, is presented in TABLE [1A] and in GRAPH [A].

In 2006, the total official development assistance granted by Greece (bilateral and multilateral ODA) amounted to 423.99 MUSD or 0.17% of GNI. In relation to the previous year, it rose by 39.77 MUSD or about 10.35%. Multilateral ODA reached 234.78 MUSD or 0.09% of GNI, whereas bilateral ODA reached 189.21 MUSD or 0.08% of GNI.

Multilateral ODA was 55.40% and bilateral 44.60% of total ODA. Respectively, the combined bilateral and multilateral ODA/GNI ratio remained the same in relation to the previous year, to 0.17% (see TABLE [1A] and GRAPH [A1]).

According to the latest OECD statistics for the year 2006 (see ANNEX V), Greece is ranked 19th among the 22 members of the DAC, in respect of ODA volume granted (423.99 MUSD) and 22nd in respect of ODA/GNI ratio (0,17%).

### E-1.3 Greek Official Development Assistance Commitments

The E.U seeks to maintain a leadership role as regards the fulfillment of the MDGs. For this reason the European Council took an ambitious decision in May 2005 regarding scaling up of ODA, improvement of its quality and its rapid provision, in view of the important New York Conference on the process of achieving the “Millennium Development Goals” (MDGs+5) in September 2005.

Due to the fact that a lot of different views had to be compromised, negotiations were long and tough. The E.U proposal-target is to scale-up ODA ratio that MS will disburse through their official budgets by 2010, especially for Sub-Saharan Africa (0.51% of GNI for “old” MS and 0.17% of GNI for “new” MS), through raising awareness of both governments’ and the public. The expected result is for the E.U to achieve a high average, which is estimated to reach 0.56% of GNI by 2010, thus rendering the E.U into an international “superpower” as regards provision of development assistance (currently the E.U provides 52% of global aid).

Greece agrees with the package of ambitious proposals presented by the European Commission in its effort to ensure a leading contribution of the E.U, at a critical stage for global development. Greece supports solidarity demonstrated by the most significant global donor for the developing world and believes that the E.U has the power to initiate proceedings for enhancing the pace of achieving the millennium development goals.

According to its 2002 commitments and despite its fiscal difficulties, Greece will make an effort in order to follow as actively as possible the European targeting.

### E-2 Special Account of Article 18, paragraph 6 of Law 2731/1999

Balance sheet 1.1.2006 - 31.12.2006 of Special Account “Ministry of Foreign Affairs provision of humanitarian aid to third countries” No. 2341065503 kept in the Bank of Greece (EURO).

BALANCE OF PREVIOUS FISCAL YEAR :		12.501.727,67
CREDIT: 60.168,76	DEBIT: (BILATERAL ASSISTANCE)	147.450,69
<u>TOTAL: 60.168,76</u>	<u>TOTAL</u>	<u>147.450,69</u>
	<u>BALANCE CARRIED FORWARD</u>	12.414.445,74
	31.12.2006	