

## KEY QUESTIONS

### the big six

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## How is Spain's ODA budget structured?

### The Finance Ministry provides the largest share of ODA

The 2019 budget of the minority socialist government failed to win parliamentary approval in February 2019, triggering a snap election for April 28, 2019. That budget would have set ODA at €2.9 billion (US\$3.3 billion), a 13% increase compared to 2018. Until the government that emerges from the upcoming election gets a 2019 budget through Parliament, the 2018 budget remains in effect. The 2018 budget was itself delayed by the Catalan secession crisis until June 2018.

Spain's 2018 budget sets ODA at €2.6 billion (US\$2.9 billion) or 0.22% of GNI. Several ministries provide ODA. The Ministry of Foreign Affairs and Cooperation (MAEUEC) used to be Spain's primary ODA provider. Its share has decreased to 23% in 2018, as past cuts mainly affected MAEUEC's ODA budget and it has yet to fully recover. Additionally, other budget envelopes – including the Ministry of Finance and Public Function (MINHAFP) and Ministry of Economy and Competitiveness (MINECO), both of which consist almost entirely of international obligations – have grown at faster rates in recent years.

MINHAFP now manages the largest share of Spain's ODA (42% in 2018); it channels the country's mandatory contributions to the EU. MINECO (16% of ODA in 2018) manages contributions to international financial institutions, including the World Bank, and channels debt relief. Its budget increased from €59 million (US\$67 million) in 2015 to €486 million (US\$548 million) in 2016 but has fallen since then to €424 million (US\$478 million) in 2018.

MAEUEC's budget for 2018 stands at €588 million (US\$663 million), a slight nominal increase, from €559 million (US\$630 million) in 2017. This budget envelope provides little information on funding channels, recipients, and spending for specific sectors. MAEUEC's budget includes funding for the Spanish Agency for International Development Cooperation (AECID). AECID's budget focuses on funding for bilateral programs, civil society organizations (CSOs), and humanitarian assistance. About 34% of MAEUEC's budget (€199 million or US\$224 million) is channeled through FONPRODE. Since 2012, all FONPRODE funds must be disbursed as loans or equity investments through bilateral programs, or as ear-

Overview:

2018 ODA budget, in millions	€	US\$
<b>Ministry of Foreign Affairs and Cooperation (MAEUEC)</b>	<b>588</b>	<b>663</b>
<b>Spanish Agency for International Development Cooperation (AECID)</b>	<b>238</b>	<b>268</b>
<b>State Secretariat for international Cooperation and Ibero-America (SECIPI)</b>	<b>228</b>	<b>257</b>
FONPRODE	199	224
Water and Sanitation Fund	15	17
IFFim	9	10
Development Cooperation Programme SECIPI (except FONPRODE, IFFim)	5	6
<b>State Secretariat for Foreign Affairs</b>	<b>94</b>	<b>106</b>
<b>Instituto Cervantes</b>	<b>26</b>	<b>29</b>
<b>Ministry, Subsecretariat and general services</b>	<b>2</b>	<b>2</b>
<b>State Secretariat for the European Union</b>	<b>0</b>	<b>0</b>
<b>Ministry of Finance and Public Function (MINHAFP)</b>	<b>1,081</b>	<b>2,219</b>
Contributions to the European Union	1,081	1,219
<b>Ministry of Economy and Competitiveness (MINECO)</b>	<b>424</b>	<b>478</b>
International Financial Institutions	416	469
Debt relief	4	5
Other	4	5
<b>Ministry of Employment and Social Security</b>	<b>204</b>	<b>230</b>
<b>Other ministries</b>	<b>18</b>	<b>20</b>
<b>Autonomous and local cooperation</b>	<b>287</b>	<b>324</b>
<b>Total</b>	<b>2,602</b>	<b>2,933</b>

Sources: Ayuda Oficial al Desarrollo de la Administraciones Públicas.

Propuesta Presupuestos Generales del Estado para 2018

marked loans managed by multilateral organizations. While FONPRODE's mandate is to also channel voluntary contributions or grants to multilateral instruments in addition to loans and equities, this 'loans-only' policy is aimed at reducing the impact of Spain's ODA to the public deficit.

Spain's regional governments and local administrations provide ODA mainly through CSOs and their own bilateral programs, although they can provide funding to multilateral institutions as well.