

0.47% GENUINE AID/GNI

0.49% TOTAL AID/GNI

FINLAND



We are aiming for a budget that corresponds to our UN commitment to use 0.7% of gross national income for development cooperation. The year 2030 was set as the year for reaching the 0.7% target. We are far behind our Nordic partners in achieving this goal. [...] Finland examines development cooperation funding in light of its overall economic situation.”

Minister for development cooperation and foreign trade, Ville Skinnari, speech in the parliamentary discussion of the Report on Development Policy Extending Across Parliamentary Terms, 14 September 2021

MAIN CHANGES IN 2021

In 2021, the Finnish government was able to increase its ODA contributions and thus move towards the goal of 0.7% of GNI. In 2021, Finland spent 0.47% of its GNI on ODA. However, to achieve the 0.7% target, Finland would need to add the equivalent of almost EUR 1 billion to its development cooperation budget. To put this into perspective, the Finnish State Budget in 2021 was around EUR 68 billion.

TRENDS AND PROJECTIONS FOR 2022 AND BEYOND

As noted above, there is no particular trend in overall governmental support for the ODA. However, Finnish citizens have consistently supported development cooperation, and throughout the 2000s some 80-90% of the Finnish population have considered development cooperation very important or quite important.

A more notable trend from 2010 concerns the role of investment and private sector activities, which have increased in Finnish development cooperation (and ODA). This trajectory means that:

- Goals and criteria of development cooperation of different sectors (especially private and CSO sectors) should be more clearly mutually supportive and comparable; and
- Different sectors should understand each other and learn from each other to a greater extent.



CASE STUDY

There is no particular trend in overall governmental support for the ODA, which has been variable since 2000.

In electoral terms 2003-2015 Finland had a centrist-leftist government that increased the country's ODA contribution from 0.33% to 0.59%. In the 2015-2019 electoral term Finland had a more right-wing government with a nationalist populist party (“the Finns Party”) as one of the three parties in the government coalition. That government reduced the development cooperation budget from 0.59% of GNI in 2014 to 0.36% of GNI in 2018 – an approximately one third cut. Since 2019, the present leftist-centrist government has increased ODA levels to 0.47% (in 2021).

Between 2000 and 2014, Finland's ODA had incrementally risen from 0.3% from 2000 to 0.59% in 2014. Had the government of 2014-2019 kept up the same pace of ODA spending, Finland would currently be around the 0.7% mark.

THE GOVERNMENT'S RELATIONSHIP WITH CSOs

Finland is moderately supportive of CSOs. In 2021, Finland directed around 7% of its ODA to CSOs for which there are several funding instruments. The Finnish state in general has a good level of interaction on development cooperation with CSOs. To a certain extent, Finnish CSOs and the Finnish government work together with the CSOs of partner countries, but this type of engagement should be further developed.

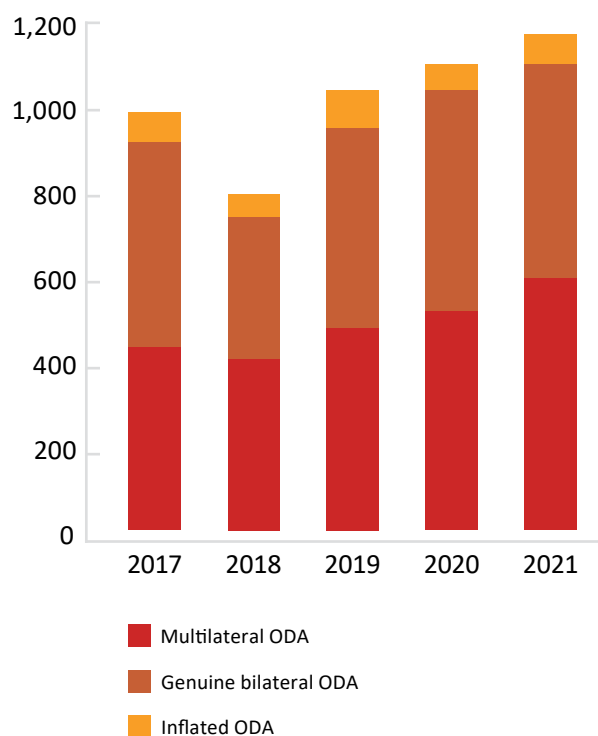
RECOMMENDATIONS TO THE FINNISH GOVERNMENT

In the Finnish government programme for 2023-2027 there should be a clear roadmap to achieve 0.7% GNI by 2030. The target of 0.7% has already been expressed in several national and international commitments.

In addition to the 0.7% target, three other figures and one principle are important:

- 0.2% of GNI to support for LDCs: These countries have the greatest need for development. It is difficult for LDCs to get market-based financing or domestic financing. Finland is internationally committed to support these countries with 0.2% of GNI. In 2021 the ratio was 0.18% of GNI.
- 85% of supported ODA actions should promote gender equality. Equality is strongly linked to other development goals. Finland is committed to the achievement of equality. Gender equality is also one of the cross-cutting principles of the UN SDGs.
- 15% of ODA funding for CSOs. The work of CSOs is an important part of development cooperation and should be sufficiently and consistently funded. The work of CSOs is based on the needs of local people. CSOs can adapt their operations to changing social needs and situations. Their work and results are also straightforward to evaluate and verify.
- And a principle: strong support for the CSOs of partner countries. In addition to justifications for the funding for CSOs in general, the CSOs in the partner countries ensure that citizens lead the way on the societal development in each country.

FINLAND – GENUINE AND INFLATED ODA (€ million, constant 2020)



ODA TO LDCS (€ million, constant 2020)

	ODA to LDCs	%GNI	% ODA
2017	312.01	0.13	30.62
2018	253.52	0.11	30.64
2019	349.72	0.14	33.04
2020	334.00	0.14	29.79

AID MODALITY (€ million, constant 2020)

	Bilateral (gross)	Grants	Loans	Loans (% of gross bilateral)
2017	571.9	535.8	36.1	6.3
2018	415.7	371.3	44.4	10.7
2019	556.7	505.7	50.9	9.1
2020	576.5	482.2	94.2	16.3

ODA TO CLIMATE FINANCE (€ million, constant 2020)

	ODA for mitigation	ODA for adaptation	Total climate finance	Adaptation finance as % of climate finance	Climate finance as % of ODA
2017	73.0	54.9	127.9	42.9	12.6
2018	25.8	21.6	47.5	45.6	5.7
2019	74.2	42.2	116.4	36.3	11.0
2020	54.5	32.0	86.4	37.0	7.7

ODA TO SUPPORT GENDER EQUALITY (€ million, constant 2020)

	Bilateral allocable	Total screened	Not screened	None	Significant	Principal	Significant (% of screened)	Principal (% of screened)
2017	451.0	448.3	2.7	180.7	234.9	32.8	52.4	7.3
2018	321.0	320.7	0.3	147.0	150.1	23.6	46.8	7.4
2019	421.6	421.4	0.2	220.6	176.4	24.4	41.9	5.8
2020	474.7	429.7	45.0	193.9	200.5	35.2	46.7	8.2

ODA TO SUPPORT CSOs (€ million, constant 2020)

	Non-CSO	CSO Earmarked	CSO Core funding	Total bilateral CSO support (% bilateral)	Total bilateral CSO support (% ODA)	Core bilateral CSO support (% bilateral)	Core bilateral CSO support (% ODA)
2017	451.9	89.1	21.1	19.6	10.8	3.8	2.1
2018	301.6	78.9	19.6	24.6	11.9	4.9	2.4
2019	446.1	87.3	20.7	19.5	10.2	3.7	2.0
2020	451.0	100.5	23.8	21.6	11.1	4.1	2.1