

KEY QUESTIONS

the big six

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How does Norway spend its ODA?

Norway heavily relies on multilateral organizations and CSOs to channel its ODA

Norway is a strong supporter of multilateral organizations. It channels a quarter (24% in 2017) of its ODA as core contributions to multilateral organizations, significantly below the average among members of the OECD Development Assistance Committee (DAC) of 40%. However, Norway chooses to channel much of its multilateral funding in the form of funding earmarked for specific thematic priorities or regions (reported as bilateral ODA to the OECD). When considering these funds, a total of 54% of Norwegian ODA flows through the multilateral system, slightly above the DAC average of 53%.

Alongside multilaterals, civil society organizations (CSOs) are a key implementer of Norwegian ODA. In 2017, 27% of Norwegian bilateral ODA was channeled through CSOs, well above the DAC average of 17%. The remaining share of bilateral ODA was mostly implemented in country programs by Norwegian embassies and the Norwegian Agency for Development Cooperation (Norad).

Norway increasingly focuses on private sector development

Norway's strategic priorities are reflected in its funding allocations. According to OECD data, in 2017, 17% of bilateral ODA went to humanitarian aid (US\$538 million), the largest sector of bilateral ODA. This was followed by environmental protection (US\$387 million, or 12%) and education (US\$382 million, or 12%). Bilateral funding for humanitarian assistance and education has been steadily increasing since 2012. Global health comes fifth, with US\$258 million, or 8% of bilateral ODA. This sector also receives significant multilateral funding (See Sector: Global Health for Norway).

In recent years, private sector development and job creation have become more important to Norway's development cooperation. This is reflected in increased ODA for financial services and business support (from US\$92 million in 2013 to US\$210 million in 2017, a 129% increase in real terms, according to OECD data). Much of Norway's support to economic development goes through Norfund, a state-owned investment fund supporting private-sector activities in partner countries, whose investments are not ODA-eligible.

Since 2014, Norway has provided all its bilateral ODA in the form of grants (as opposed to loans). It does so to re-

duce the debt burden of low-income countries.

Norway differentiates partners for long-term development cooperation and partners for conflict prevention

Geographically, sub-Saharan Africa receives by far the largest share of bilateral ODA (19% between 2015 and 2017, according to OECD data), followed by the Middle East and North Africa (MENA) region (12%) and Asia (9%). Funding to the MENA region more than doubled between 2013 and 2017 (from US\$206 million to US\$454 million), driven by increased humanitarian assistance to the region.

According to the Ministry of Foreign Affairs (MFA)'s 2017 white paper on the Sustainable Development Goals (SDGs), Norway focuses its bilateral cooperation on 16 countries. This funding concentration comes from the government's desire to pursue a holistic and cross-sectoral approach to development in each of its partner countries.

A November 2018 recommendation from Parliament to the government defines the criteria for selecting partner countries. It outlines two categories of partners:

1. Partners for long-term development cooperation, with which Norway already has a long-standing engagement. These include Ethiopia, Malawi, Mozambique, Nepal, Tanzania, Uganda, Ghana, Myanmar, Indonesia, and Colombia. Overtime, Norway will disburse a significant proportion of its bilateral assistance to this group of countries.
2. Partners for stabilization and conflict prevention, as Norway aims to reinforce its overall efforts in vulnerable states, with a holistic and long-term perspective. These include Afghanistan, Mali, Niger, Palestine, Somalia, and South Sudan.

In addition, Norway will continue to provide humanitarian assistance to other ODA-eligible countries as needed, including in countries which do not belong to either of the categories above.

Norway's ODA mostly goes to low-income countries, although this is not obvious at first look at ODA data. Between 2015 and 2017, due to high costs of hosting refugees in Norway, earmarked funding to multilaterals, and support to CSOs, the share of Norway's bilateral ODA is

not reported as being allocated to a specific country was 56%. This means that low-income countries officially accounted for less than one-quarter of bilateral ODA (22% from 2015 to 2017). However, when only considering bilateral ODA allocated to specific countries, they received just over half (51%) of all bilateral ODA. In addition, Norway’s on-going forestry investment as part of the Norwegian International Climate and Forest Initiative (NICFI) drives high levels of ODA to certain middle-income countries with large rainforests, e.g., Indonesia and Brazil. Between 2015 and 2017, nearly all of Norway’s funding to Brazil – the second-largest beneficiary of Norway’s ODA – was channeled through the NICFI.

For a deeper understanding of funding at the recipient level, please consult data from the International Aid Transparency Initiative (IATI). IATI is a reporting standard and platform on which organizations and governments voluntarily publish data on their development cooperation, including more recent activity than is available through OECD data.

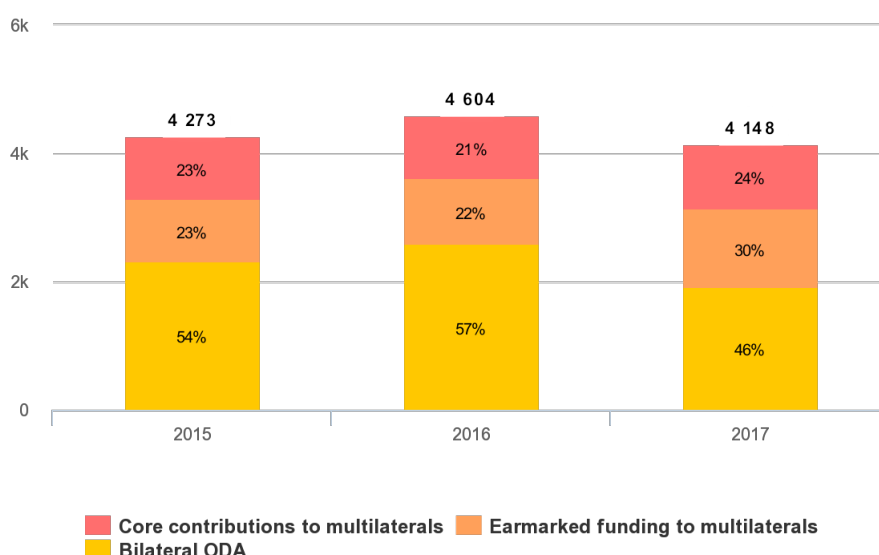
Data can be searched by recipient country, the ‘publisher’ (including funders that do not report to the OECD), and other filters. Click here for more information on IATI’s data. Click here to go directly to IATI’s ‘d-portal’, a user-friendly interface for data searches.

Norway is a strong supporter of the multilateral system

Norway considers funding through multilateral organizations an effective way to pursue its priorities. Norway supports multilateral organizations both through high levels of core contributions (US\$998 million in 2017, or 24% of its total ODA), and through significant amounts channeled through multilateral organizations as earmarked funding (US\$1,235 million, or 30% of total ODA). This brings the total amount of Norway’s multilateral ODA to US\$2.2 billion, or 54% of its total ODA, slightly above the OECD DAC average of 53%. Funding channeled through multilateral institutions has increased by an annual average rate of 7% between 2013 and 2017 (It was US\$1.7 billion in 2013). Norway strongly supports the UN system: UN agencies received 42% of Norway’s multilateral ODA in 2017. 12% was channeled through the World Bank, and 10% through regional development banks. Norway strongly support thematic funds, including within Global health initiatives: key partners for Norway’s multilateral ODA include the Global Fund, Gavi, and the Global Financing Facility (GFF).

NORWAY'S BILATERAL AND MULTILATERAL ODA

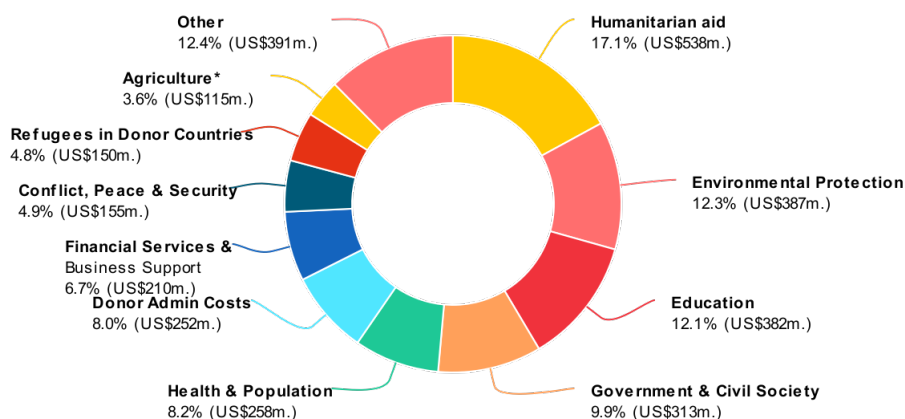
US\$ millions



OECD DAC 1 table. Gross disbursements; in 2017 prices.

NORWAY'S BILATERAL ODA BY SECTOR, 2017

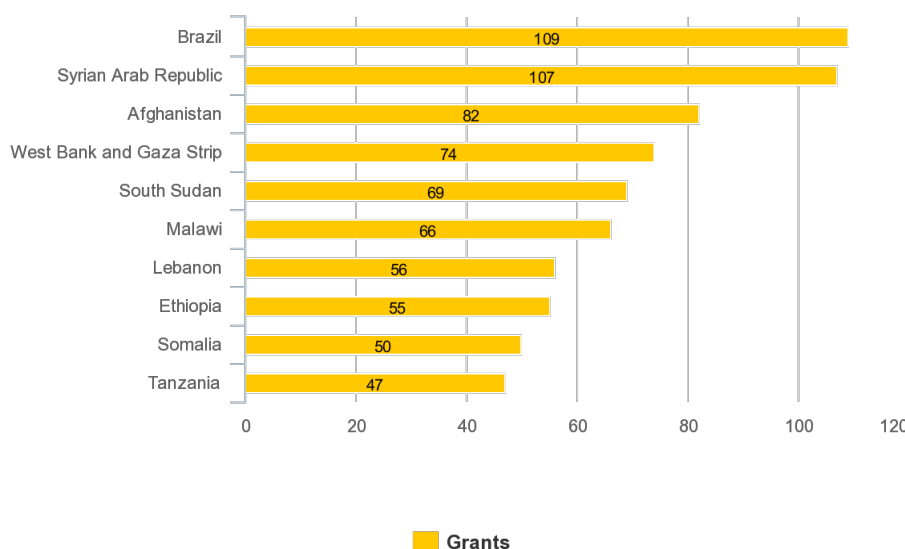
Total: US\$3,151 million



OECD CRS. Gross disbursements. *Includes agriculture, forestry, fishing, and rural development. In 2017 prices.

THE TOP 10 RECIPIENTS OF NORWAY'S ODA

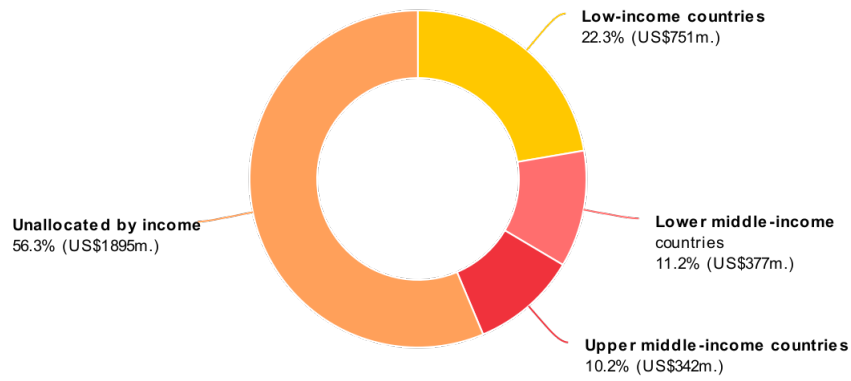
average 2015-2017, excluding debt relief; US\$ millions.



OECD CRS. Gross disbursements; in 2017 prices.

NORWAY'S BILATERAL ODA BY INCOME-GROUP, 2015-2017

average 2015-2017: US\$3.4 billion



OECD CRS. Gross disbursements; in 2017 prices.