

KEY QUESTIONS

the big six



How much ODA does Norway provide?

Norway is committed to continue spending 1% of its GNI on ODA

Norway is the third-largest donor in relation to the size of its economy among members of the OECD Development Assistance Committee (DAC). In 2018, it spent 0.94% of its GNI on development cooperation, or US\$4.3 billion. In absolute terms, this makes Norway the 10th-largest DAC donor. Norway has reached the United Nations (UN) 0.7% ODA-to-GNI target since 1976 and is committed to maintain spending at about 1% of its GNI. It has met this commitment since 2013. Numbers for 2018 are based on the new methodology for measuring ODA loans which the OECD DAC will apply to ODA reporting for 2018 onwards. Preliminary ODA figures for 2018 using this new methodology were first released in April 2019. This methodology, called 'grant-equivalent' methodology, provides a more accurate way to count donor efforts in concessional ODA loans because only the 'grant' portion of loans, expressed as a monetary value, is counted as ODA. This reform had no impact on Norway's ODA volumes.

While the commitment receives cross-party backing, an increasing number of voices, including former diplomats, publicly raised concern over the 1% ODA-to-GNI target in the second half of 2018, arguing that the focus should be on effectiveness and efficiency rather than tied to a specific amount of funds.

To allow for comparison overtime, the OECD still publishes net ODA disbursements according to the cash basis methodology. These numbers are also published in constant prices, i.e., adjusted to take into account inflation and exchange rate fluctuation. Net ODA decreased by 4% between 2017 and 2018, due to lower costs of hosting refugees in Norway, some of which are ODA-eligible. This follows a 10%-decrease between 2016 and 2017, also driven by decreasing costs of hosting refugees. Costs of host-

Further information: 2017 prices

To compare ODA levels in any given year with ODA levels provided in other years, figures need to be adjusted to account for inflation and exchange rate fluctuations. The OECD provides data that accounts for these fluctuations. In this profile, and unless indicated otherwise, figures are stated using 2017 prices.

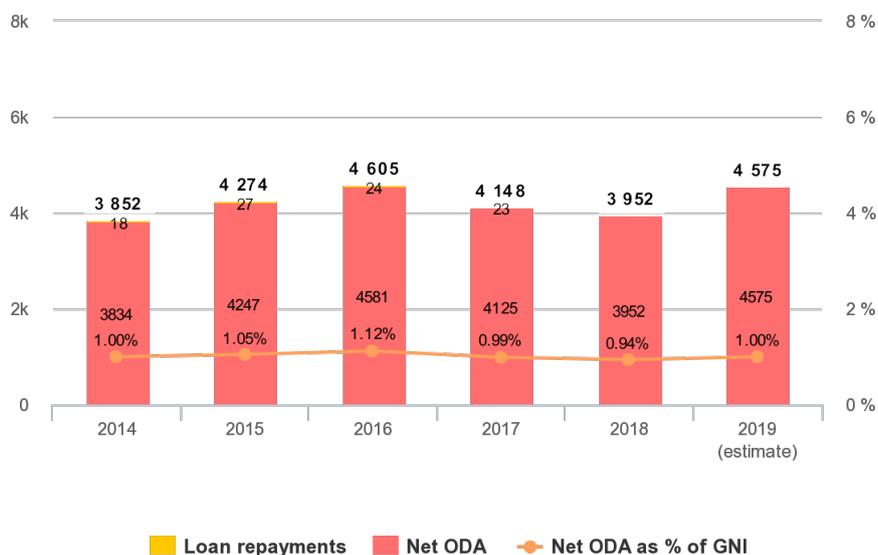
ing refugees made up 11% and 18% of total ODA in 2015 and 2016 respectively. They have impacted development funding in two major ways: funds were reallocated from development programs to cover these costs, and reported ODA increased, driven by additional refugee-related costs outside of the ODA budget. As a result of a more restrictive national refugee policy since early 2016 – and of tighter border control in Europe – these costs decreased to 2% of ODA in 2018, and are expected to remain at low levels looking forward. In 2019, they are set at NOK550 million (US\$67 million, or 1% of total ODA budget).

Driven by Norway's economic growth, ODA is likely to continue increasing in the coming years. The budget for 2019 is the largest to date, with ODA set at US\$4.6 billion (NOK37.8 billion), a projected 1% of its GNI. This represents a 8% increase from 2018. Additional funding will target the country's five main thematic priorities:

1. education,
2. global health,
3. private-sector development and job creation,
4. climate, renewable energy, environment; and
5. humanitarian assistance.

NORWAY'S GROSS/NET ODA DISBURSEMENTS

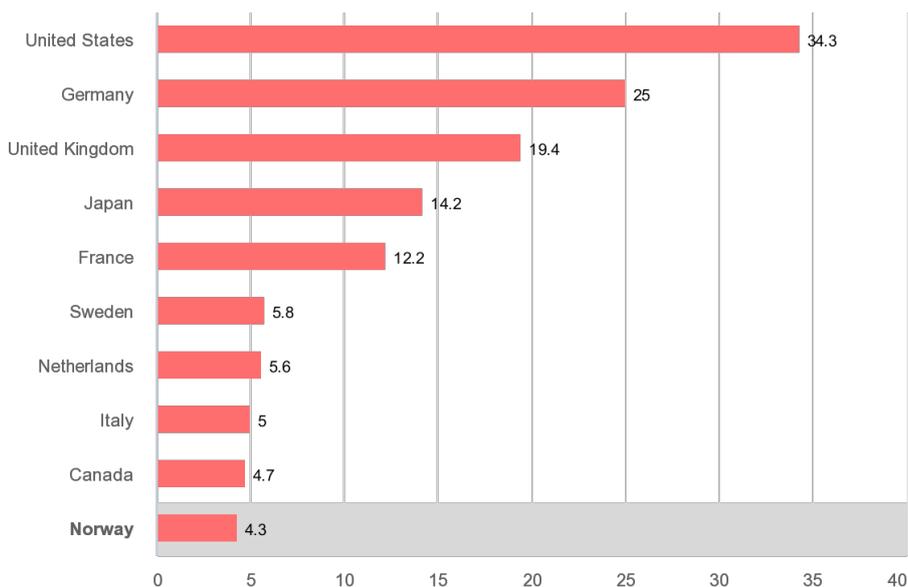
US\$ millions; in 2017 prices



OECD table DAC1. 2018 number according to preliminary data (April 2019).
ODA estimates for 2019 based on government data.

TOP 10 DAC DONOR COUNTRIES, 2018

Total ODA disbursements; US\$ billions; in current prices



TOP 10 DAC DONOR COUNTRIES, 2018

Total ODA as a % of GNI

