

# Comparison of DAC's Green Growth ODA Status by Region

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## Opinion

Recently, the world economy has been focusing on the possibility of a prolonged general recession. In addition, discussions on various paradigms and policies to sustain economic development continue. This discussion on economic development changes depending on various environmental factors and as the policy paradigm changes, the method of economic development in individual countries or regions changes. The main keywords of this paradigm are issues such as economic growth, sustainable development, social security and eco-friendliness, which are gaining attention and having a significant impact on policy decisions in major countries. Among the major issues of economic development, there is a long-term plan for sustainable development and various policies to realize it are being implemented in detail. The recent global economy has faced some limitations in existing policies for sustainable development, necessitating the application of a new paradigm. To this end, the world has focused on the two goals of environmental factors and economic growth and discussions on eco-friendliness, green growth, green economy, development aid, shared growth and social economy are becoming active as new convergence policies for this purpose. According to these environmental factors, the green growth ODA covered in this study has important implications. We consider eco-friendliness and green growth as an improvement direction in response to recent limitations in global economic growth. Green growth focuses on taking one step further to overcome the limitations of economic growth by considering eco-friendly factors and reducing environmental costs accordingly. In addition, development aid helps overcome these limitations in economic growth. In general, donor countries are made up of relatively developed countries and recipient countries are made up of relatively poor countries. Therefore, in addition to the redistribution effect of resources, economic effects that occur during the process can also be expected.

First, the concept of green ODA must first be discussed with regard to the Sustainable Development Goals. The Sustainable Development Goals (SDGs) are a plan proposed by the United Nations Environment Program (UNEP) under the United Nations (UN) and began with discussions on the global Our Common Future. Table 1 contains the 17 detailed items of the Sustainable Development Goals (SDGs). Five items can be divided into 'people', 'global environment', 'economic prosperity', 'peace' and 'partnership'. Under these classification criteria, the importance of the 'global environment' section of the Sustainable Development Goals (SDGs) is becoming more important and the contents classified based on this category can be viewed as 'green ODA' items. Table 2<sup>1</sup> shows the status of green growth ODA implementation by region in DAC countries. It can be seen that the total ODA amount is continuously increasing on a DAC country-wide basis. From 2002 to 2006, approximately \$37.3 billion worth of ODA was carried out and from 2007 to 2011, the size increased significantly,

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<sup>1</sup>Green growth ODA is a concept that expands and defines the energy and environment fields, which have recently become issues, to existing green ODA (Kang Seong-jin 2022) and is ODA that considers both green and growth.

reaching approximately \$79.3 billion worth of ODA. This increase in the size of ODA increased to \$99.8 billion between 2017 and 2021, showing that the size of ODA related to green growth has been rapidly increasing since the mid-2000s. Looking at the proportion of DAC's total green growth ODA, it is as follows. As of 2002-2006,

the Asian region accounted for 47.4%. However, as of 2017-2021, it can be seen that it has slightly decreased to 46.7%. In addition, based on the most recent single year, the size of green growth ODA to the Greater Asia region remains flat at 46.9% in 2021.

**Table 1:** Sustainable development goals.

**Source:** UN (2016).

Target	Area	Detail	Target	Area	Detail
1	person	end poverty	10	person	Eliminating inequality
2	person	solving hunger	11	Earth environment	Sustainable Cities and Communities
3	person	health and well-being	12	Earth environment	Sustainable consumption and production
4	person	quality education	13	Earth environment	Climate change response
5	person	gender equality	14	Earth environment	marine ecosystem
6	Earth environment	clean water and sanitation	15	Earth environment	terrestrial ecosystem
7	prosperity	Sustainable clean energy	16	peace	Peace, Justice and Strong Institutions
8	prosperity	Good jobs and economic growth	17	partnership	global partnership
9	prosperity	Industry, innovation and infrastructure			

**Table 2:** Green growth ODA status by DAC recipient country region.

**Note:** ODA: Official Development Assistance; CRS: Creditor Reporting System

Region/Period	2002-2006	2007-2011	2012-2016	2017-2021	2018	2019	2020	2021
Asia	21179.7	40564.8	42375.9	46652.7	9223.3	9588.6	8142.3	9771.8
Far East Asia	8627.1	17622.3	16188.8	15345.6	3020.9	3262.2	2629.9	3448.6
South and Central Asia	5885.1	16777.2	21095.8	25689.2	5211	5274	4380.5	5308.7
Middle East	6483.1	5082.9	3734.5	4348.5	806.2	824.7	854.1	779.1
Africa	10467.3	22693	34795	36043.7	7080.5	7286.5	6914.1	7473.8
North of Sahaa	2973.1	5217.4	5770.7	5964	1226	1166.9	1089.7	1200.5
South of Sahaa	7170.9	16013.8	26629.8	27314	5322.8	5747	5221.5	5629.3
East Africa	564.2	1165.6	1881	2447.3	479.8	492.9	466.4	587.5
South Africa	3295	8301.4	13813.5	12986.5	2747.1	2660.9	2320.9	2386.9
Central Africa	487.6	688.3	1987	974.1	144.1	178.9	245	216.1
West Africa	2305.4	4708.2	6749.7	8538	1447	1871.8	1846.1	1952.1
Europe	1632.9	4647.2	3399.3	3251.7	612	555.5	635.1	621.2
America	3835.8	10613.2	13394.3	12264.4	2548.4	2135.9	2827.1	2584
South America	1819.8	4210.5	4352.4	4775.9	736.8	844.9	1309.1	967.5
Central America	1890.2	4982.5	8157.7	6433.5	1675	1127.5	1170.7	1333.3
Oceania	231.8	832.3	1333.4	1621.3	295.5	342.2	279.8	381.3
Melanesia	78.4	388.6	696.3	759.7	143.5	178.7	143.3	138.8
Micronesia	34.8	75.9	91.7	150.9	27.1	34.7	33	22.3
Polynesia	48.3	110.3	276.1	174.2	43.9	45.7	26.5	26.8
Sum	37347.4	79350.4	95297.9	99833.7	19759.7	19908.7	18798.5	20832.1

Meanwhile, the South and Central Asia region in the Cebu Asia region shows a relatively high proportion of 54.3%, showing that support for green growth has been relatively high. In the case of Africa, it accounts for the second highest share of green growth ODA at approximately 36.5%. The proportion is gradually increasing, showing a trend of increasing to 28.0% from 2002-2006 and 36.1%

from 2017-2021. On the other hand, if you look at the recent single-year standard, you can see that the proportion remains at the 35% level. Meanwhile, in the case of Oceania, it is above the 1% level, and it can be seen that a rather high proportion of green growth ODA was carried out at 1.8% in 2021. Table 3 shows the ODA status by region in DAC countries. It can be seen that the total ODA amount

is continuously increasing on a DAC country-wide basis. Between 2002 and 2006, approximately \$1.4 billion in ODA was provided and between 2007 and 2011, the size increased significantly, reaching approximately \$6.6 billion. This increase in ODA amounted to \$12.4 billion between 2017 and 2021, showing that the size of ODA related to green growth has been rapidly increasing since the

mid-2000s. Looking at the recent ODA scale by single year, we can see that the size of ODA for green growth has increased from about \$1.9 billion in ODA in 2018 to more than \$3 billion since 2020, and donor countries related to green growth have increased since 2020. It can be seen that interest has increased further.

**Table 3:** Share of green growth ODA by DAC recipient country region.

**Note:** ODA: Official Development Assistance; CRS: Creditor Reporting System

Region/Period	2002-2006	2007-2011	2012-2016	2017-2021	2018	2019	2020	2021
Asia	56.7	51.1	44.4	46.7	46.6	48.1	43.3	46.9
Far East Asia	40.7	43.4	38.2	32.8	32.7	34	32.2	35.2
South and Central Asia	27.7	41.3	49.7	55	56.4	55	53.7	54.3
Middle East	30.6	12.5	8.8	9.3	8.7	8.6	10.4	7.9
Africa	28	28.5	36.5	36.1	35.8	36.5	36.7	35.8
North of Sahaa	28.4	22.9	16.5	16.5	17.3	16	15.7	16
South of Sahaa	68.5	70.5	76.5	75.7	75.1	78.8	75.5	75.3
East Africa	7.8	7.2	7	8.9	9	8.5	8.9	10.4
South Africa	45.9	51.8	51.8	47.5	51.6	46.3	44.4	42.4
Central Africa	6.7	4.2	7.4	3.5	2.7	3.1	4.6	3.8
West Africa	32.1	29.4	25.3	31.2	27.1	32.5	35.3	34.6
Europe	4.3	5.8	3.5	3.2	3	2.7	3.3	2.9
America	10.2	13.3	14	12.2	12.8	10.7	15	12.4
South America	47.4	39.6	32.4	38.9	28.9	39.5	46.3	37.4
Central America	49.2	46.9	60.9	52.4	65.7	52.7	41.4	51.5
Oceania	0.6	1	1.3	1.6	1.4	1.7	1.4	1.8
Melanesia	33.8	46.6	52.2	46.8	48.5	52.2	51.2	36.3
Micronesia	15	9.1	6.8	9.3	9.1	10.1	11.7	5.8
Polynesia	20.8	13.2	20.7	10.7	14.8	13.3	9.4	7
Sum	100	100	100	100	100	100	100	100