

## KEY QUESTIONS

### the big six

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## How is Norway's ODA budget structured?

### Norway uses 'thematic cooperation' budget lines to pursue its strategic priorities

The 2019 ODA budget is the largest to date, at NOK37.8 billion (US\$4.6 billion). The government's budget proposal, which was approved in November 2018 by Parliament, represents an 8% increase over the 2018 budget (an increase of NOK2.7 billion, or US\$326 million.) ODA comes from two main sources: the Ministry of Foreign Affairs (MFA) and the Ministry of Climate and Environment.

The MFA provides 92% (NOK34.6 billion, or US\$4.1 billion) of the ODA budget. The MFA's ODA budget provides detailed information on the allocation of funding, and can be divided into four major categories: 1) thematic cooperation, 2) bilateral cooperation, 3) multilateral funding (outside of specific thematic cooperation), and 4) administration costs:

- **Bilateral cooperation comprises regional budget lines** for Africa, Asia, Middle East and North Africa (MENA region), and Latin America.
- **Multilateral funding includes spending not connected to a specific thematic area**, and funds disbursed to UN development agencies and certain international financial institutions. Funding for the Asian Infrastructure Investment Bank (AIIB; NOK162 million or US\$20 million in 2019) is disbursed by the MFA, but sits outside of the official 'multilateral spending' envelope.
- **Thematic cooperation combines bilateral and multilateral funding to advance specific areas.** It receives by far the largest share of funding by the MFA, 68% of all Norway's ODA expenditure in 2019. There are currently 10 thematic budget lines in Norway's ODA budget. Those that receive the most funding are in line with Norway's strategic priorities (see table).

In addition to the MFA, the Ministry of Climate and Environment provides NOK3.2 billion (US\$382 million) in ODA, mainly for Norway's International Climate and Forest Initiative (NICFI). The initiative aims to slow, halt, and eventually reduce greenhouse-gas emissions from deforestation and forest degradation in partner countries.

| 2019 ODA budget, in millions                             | NOK           | US\$         |
|--|---------------|--------------|
| <b>Ministry of Foreign Affairs</b>                       | <b>34,561</b> | <b>4,179</b> |
| <b>Thematic cooperation</b>                              | <b>25,790</b> | <b>3,118</b> |
| Humanitarian assistance                                  | 5,397         | 620          |
| Industrial development, agriculture and renewable energy | 4,806         | 581          |
| Health   | 3,926         | 475          |
| Education, research and professional cooperation         | 3,808         | 460          |
| Civil society  | 2,128         | 257          |
| Peace, security, and global cooperation                  | 1,993         | 241          |
| Climate, environment and sea                             | 1,480         | 179          |
| Equality   | 1,002         | 121          |
| Human rights   | 700           | 85           |
| Costs for refugees in Norway                             | 550           | 67           |
| <b>Bilateral cooperation</b>                             | <b>2,924</b>  | <b>354</b>   |
| MENA region  | 448           | 54           |
| Europe and Central Asia                                  | 676           | 82           |
| Afghanistan  | 575           | 69           |
| Africa   | 1,016         | 123          |
| Asia   | 80            | 10           |
| Latin America  | 130           | 16           |
| <b>Multilateral funding</b>                              | <b>3,593</b>  | <b>434</b>   |
| UN development agencies                                  | 1,322         | 160          |
| Multilateral financial institutions                      | 2,110         | 255          |
| Funding for AIIB   | 162           | 20           |
| <b>Administration costs</b>                              | <b>2,255</b>  | <b>273</b>   |
| <b>Ministry of Climate and Environment</b>               | <b>3,161</b>  | <b>382</b>   |
| <b>Ministry of Finance</b>                               | <b>78</b>     | <b>9</b>     |
| <b>Ministry of Education and Research</b>                | <b>16</b>     | <b>2</b>     |
| <b>Total ODA Budget</b>                                  | <b>35,816</b> | <b>4,572</b> |

Source: MFA budget draft 2018, parliamentary and government amendments