

2. SECTORAL AND ECONOMIC TRENDS OF ENVIRONMENTAL SIGNIFICANCE

Environmentally related ODA

International financial flows have an important role in the uptake and dissemination of technology and good practices. They contribute to cross-country exchange of knowledge, stimulate entrepreneurship and partnerships, and are a key aspect of work to combine development and environmental objectives.

Official development assistance (ODA) is vital as it can provide crucial funds and backing for developing countries. It makes up more than two thirds of external finance for least-developed countries. About two-thirds of total ODA is channelled directly by donors to partner countries. ODA directed towards environmentally related sectors and objectives is an important source of financing for sustainable development.

Definitions

The indicators presented here refer to bilateral ODA allocated to environmentally related sectors. The data refer to gross disbursements allocated to general environmental protection, water supply and sanitation, and renewable energy. They are expressed as a percentage of total sector-allocable ODA.

Information on net ODA (i.e. net disbursements of bilateral ODA) expressed as a percentage of Gross National Income (GNI) is given as a complement.

Overview

Aid to developing countries has increased by 66% in real terms since 2000. It reached a first peak in 2010, then fell in 2011-12 as many governments took austerity measures and trimmed aid budgets. In 2013, net aid provided by members of the OECD Development Assistance Committee (DAC) rose by 6.1% in real terms to reach the highest level ever recorded (USD 134.8 billion), despite continued pressure on budgets in OECD countries. Five DAC member countries exceed the United Nations target of keeping ODA at 0.7% of GNI, but the collective effort of DAC members fell short of the target (i.e. at 0.3%).

Environmental sustainability is increasingly being mainstreamed in development co-operation, and aid targeted at environmentally related sectors and objectives has been gaining from the increased availability of aid resources. In 2013, gross disbursements amounted to USD 9.5 billion, a 244% increase since 2002 in real terms. Its share in total ODA increased from 9.6% to 12.6%

over the same period, mainly thanks to stronger support for programmes related to water and climate change as of the mid-2000s.

Aid for general environmental protection has remained relatively stable, while aid for renewable energy gained in importance and surpassed aid for non-renewables.

In parallel, aid flows targeting the objectives of the Rio Conventions, i.e. related to biodiversity, desertification and climate change, increased significantly. In 2013, DAC members allocated some USD 5.8 billion for biodiversity related aid, USD 15.2 billion for aid related to climate change mitigation, USD 10.2 billion for aid related to climate change adaptation, and USD 2.8 billion for desertification related aid.

Comparability

Data on ODA are standardised through the OECD Development Assistance Committee (DAC) Creditor Reporting System (CRS). ODA donors are requested to screen each aid activity reported to the CRS, but data gaps remain for some donors, and it remains difficult to determine the environmental purpose of existing aid commitments and investment projects.

Latest available year: data prior to 2010 were not considered.

For additional notes, see the Annex.

Sources

OECD (2014), "Creditor Reporting System: Aid activities", *OECD International Development Statistics* (database), <http://dx.doi.org/10.1787/data-00061-en>.

Further information

OECD (2014), "Green Growth Indicators 2014", *OECD Green Growth Studies*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264202030-en>.

OECD (2014), *Development Co-Operation Report 2014: Mobilising Resources for Sustainable Development*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/dcr-2014-en>.

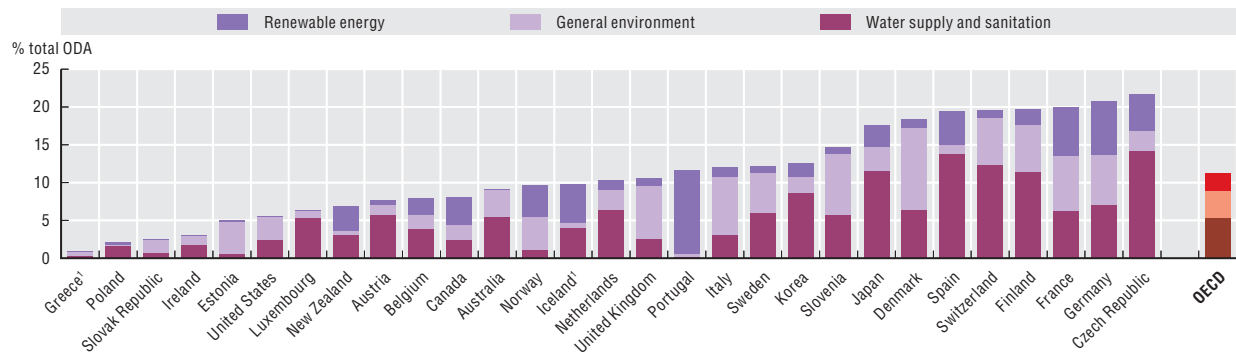
Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

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Figure 2.19. **Official Development Assistance (ODA) for environment and renewable energy, 2013**

Gross disbursements as percentage of total ODA



Source: OECD (2014), "Creditor Reporting System: Aid Activities", OECD International Development Statistics (database), <http://dx.doi.org/10.1787/data-00061-en>.

StatLink <http://dx.doi.org/10.1787/888933262201>

Table 2.9. **Official Development Assistance (ODA) for environment and renewable energy**

	Water supply and sanitation		Renewable energy		General environment		Net ODA	
	% sector-allocable ODA		% sector-allocable ODA		% sector-allocable ODA		% GNI	
	2013 or latest	% points change since 2002	2013 or latest	% points change since 2002	2013 or latest	% points change since 2002	2013	% points change since 2000
Australia	5.41	1.96	0.05	-0.05	3.65	1.13	0.33	0.06
Austria	5.68	1.00	0.58	0.08	1.44	-1.31	0.27	0.04
Belgium	3.79	1.28	2.24	2.23	1.92	0.64	0.45	0.09
Canada	2.43	-0.40	3.71	2.78	1.96	-3.11	0.27	0.02
Chile	..	..	..	..	..	..	..	..
Czech Republic	14.13	..	4.84	..	2.72	..	0.11	0.08
Denmark	6.32	-3.57	1.10	0.46	11.02	2.85	0.85	-0.21
Estonia	0.56	..	0.24	..	4.27	..	0.13	0.12
Finland	11.31	3.30	2.02	2.05	6.43	1.69	0.54	0.23
France	6.18	0.73	6.45	6.04	7.40	1.17	0.41	0.11
Germany	6.95	-2.88	7.06	2.68	6.75	4.96	0.38	0.11
Greece	0.28	-0.67	0.04	..	0.64	-4.33	0.10	-0.10
Hungary	..	..	..	..	..	..	0.10	0.07
Iceland	3.95	..	5.09	..	0.71	..	0.25	0.15
Ireland	1.75	-5.70	0.01	-0.02	1.19	0.69	0.46	0.17
Israel	..	..	..	..	..	..	0.07	-0.07
Italy	3.02	1.80	1.31	1.19	7.76	-7.05	0.17	0.04
Japan	11.44	0.61	2.87	1.88	3.34	1.78	0.23	-0.05
Korea	8.56	..	1.79	..	2.23	..	0.13	0.09
Luxembourg	5.31	..	0.10	..	1.02	..	1.00	0.30
Mexico	..	..	..	..	..	..	..	..
Netherlands	6.30	0.36	1.22	0.95	2.77	-4.43	0.67	-0.17
New Zealand	3.00	1.69	3.21	2.61	0.62	0.35	0.26	0.01
Norway	1.02	-2.20	4.19	3.39	4.40	-0.12	1.07	0.31
Poland	1.55	..	0.28	..	0.31	..	0.10	0.08
Portugal	0.14	-0.13	11.10	10.56	0.48	-0.09	0.23	-0.03
Slovak Republic	0.70	..	0.05	..	1.71	..	0.09	0.06
Slovenia	5.63	..	0.91	..	8.16	..	0.13	..
Spain	13.79	10.43	4.43	4.11	1.23	-1.61	0.17	-0.05
Sweden	5.92	-0.03	0.89	0.66	5.33	1.32	1.01	0.21
Switzerland	12.33	5.85	1.02	-0.02	6.26	-3.17	0.47	0.15
Turkey	..	..	..	..	..	..	0.42	0.38
United Kingdom	2.56	-0.53	1.02	0.91	7.05	5.74	0.71	0.39
United States	2.42	0.20	0.06	-0.06	3.05	-0.40	0.18	0.08
OECD average	5.26	0.54	2.34	1.74	3.65	-0.54	0.37	0.08

Note: See the Annex for country notes.

Source: OECD (2014), "Creditor Reporting System: Aid activities", OECD International Development Statistics (database), <http://dx.doi.org/10.1787/data-00061-en>.

StatLink <http://dx.doi.org/10.1787/888933262453>



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