

## KEY QUESTIONS

### the big six

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## How is Germany's ODA budget structured?

### BMZ manages the largest share of Germany's ODA

Germany's ODA is sourced from the budgets of different ministries. The largest share of ODA comes from the Federal Ministry for Economic Cooperation and Development (BMZ) (33% in 2016, latest year for which total ODA data is available from the ministry), with its share expected to increase again as refugee costs decrease (in 2014, BMZ's share of total ODA was 51%). Another 13% is raised by Germany's development bank KfW on capital markets. The Federal Foreign Office (AA), which manages most of the funding for humanitarian assistance and for UN peace missions, accounts for 10% of ODA overall.

In 2019, BMZ's budget stands at €10.2 billion (US\$11.5 billion, see table). This is an 8% increase from 2018 (€9.4 billion; US\$ 10.6 billion). On March 20, 2019, the German Cabinet passed spending caps for the 2020 federal budget, as well as the medium-term financial plan until 2023, as presented by the Ministry of Finance (BMF). BMZ's budget is set to remain at 2019 levels in 2020, after which it is planned to decrease, reaching €9.5 billion (US\$10.7 billion) by 2023 (-7% compared to 2020 level).

Compared to other donors, BMZ's budget provides relatively detailed information on funding channels but gives little detail on recipients and sectors.

The budget allows the government to make multi-year commitments to some items based on 'commitment appropriations', which implies that certain amounts may be earmarked in future budgets so that they can be committed or spent now. These commitment appropriations are thus particularly important for organizations seeking multi-year funding commitments. Breakdowns of bilateral cooperation by region and sector are provided to Parliament through 'confidential remarks', which are not available to the public.

Germany's multilateral spending mostly comprises assessed contributions to the European Development Fund (EDF) and multilateral development banks. They account for around 65% of BMZ's multilateral budget. These budget lines are fixed based on legally binding, commitment appropriations. Some multilateral organizations, including the Global Fund to Fight AIDS, Tuberculosis and Malaria, have an individual budget line with binding commitment appropriations from BMZ. For other multi-

Overview:

2019 BMZ budget, in millions	€	US\$
<b>Bilateral spending</b>	<b>4,765</b>	<b>5,371</b>
Financial cooperation	2,234	2,518
Technical cooperation	1,600	1,804
Crisis response	800	902
Other contributions	131	148
<b>Multilateral spending</b>	<b>2,043</b>	<b>2,303</b>
European Development Fund	1,008	1,136
Multilateral organizations related to climate change and biodiversity	371	418
Global Fund to Fight AIDS, Tuberculosis and Malaria	260	293
UN organizations	337	380
World Food Programme	28	32
The Global Agricultural Development	20	23
International Fund for Agricultural Development	19	21
<b>Development Banks</b>	<b>938</b>	<b>1057</b>
World Bank Group	700	789
African Development Bank	182	205
Asian Development Bank	47	53
<b>Cooperation w/ CSOs, private sector &amp; others</b>	<b>1,218</b>	<b>1,373</b>
<b>Other commitments (incl. special initiatives)</b>	<b>1,151</b>	<b>1,297</b>
International efforts to fight climate change	90	101
ONE WORLD - No Hunger	335	378
Tackling root causes of displacement	505	569
Stability and Development in the MENA region	100	113
Vocational training and jobs	120	135
<b>177 Administrative and personnel expenses</b>	<b>157</b>	<b>177</b>
<b>Total spending</b>	<b>10,246</b>	<b>11,550</b>

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

lateral organizations, there are no individual budget lines and contributions can be amended annually. Pull quote: The largest share of ODA comes from the Federal Ministry for Economic Cooperation and Development (BMZ), with its share expected to increase again as refugee costs decrease.