

## KEY QUESTION

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## How is the German ODA budget structured?

### BMZ manages more than half of Germany's ODA

Germany's ODA is sourced from the budgets of different ministries. The largest share of total ODA comes from the Federal Ministry for Economic Cooperation and Development (BMZ) (51% in 2014).<sup>3</sup> Another 22% is raised by Germany's development bank KfW on capital markets. The Federal Foreign Office, which manages most of the funding for humanitarian assistance and for UN peace missions, accounts for 9% of ODA overall.

BMZ's budget will be €8.5 billion (US\$11.3 billion) in 2017, a 15% increase from 2016. Germany plans to increase its ODA by a total of €8.3 billion (US\$11 billion) from 2016 to 2019.

Compared to other donors, the German budget provides relatively detailed information on funding channels but shows little detail on recipients and sectors. This allows the government to make multi-year commitments to some items based on 'commitment appropriations', which implies that certain amounts may be taken out of future budgets to be committed or spent now. They are thus important for organizations seeking multi-year funding commitments. Breakdowns of bilateral cooperation by region and sector are provided to Parliament through so-called 'confidential remarks', which are not available to the public.

Germany's multilateral spending is mostly comprised of assessed contributions to the European Development Fund (EDF) and multilateral development banks. They account for around 20% of the BMZ's multilateral budget. These budget lines are fixed by legally binding, multi-year commitments and thus cannot be influenced. The remainders are voluntary contributions. Within this category, only the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) has an individual budget line with binding multi-year commitments from BMZ. For other multilateral organizations, there are no individual budget lines and contributions are included in the commitment appropriations, which need to be protected from year to year.

Overview:	millions	millions
2017 BMZ budget, in US\$millions	€	US\$
<b>Bilateral Spending</b>	<b>4,124</b>	<b>5,472</b>
Financial cooperation	2,220	2,946
Technical cooperation	1,289	1,710
Crisis response	500	663
Other contributions	115	152
<b>Multilateral spending</b>	<b>1,565</b>	<b>2,076</b>
European Development Fund	822	1,090
Multilateral organizations related to climate change and biodiversity	254	337
Global Fund	230	305
UN organizations	193	256
World Food Programme	28	37
GAFSP	20	27
IFAD	18	24
<b>Development Fanks</b>	<b>924</b>	<b>1,226</b>
World Bank Group	661	877
African Development Bank	190	252
Asian Development Bank	72	96
<b>Cooperation w/CSOs, private sector &amp; others</b>	<b>987</b>	<b>1,310</b>
<b>Other commitments</b>	<b>853</b>	<b>1,132</b>
Tackling root causes of displacement	395	545
One World, No Hunger	220	292
International efforts to fight climate change	163	217
Stability and Development in the MENA region	70	93
Others	5	7
<b>Administrative and personnel expenses</b>	<b>88</b>	<b>117</b>
<b>Total spending</b>	<b>8,541</b>	<b>11,332</b>

Sources: Bundeshaushalt 2017, Haushaltsplan 23, Bundesministerium für Wirtschaftliche Zusammenarbeit

<sup>3</sup> 2014 is the last year ODA data by ministry is available.