

## KEY QUESTIONS

### the big six

### 3

#### How does Spain spend its ODA?

##### Since the 2008 crisis, Spain's ODA has increasingly come from core contributions to multilaterals

Several years of economic turmoil between 2008 and 2013 resulted in Spain's channeling an increasing share of its ODA through core, obligatory contributions to multilateral organizations. They have remained high even as economic growth has returned and in 2017 accounted for 63% of Spanish ODA, well above the OECD Development Assistance Committee (DAC) average of 40%. Despite recent gains in overall ODA, bilateral ODA in 2017 was only a quarter of where it stood in 2008 (US\$1.1 billion compared to US\$4.3 billion), accounting for 37% of Spain's development assistance.

Spain channels a large part of its ODA through CSOs: 46% in 2017, much higher than the DAC average of 17%. This share was inflated in 2017 by high spending on refugees that went through national NGOs (US\$214 million), but Spain is typically well above the DAC average of channeling ODA through NGOs.

##### Main sectors of bilateral ODA are in-country spending on refugees and debt relief

In 2017 the largest share of Spain's bilateral ODA was used for in-country costs of hosting refugees: it accounted for 20% of total bilateral development assistance, or US\$217 billion, above the DAC average of 16%. This was more than double 2016's refugee costs and more than six times 2015's. The spike could be attributable to two factors. First, pressure from Spanish media and civil society to host more refugees resulted in the approval of €200 million (US\$225 million) in additional public spending in 2016. Secondly, DAC members can report the costs of hosting refugees up to one year after application, which can result in a reporting lag.

A year after Spain took a series of extraordinary measures to ease Cuba's debt burden, debt action still accounted for a sizable portion of Spain's bilateral ODA at 11% or US\$123 million, making it the second-largest sector of bilateral assistance. 'Government and Civil Society' was the third-largest sector of bilateral ODA, increasing to US\$105 million (10%), from US\$88 million in 2016. Within this sector, Spain focuses on gender equality and democratic participation, a reflection of the cross-cutting themes set out in the 'Master Plan for Spanish Cooperation 2018-2021' (Master Plan).

At nearly 10% or US\$104 million, administrative costs ac-

##### Spain's 21 priority countries:

- Bolivia
- Colombia
- Cuba
- Dominican Republic
- Ecuador
- El Salvador
- Ethiopia
- Guatemala
- Haiti
- Honduras
- Mali
- Mauritania
- Morocco
- Mozambique
- Nicaragua
- Niger
- Paraguay
- Peru
- the Philippines
- Senegal
- West Bank and the Gaza Strip

count for a large proportion of Spain's bilateral ODA. Agriculture fell from the sixth-largest to the ninth-largest sector of Spain's bilateral ODA in 2017, amounting to US\$62 million or 6% of spending. Food security remains one of the top priorities of Spanish development policy, which is also reflected in its international leadership in the sector: Spain hosts the humanitarian logistics hubs of the World Food Program (WFP), the International Committee of the Red Cross (ICRC), and of the United States Agency for International Development (USAID) on the Canary Islands.

Almost all of Spain's bilateral ODA in 2017 consisted of grants (97%), consistent with previous years.

##### Spain focuses bilateral ODA on Latin America, sub-Saharan Africa, and the MENA region

Spain contributed the largest shares of bilateral ODA in 2017 to Latin America (28%), sub-Saharan Africa (23%), and the Middle East and North Africa (MENA) region (14%). Further, six out of the 10 largest ODA recipients from 2015 to 2017 are in Latin America, and three are part of the MENA region. Due to Spain's focus on those two regions, the largest proportion of bilateral ODA is allocated to middle-income countries (MICs): MICs received 74% of bilateral funding on average between 2015 and

2017. In 2017, only 11% was allocated to low-income countries (LICs), well below the OECD DAC average of 24%. The government plans to concentrate its ODA on fewer countries going forward, reducing the number of priority countries from 50 in 2013 to 21, as outlined in the Master Plan. From these priority countries, seven are LICs and 14 are MICs.

**Core contributions to multilaterals reached new high in 2017**

Core contributions to multilaterals reached a new peak in 2017 of US\$1.9 billion. Since 2015, core funding to multilaterals has increased by 75%, driving much of the recent growth in Spanish ODA. The increase was driven by a US\$300-million increase to the World Bank’s International Development Association (IDA), from US\$11 million in 2015 to US\$314 million in 2017. On top of this, Spain also provides earmarked funding to multilateral organizations tied to particular regions, countries, or themes. This stood at US\$157 million in 2017, its highest point since 2011. Earmarked funding has steadily increased each year since 2013.

While the proportion of EU contributions within ODA is diminishing as overall spending increases, they still accounted for 39% of total ODA in 2017. These contributions have grown by 25% in absolute terms since 2015. These EU-level increases have been to fund the response to un-

precedented arrivals of asylum seekers that occurred in 2015 and 2016, while the IDA increases reflect the beginning of a return to previous funding levels as budget austerity is lifted.

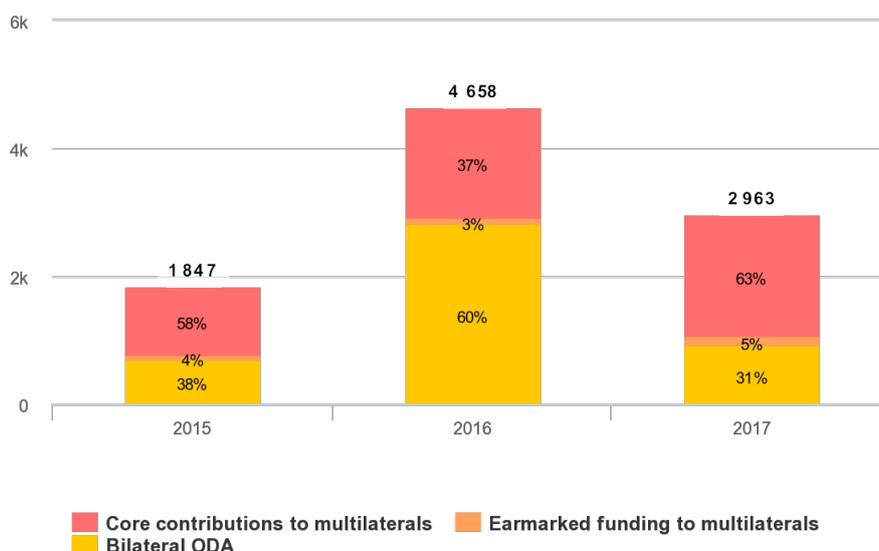
At US\$253 million, contributions to regional development banks doubled compared to 2016. 2017 marked Spain’s first contributions to smaller regional development banks and multilateral funds in years, including US\$172 million to the Asian Infrastructure Investment Bank and US\$50 million to the Andean Development Corporation.

Development of a new multilateral strategy is ongoing and expected to be released in 2019. The former multilateral review from 2015 said funding would focus on United Nations (UN) agencies, including the UN Refugee Agency (UNHCR), the UN Children’s Fund (UNICEF), the International Fund for Agricultural Development (IFAD), and the World Food Program (WFP). While those agencies specifically named in the multilateral review have not seen funding increases from Spain, UN contributions overall amount to US\$85 million in 2017, an increase of 23% over 2015, when they stood at US\$69 million, according to data from the OECD.

Spain’s voluntary contributions have been hampered in recent years by budgetary limitations and have yet to resume to previous levels.

**SPAIN'S BILATERAL AND MULTILATERAL ODA**

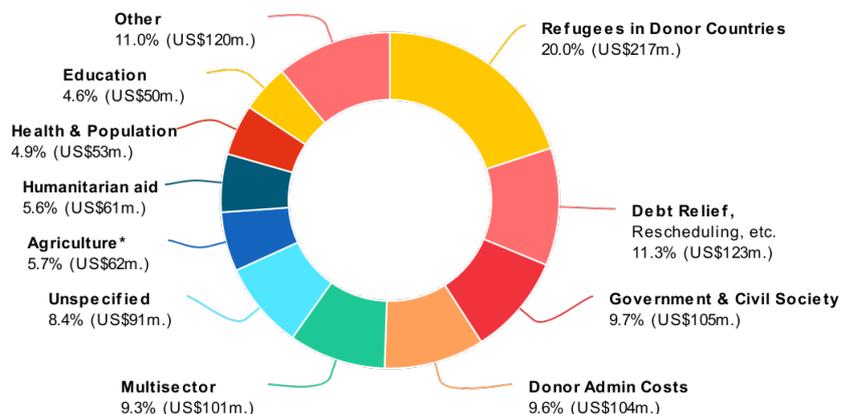
US\$ millions



OECD DAC 1 table. Gross disbursements; in 2017 prices.

### SPAIN'S BILATERAL ODA BY SECTOR, 2017

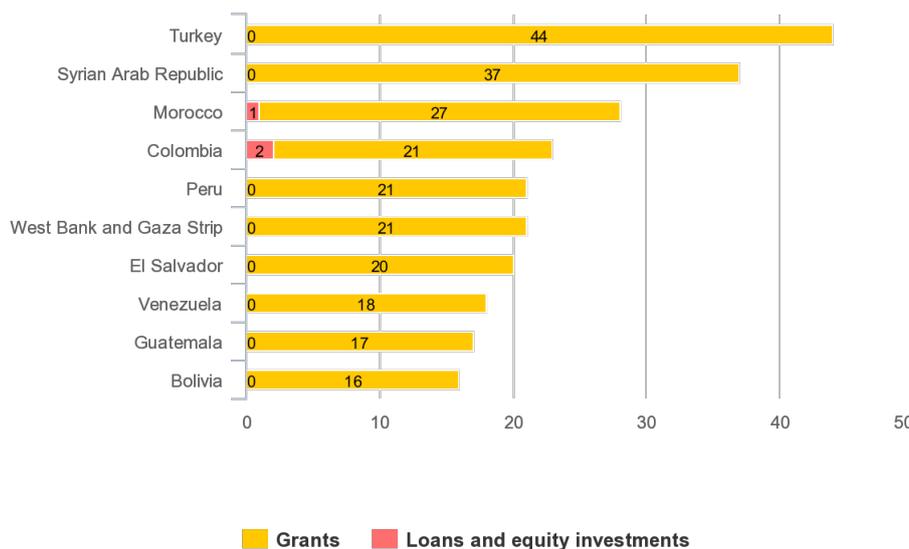
Total: US\$ 1086 million



OECD CRS. Gross disbursements. \*Includes agriculture, forestry, fishing, and rural development. In 2017 prices.

### THE TOP 10 RECIPIENTS OF SPAIN'S ODA

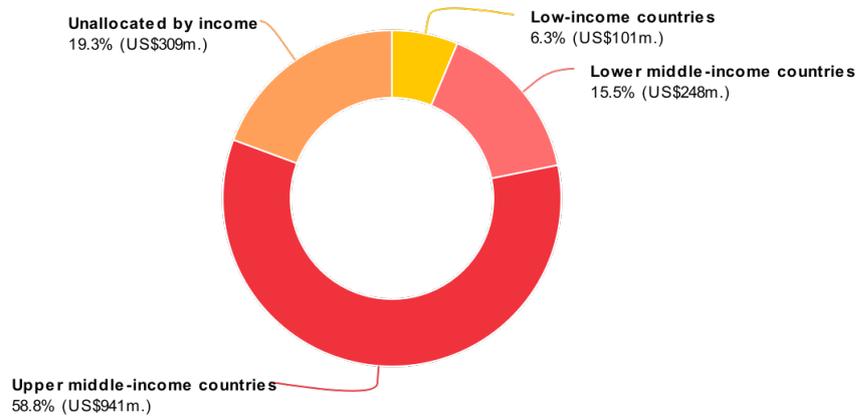
Average 2015-2017, excluding debt relief; US\$ millions.



OECD CRS. Gross disbursements; in 2017 prices.

### SPAIN'S BILATERAL ODA BY INCOME-GROUP, 2015-2017

Average 2015-2017: US\$ 1.6 billion



OECD CRS. Gross disbursements; in 2017 prices.