

DÓCHAS
The Irish Association of Non-Governmental Development Organisations

PRESS STATEMENT

31 March 2009

OECD warns that aid cuts would put 'dangerous additional burden on poor countries'

Development NGOs welcome call on member governments to invest in development aid to counter economic crisis

The Organisation for Economic Cooperation and Development (OECD) on Monday called for increased efforts to meet overseas aid targets and for member states to maintain a strong political priority to doing so, echoing what development NGOs have been saying in Ireland. The latest OECD aid statistics, for 2008, showed that EU member states are well off track towards reaching their collective targets of spending 0.56% of Gross National Income by 2010.

“The OECD has projected that at least \$10 to \$15 billion must still be added to donors’ spending plans for aid if they are to meet their 2010 commitments,” said Helen Keogh, chairperson of Dóchas.

“That’s a crucial message for world leaders at the G20 Summit to take on board this week – and a crucial message for the Irish government to hear as it prepares its Budget on 7 April.”

In the figures released on Monday, Ireland fares well by comparison with EU states as a bloc, having reached 0.58% of Gross National Income in 2008 -- a height reached in part due to the rapidly shrinking figure for national income, which makes the percentage target easier to reach even if aid spending remains static or shrinks slightly in real terms.

In Ireland’s case, the percentage of overseas aid to national income increased from 0.55% in 2007 to 0.58% in 2008, according to the OECD data - despite the Irish government announcing a combined €60 million in cuts in two tranches in July and October 2008, which were followed up with another €95 million cut in February 2009.

Ireland remains committed to reaching 0.6% of its gross national income in overseas aid by 2010 – an equivalent of 60 cent in every €100 – and to bringing

that up to the minimum level recommended by the United Nations, 0.7%, by 2012.

In releasing its aid statistics on Monday, the OECD highlighted the severe effect the world's economic crisis is having on poor countries, in lost earnings from exports, reduced foreign direct investment and other financial flows, a drop in migrants' remittances, and recent rises in food and oil prices.

Increased efforts to meet ODA targets are even more important now that the economic crisis is reducing developing countries' growth prospects and their ability to make progress towards the Millennium Development Goals, the OECD said, highlighting the important role aid plays in balancing the other financial flows that poor countries are losing.

Strong political priority should be given to meeting aid targets, the OECD said, adding that **“aid cuts at this point in time would place a dangerous additional burden on developing countries already faced with restricted sources of income and poverty, and perhaps undo some of the progress already made towards meeting the Millennium Development Goals.”**

Aid is crucial to the world achieving the MDGs, 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: this year alone, an additional 46 million people will be living on less than one US dollar a day.

The 2008 aid figures released on Monday show a slight increase in the aid given collectively by OECD EU Member States from 0.39% to 0.42% of their national income, but that the EU is well behind its collective target to spend 0.56% of GNI by 2010.

“The OECD suggests Ireland will be on track at 0.6% in 2010 to meet its commitment of 0.7% by 2012, and we very much hope that's the case. But we are very disappointed that the Irish government cut aid so disproportionately in February and strongly urge the Cabinet to avoid further cuts in the upcoming budget on April 7th, so that the OECD is not proven wrong” said Hans Zomer, Director of Dóchas.

“Ireland's overseas aid makes real and positive differences to the lives of millions of people across the developing world,” Zomer added. “We must keep our promises to the developing world.”

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Notes for the Editor

For further information, see also:

1. Dochas briefing paper: **Now is not the time to turn our backs on the poor**

http://www.dochas.ie/documents/Dochas_on_Global_Crisis-March09.pdf

2. OECD/DAC: [Preliminary Official Development Assistance \(ODA\) data for 2008](#).

3. **False Sheen on European Aid Money:** NGO Comment on OECD aid official figures
<http://www.concordeurope.org/Public/Page.php?ID=4&language=eng>

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