

## KEY QUESTION

### ✕✕ What are Spain's strategic priorities for development?

#### Spain increases its aid effectiveness: it focuses its ODA on fewer countries

The Spanish government outlines its strategic orientations for development in the 'Master Plan of the Spanish Cooperation for 2013 to 2016'. A new Master Plan for 2017 to 2020 is expected to be published in 2017, after a consultation process with civil society organizations (CSOs) and members of Parliament. Until then, the 2013-2016 Master Plan applies. It outlines eight main strategic orientations: 1) consolidate processes of democracy and the rule of law; 2) reduce inequalities and vulnerability to extreme poverty and crisis; 3) promote economic opportunities for the poorest; 4) promote social cohesion systems, emphasizing basic social services; 5) promote women's rights and gender equality; 6) improve the provision of global and regional goods; 7) respond to humanitarian crises; and 8) build global citizenship.

Within its development policy, Spain emphasizes cooperation with middle-income countries (MICs): it has developed strong capacities in this domain. Its traditional top recipients are countries in Latin America, such as Peru and Colombia, that are graduating to being categorized as upper-middle income countries. The Ministry of Foreign Affairs and Cooperation (MAEC) seeks to progressively substitute traditional ODA with these countries with new models for development cooperation. This includes triangular programs<sup>1</sup> (carried out jointly by an industrialized country, an emerging economy and a recipient country), blended finance (financial instruments involving a mix of public funding and private investments for development), knowledge-transfer programs, and an increasing use of equity investments. The current MAEC leadership is aiming for Spain to lead global efforts - specifically for MICs - to influence the global debate around the transition from ODA-recipient country to high-income country, and to attract emerging Latin markets to the global development community.

#### Spain's international obligations shape ODA allocation

Bilateral ODA declined by 40% between 2013 and 2014, from US\$1.2 billion to US\$706 million. During this period, a large number of bilateral agreements ended and were not renewed: This is part of the government's goal to reduce the number of priority countries from 50 in 2013 to 23 by the end of 2016.

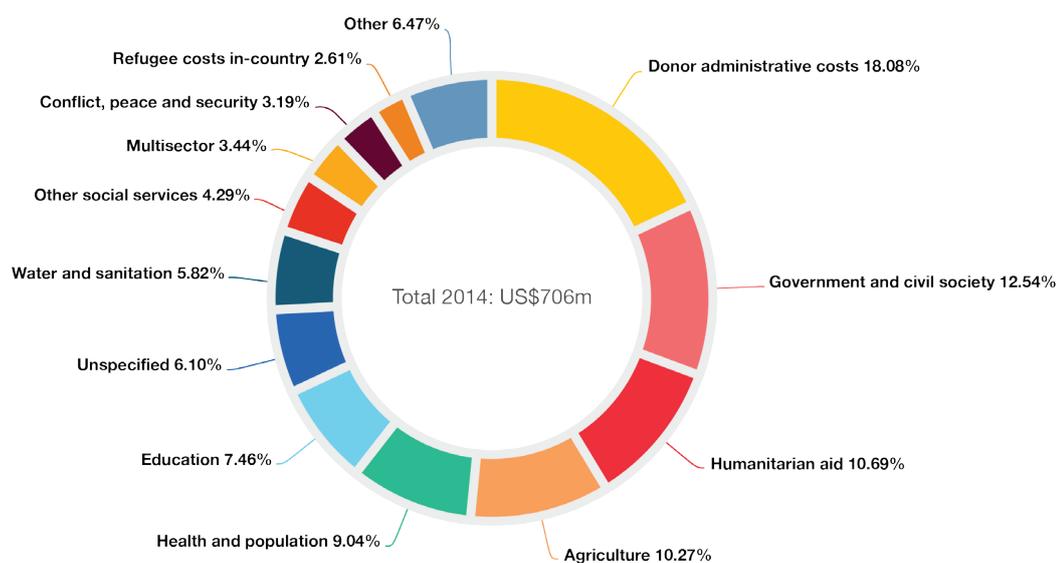
#### Spain's key development priorities:

- **Strong focus on MICs:** Spain seeks to develop new models of cooperation with its middle-income partner countries. It focuses on triangular cooperation and knowledge transfers.
- **Health:** Although funding levels for global health have been low in recent years, it remains a top priority for Spain. Funding levels are expected to increase as Spain gains budget flexibility
- **Agriculture and food security:** Spain's ODA to agriculture and rural development stood at US\$201 million in 2014. Focus is on food security and supporting small-holder farming.

Currently, the largest share of Spain's bilateral ODA is used for administrative costs: In 2014, they accounted for 18% of total bilateral ODA (US\$128 million). This is due to the cuts in development programs induced by budget constraints in the context of the economic crisis: Spain is fulfilling its institutional obligations while cutting non-obligatory contributions. In line with priorities outlined in the Master Plan, the second-largest sector within Spanish bilateral cooperation is the government and civil-society sector (US\$88 million in 2014, or 13%). In this area, Spain focuses strongly on gender equality, and on democratic participation. Humanitarian assistance is the third-largest sector within Spanish bilateral ODA (US\$75 million in 2014; 11%), which reflects the prioritization of humanitarian assistance in Spain's Master Plan. However, budget cuts prevent Spain from continuing to engage in all aspects of humanitarian aid. The Spanish Agency for International Development Cooperation (AECID) narrowed its focus from comprehensive rapid response to malnutrition and protection of victims of humanitarian crises.

The fourth-largest sector to benefit from Spanish bilateral ODA is agriculture and rural development: Spain's contribution to this sector amounted to US\$72 million in 2014. However, the country's total contributions to the sector are higher, as Spain channels 64% of its total ODA to this sector through multilateral organizations (US\$129 million in 2014). This brings Spain's total contribution to US\$201 million. Food security is a priority of Spanish development policy: Spain shows international leadership in the sector: it hosts the humanitarian logistics hubs of the World Food Program (WFP), of the International Red Cross and of the United States Agency for International Development on the Canary Islands.

SPAIN'S BILATERAL ODA BY SECTOR



Source: OECD CRS.

<sup>1</sup> For example, Spain contributed to the creation of small businesses development centers in the Dominican Republic, a project that was jointly carried out with El Salvador.