

## KEY QUESTION



### What are important decision-making opportunities in Spain's annual budget process?

#### ODA levels and main funding lines are decided upon between March and July

- **Government suggests overall ODA volume:** In March, the government sets guidelines for overall spending per ministry, including for overall ODA volume, as well as funding lines for Spain's Development Promotion Fund (FONPRODE) and the Spanish Agency for International Development Cooperation (AECID). Key stakeholders in this period include the Prime Minister's Office, as well as the Foreign and Finance Ministers.
- **Ministries develop their budget requests:** Between May and June, each ministry, including the Ministry of Foreign Affairs and Cooperation (MAEC), and the Ministry of Economy and Competitiveness, develop their budget requests in light of the guidelines. Around June or July, ministries present their requests to the Ministry of Finance and Public Function (MINHAFP).
- **Government decides on ministerial spending caps:** Once budget requests are sent to the MINHAFP, negotiations start between the ministries. In July, the government decides on caps for ministerial budgets and the government's overall spending ceiling is presented. This includes overall ODA volume. Key decision-makers regarding ODA levels are the Prime Minister, the Finance Minister and the Foreign Minister.
- **Negotiations take place among ministries:** From August to September, the MAEC continues to negotiate with the Ministry of Finance for specific funding items, e.g., the share of loans or grants in the FONPRODE budget. Both ministries are key stakeholders during this period.

- **Parliament discusses, amends and votes on budget bill:** From October to November, Parliament discusses and amends the ministries' budget draft. The Development Committee provides recommendations on budget amendments and the Budget Committee makes the final decision: members of Parliament may present amendments to the overall budget and to specific ODA budget lines in this period. The lack of a clear majority in Parliament since 2016 reinforces the influence of its members with regard to budget allocations, including for ODA.

Some allocations are decided upon during the implementation phase of the annual budget: For instance, the MAEC decides on spending to partner countries and some multilateral organizations during the course of the entire year. Allocations from the FONPRODE are made by the FONPRODE executive board. The board includes representatives from MAEC, Ministry of Economy, Industry and Competitiveness, MINHAFP and other ministries, and usually meets three or four times per year. Its funding proposals need to be finally approved by the Prime Minister's cabinet weekly meeting (Consejo de Ministros).

SPAIN'S ANNUAL BUDGET PROCESS

