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Development Aid – advances in 2010?

The Organisation for Economic Co-operation and Development (OECD) has released the official development assistance (ODA) figures for 2010. They are both encouraging and worrying. The OECD reports that ODA has reached an historic high but fall short of the commitments made at the Gleneagles G8 Summit.

In 2010, net ODA flows from members of the Development Assistance Committee (DAC) of the OECD reached USD 128.7 billion, representing an increase of +6.5 % over 2009. This is the highest real ODA level ever, surpassing even the volume provided in 2005 which was boosted by exceptional debt relief. Net ODA as a share of gross national income (GNI) was 0.32%, equal to 2005, and higher than any other year since 1992.

Bilateral aid for core development programmes and projects (i.e. excluding debt relief grants and humanitarian aid) rose by +5.9% over 2009. New lending (+13.2%) increased faster than grants (+6.8%).

Bilateral ODA to Africa was USD 29.3 billion, of which USD 26.5 billion was for sub-Saharan Africa. These amounts represent an increase in real terms of +3.6% and +6.4% respectively over 2009. However, excluding debt relief grants, bilateral ODA fell very slightly (-0.1%) for Africa but rose (+1.7%) for sub-Saharan Africa.

In 2010, the largest donors by volume were the United States, the United Kingdom, France, Germany and Japan. Denmark, Luxembourg, the Netherlands, Norway and Sweden continued to exceed the United Nations ODA target of 0.7% of GNI. The largest increases in real terms in ODA between 2009 and 2010 were recorded by Australia, Belgium, Canada, Japan, Korea, Portugal and the United Kingdom.

The United States continued to be the largest single donor with net ODA disbursements of USD 30.2 billion, representing an increase of +3.5% in real terms over 2009. This is the highest real level of ODA ever recorded by a single donor country, except for 2005, when the US gave exceptional debt relief to Iraq. US ODA as a per cent of GNI remained unchanged at 0.21%. Its bilateral ODA to the Least Developed Countries (LDCs) rose to a

record USD 9.4 billion, representing an increase of +16.2% over 2009. Much of this increase was accounted for by the US response to the 2010 Haitian earthquake (aid to Haiti rose +241% to USD 1.1 billion). Among non-LDCs, aid to Pakistan rose especially sharply (+126% to USD 1.4 billion), reflecting increased disbursements across many sectors.

ODA from the fifteen EU countries that are members of the DAC rose by +6.7% in 2010 to reach USD 70.2 billion, representing 54% of total net ODA provided by DAC donors. It also represented 0.46% of DAC-EU GNI, up from 0.44% in 2009. This was well above the overall DAC average of 0.32%. ODA rose or fell in DAC-EU members as follows:

Austria (+8.8%), due mainly to grants for debt forgiveness;
Belgium (+19.1%), due to debt forgiveness grants and an increase in bilateral grants;
Denmark (+4.3%), as it increased its bilateral grants;
Finland (+6.9%), due to an increase in bilateral grants;
France (+7.3%), mostly due to an increase in bilateral lending;
Germany (+9.9%), as it increased its bilateral lending;
Greece (-16.2%), due to unprecedented fiscal constraints;
Ireland (-4.9%), due to fiscal constraints;
Italy (-1.5%);
Luxembourg (-0.3%);
Netherlands (+2.2%);
Portugal (+31.5%), mainly due to increased bilateral lending;
Spain (-5.9%), due to budgetary pressures;
Sweden (-7.1%), though Sweden continues to allocate approximately 1% of its GNI to ODA;
United Kingdom (+19.4%), reflecting the continuing scaling up of its aid programme.

ODA by Japan was USD 11.0 billion, representing an increase in real terms of +11.8% over 2009. Japan's ODA as a share of GNI rose from 0.18% in 2009 to 0.20% in 2010. The increase was mainly due to larger bilateral grants to LDCs as well as a major contribution to the World Bank.

For the source of this article and for further information go to:

http://www.oecd.org/document/35/0,3746,en_2649_33721_47515235_1_1_1_1,00.html

UNICEF – new paper on global inequality

http://www.unicef.org/socialpolicy/index_58230.html

This working paper: (i) provides an overview of global, regional and national income inequalities based on the latest distribution data from the World Bank, UNU-WIDER and Eurostat; (ii) discusses the negative implications of rising income inequality for development; (iii) calls for placing equity at the center of development in the context of the United Nations development agenda; (iv) describes the likelihood of inequalities being exacerbated during the global economic crisis; (v) advocates urgent policy changes at national and international levels to ensure a "Recovery for All"; and, (vi) to serve as a general reference source, Annex 2 provides a summary of the most up-to-date income distribution and inequality data for 141 countries.

Middle-income countries appear the most unequal. Gini index trends show that Eastern Europe/former Soviet Union and Asia had the largest increases between 1990 and 2008. Latin America remains the region with the highest level of income inequality, although the region is marked by significant improvement since 2000.

In the context of the global economic crisis, the paper argues that the urgency for equitable policies has never been greater. In particular, current trends in employment, commodity prices and government spending suggest that income inequalities are likely to be

exacerbated during 2011. The paper concludes by advocating for policy actions at national and international levels to ensure a "Recovery for All" that is focused on pushing up the bottom billions.

Health care systems: getting more value for money

<http://www.oecd.org/dataoecd/21/36/46508904.pdf>

The OECD has assembled new comparative data on health policies and health care system efficiency for its member countries. The aim is to better identify strengths and weaknesses of each country's health care system and assess whether there is scope for improving value for money and the policy reforms that will boost efficiency. Key findings are as follows:

- There is room in all countries surveyed to improve the effectiveness of their health care spending.
- On average across the OECD, life expectancy at birth could be raised by more than two years, while holding health care spending steady, if all countries were to become as efficient as the best performers. By way of comparison, assuming no reform, a 10% increase in health care spending would increase life expectancy by only three to four months.
- There is no health care system that performs systematically better in delivering cost-effective health care. It may thus be less the type of system that matters but rather how it is managed. Both market based and more centralised command-and-control systems show strengths and weaknesses.
- Health outcomes are highly disparate across individuals and such inequalities can be reduced without sacrificing efficiency. Inequalities tend to be relatively low in countries with a well-regulated private insurance-based system. Centrally-managed systems can also deliver good equity outcomes at the same time as keeping spending low.
- There is no "one-size-fits-all" approach to reforming health care systems. Policymakers should aim for coherence in policy settings by adopting best practices from the many different health care systems that exist in the OECD and tailor them to suit actual circumstances.
- By improving the efficiency of the health care system, public spending savings would be large, approaching 2% of GDP on average in the OECD



Health at a glance: Asia/Pacific 2010

OECD Publishing
Version E-book (PDF Format)
Price €18 USD25

This first edition of *Health at a Glance: Asia/Pacific* presents a set of key indicators of health status, the determinants of health, health care resources and utilisation, and health care expenditure and financing across 27 Asia/Pacific countries and economies in the Asia/Pacific region.

From UN Research Institute for Social Development (UNRISD)

Assessing the Structure of Small Welfare States: Social Policies in Small States Series, No. 4

This paper examines how the characteristics of small states influence their pursuit of a welfare state. Many of the small states discussed have not previously featured in mainstream thinking on the relationship between country size and the extent of the welfare state.

<http://www.unrisd.org/80256B3C005BF3C2/setLanguageCookie?OpenAgent&langcode=en&url=/80256B3C005BCCF9/search/54BECD7260B25CACC125787700589AE4?OpenDocument>

Conditionality in anti-poverty programmes, a subject of much-needed debate

While conditionality of social welfare programmes is a longstanding albeit contested issue in social policy debates, its appearance in anti-poverty measures in developing countries is relatively new. The February issue of the Journal of Poverty and Social Justice features a themed section on conditionality and social security in a global context. <http://www.unrisd.org/80256B3C005BF3C2/setLanguageCookie?OpenAgent&langcode=en&url=/80256B3C005BE6B5/search/364D595A4CEDCB51C12578410048BBE8?OpenDocument>

Social Protection's Necessary Role in Poverty Reduction

UNRISD Director Sarah Cook spoke on social protection's role in poverty reduction at the Commission for Social Development in New York in February 2011. Social protection programmes have expanded significantly over the past decade, with demonstrated impacts on poverty and inequality. There has also been a notable shift from ad hoc, safety net responses to crises, towards more systemic, reliable social protection mechanisms. Nonetheless, today's social protection programmes are still oriented towards targeting the poor.

<http://www.unrisd.org/80256B3C005BF3C2/setLanguageCookie?OpenAgent&langcode=en&url=/80256B3C005BE6B5/search/08A638BB0DBFD3B9C125783F00581F76?OpenDocument>

Hidden cities: Poverty and ill-health are linked in urban areas

<http://www.hiddencities.org/report.html>

WHO and the United Nations Human Settlements Programme (UN-HABITAT) in a recent report show for the first time how ill-health is linked to poverty in cities, and not just among the poorest urban populations. It calls for policymakers to take action targeting health inequities.

The report, *Hidden cities: unmasking and overcoming health inequities in urban settings*, will enable city leaders and urban planners to identify deprived populations and target measures to improve their health.

The report is based on a new analysis that looks beyond city averages or beyond the usual information from cities and towns to identify hidden pockets of ill-health and social deprivation. Findings allow city leaders and policy makers to look at trends, even within neighbourhoods and understand differences within as well as between cities.

The report notes that unless urgent action is taken to address urban health inequities, countries will not achieve the health-related Millennium Development Goals. Targets are set for countries as a whole but cities are crucial parts of the equation, as now half of the world's population lives in cities. Success in reaching MDG targets will depend to a large part on achievements among urban populations.

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