

KEY QUESTIONS

the big six

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How does the United States spend its ODA?

Bilateral programs receive vast majority of US ODA; US among largest contributors to multilateral organizations in total volume

The US provides development assistance mainly in the form of bilateral support to partner countries. According to OECD data, the US channels US\$30.7 billion of its ODA bilaterally, accounting for 87% of its total ODA in 2017. This is far above the OECD Development Assistance Committee (DAC) average of 60%, reflective of the US' long-standing emphasis on bilateral cooperation.

Bilateral spending focuses on health and is channeled entirely as grants

According to OECD data, the largest share of US bilateral ODA went to global health (US\$9.0 billion, or 29% of bilateral ODA in 2017). This aligns with the US' long-standing prioritization of global health, given that the President's Emergency Plan for AIDS Relief (PEPFAR), one of the US' largest development programs, provides significant funds bilaterally. For FY2018, PEPFAR had a total HIV/AIDS budget of US\$5.2 billion. Of this, US\$4.3 billion was bilaterally programmed for HIV/AIDS, US\$330 million for USAID HIV/AIDS programs, and \$261 million for tuberculosis (TB) programs. According to the US Global Leadership Coalition's budget analysis, FY2019 saw a US\$500-million increase in PEPFAR's bilateral funding over FY2018.

Other funding priorities included humanitarian assistance (US\$7 billion, 23%), government and civil society (US\$2.9 billion, 9%), and education (US\$1.6 billion, 5%) (see figure). This is broadly in line with the US' policy priorities. However, spending for agriculture—the fifth-largest sector for bilateral spending in 2016—dropped by 13% in 2017 to become the ninth-largest. Bilateral ODA levels have remained stable in the current fiscal year: In the final FY2019 budget passed by Congress in February 2019, funding for bilateral economic assistance remains stable compared to FY2018 at US\$24.5 billion, in line with the stability of the International Affairs Budget overall.

US bilateral ODA is provided entirely (100%) in the form of grants. The US relies on the public sector (35% of total ODA, far below the DAC average 50%) and on NGOs and civil society (24%, above the DAC average of 17%) to channel bilateral ODA. Both the Obama and Trump administrations have pledged to work with more local development partners. PEPFAR in particular has set ambitious goals: 40% of funding will go to local implementers by

the end of 2019, rising to 70% by the end of 2020. Local partners currently receive 34% of total PEPFAR funding.

Who are the US' ODA recipients?

ODA focuses on world's poorest countries, particularly in sub-Saharan Africa

The US focuses its ODA on the world's poorest countries: 36% of bilateral ODA went to low-income countries in 2017, significantly higher than the DAC average of 24%. Regionally, the US concentrates its bilateral ODA on sub-Saharan Africa (SSA). Between 2015 and 2017, the US provided an average of US\$10.4 billion (35% of its bilateral ODA) to the region per year, followed by Asia (US\$4.2 billion, 14%) and Middle East and North Africa (MENA; US\$3.2 billion, 11%). Excluding funding unallocated to a specific region, the share of US funding for SSA accounted for 51% of total bilateral ODA on average between 2015 and 2017.

Between 2015 to 2017, Afghanistan was by far the largest recipient of US bilateral spending, receiving on average US\$1.4 billion per year. However, funding to Afghanistan dropped markedly between 2016 and 2017 (-14%). Ethiopia was the second-largest recipient, receiving on average US\$898 million per year, followed by Jordan (US\$881 million) and Kenya (US\$808 million).

In light of ongoing events related to irregular migration at the US' southern border, in December 2018 the US committed US\$4.8 billion in development assistance for southern Mexico (home to many of Mexico's poorest communities) and US\$5.8 billion to strengthen government and economic development in other parts of Central America. According to the US statement, these funds aim to promote a "safer and more prosperous Central America" by enhancing security, governance, and economic prosperity. This type of spending clearly aligns with current development priorities emphasizing the protection of US security and national interests.

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.

Multilateral spending centers around health, with strong support for the Global Fund

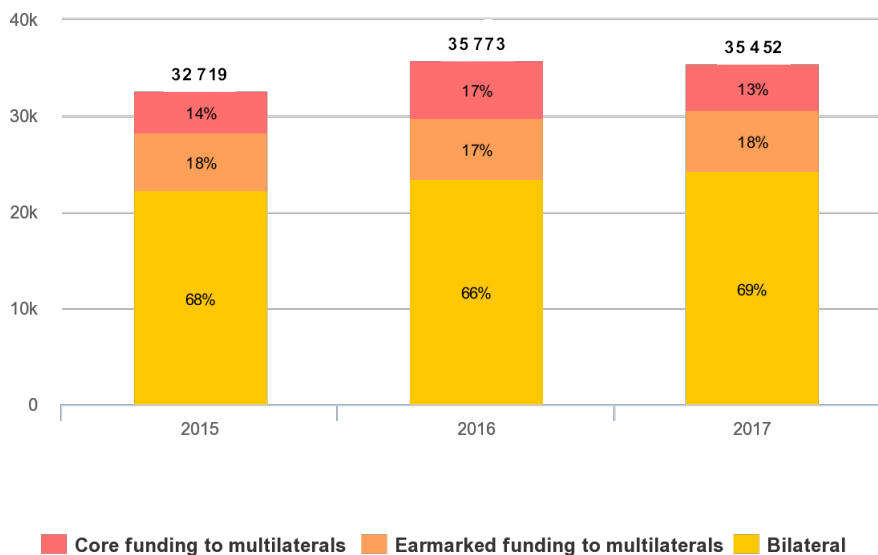
As a result of its focus on promoting national interests and strengthening bilateral relationships, the US channels a lower share of its total ODA to multilaterals than other OECD DAC donors. Core funding to multilateral organizations stood at US\$4.7 billion in 2017, down from US\$6 billion in 2016 (although funding for key recipients, such as the World Bank's International Development Association and UN agencies, remained stable). This accounts for 13% of total ODA, significantly lower than the OECD DAC average of 40%. However, in absolute terms, the US is the fourth-largest provider of core contributions to multilateral organizations. This is a two-spot drop from 2016, and the US now ranks behind the UK, Germany, and France. In addition to core contributions, the US provided US\$6.4 billion in earmarked funding to multilaterals for specific projects or regions (this is reported as bilateral ODA), bringing the total amount of ODA in 2017 channeled to or through multilateral organizations to US\$11.1 billion.

Key recipients in 2017 were the World Bank (US\$1.2 billion, 26%), UN agencies (US\$1 billion, 21%), and regional development banks (US\$378 million, 8%). The US has traditionally been a strong supporter to the Global Fund, committing US\$4.3 billion for 2017 to 2019. In FY2018 and FY2019, contributions totaled US\$1.4 billion per year. There have been bipartisan calls to increase US funding to the Global Fund in the run-up to its sixth replenishment conference to be held in October 2018, although by law the US cannot contribute more than 33% of total Global Fund financing. Historically, its contributions have hovered near this ceiling; from 2001 to 2018, US funding accounted for 32% of all Global Fund contributions, far surpassing the second-largest donor, France (12%).

Since its inception, the US has also been a strong supporter of Gavi. The first large multi-year financial pledge was made in June 2011 for US\$450 million and met through contributions in 2012 through 2014. A second pledge was made in January 2015 for US\$1 billion over four years. Congress met this pledge with its Gavi appropriations between FY2015 and FY2018, with its FY2018 contribution being the US' highest ever at US\$290 million.

THE US' BILATERAL AND MULTILATERAL ODA

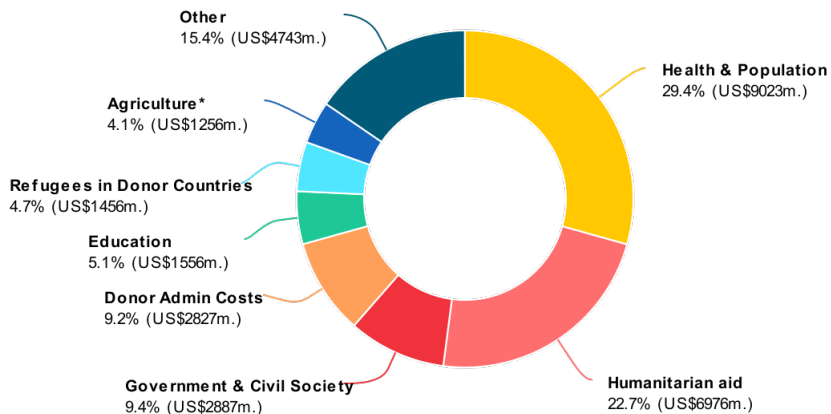
US\$ millions



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

THE US' BILATERAL ODA BY SECTOR, 2017

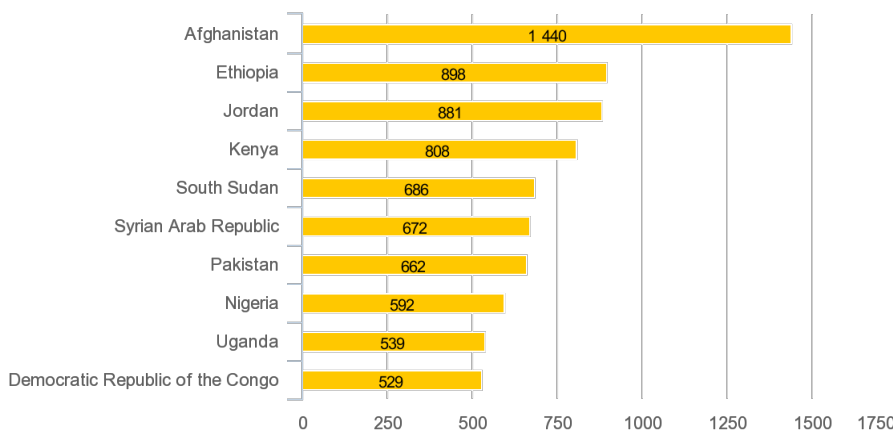
Total: US\$30,723 million



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

THE TOP 10 RECIPIENTS OF THE US' ODA

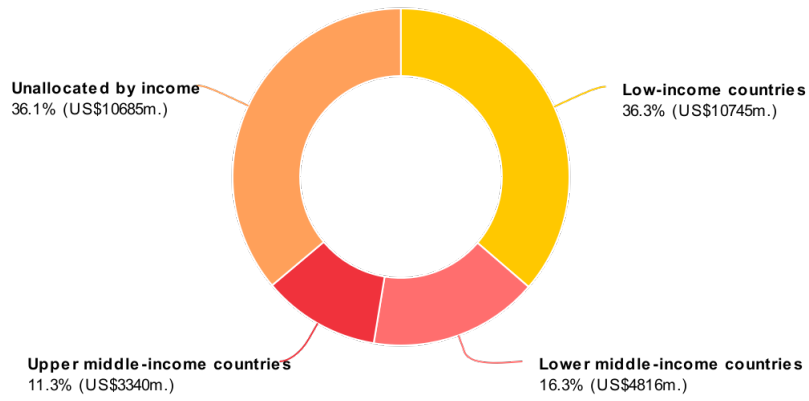
average 2015-2017, excluding debt relief; US\$ millions.



OECD CRS. Gross disbursements; in 2017 prices.

THE US' BILATERAL ODA BY INCOME-GROUP, 2015-2017

average 2015-2017: US\$29.6 billion



OECD CRS. Gross disbursements; in 2017 prices.