

KEY QUESTIONS

the big six



How much ODA does Spain provide?

Excluding a one-off debt-relief package, Spanish ODA has been rising since 2015

Spain's ODA stood at US\$2.9 billion in 2018, making it the 13th-largest donor country in the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC). This amounted to 0.20% of Spain's GNI, making it 20th-largest donor in relative terms. These numbers are based on the new methodology for measuring ODA loans which the OECD DAC will apply to ODA reporting for 2018 onward. Preliminary ODA figures for 2018 using this new methodology were first released in April 2019. This methodology, called 'grant-equivalent' methodology, provides a more accurate way to count donor efforts in concessional ODA loans because only the 'grant' portion of loans, expressed as a monetary value, is counted as ODA. In turn, the repayments of previous ODA loans are no longer subtracted. Until 2011, Spain delivered large amounts of ODA loans, the repayment of which was subtracted from its ODA. This is no longer the case with the new methodology, and the reform thus had a positive impact on Spain's ODA levels: according to the previous 'cash basis' methodology, Spain's net ODA stood at US\$2.6 billion in 2018 (current prices), 11% below ODA figures using the new grant-equivalent methodology.

To allow for comparison overtime, the OECD still publishes net ODA disbursements according to the cash basis methodology. After dropping by 41% between 2016 and 2017 due to an exceptional US\$2.2 billion debt relief agreement with Cuba in 2016, net ODA decreased by 5% between 2017 and 2018. According to the OECD, this is due to a further decrease in debt relief volume.

Excluding debt relief, Spanish ODA increased by 79% between 2015 and 2017, following nearly seven straight years of cuts. Between 2008 and 2015 Spanish ODA declined by nearly three-quarters (from US\$5.5 billion to US\$1.4 billion) due to economic downturn and EU and International Monetary Fund (IMF) directives to cut public spending.

Excluding 2016's Cuban debt actions, bilateral ODA in 2017 reached its highest point since 2013 at US\$1.1 billion.

Further information: 2017 prices

To compare ODA levels in any given year with ODA levels provided in other years, figures need to be adjusted to account for inflation and exchange rate fluctuations. The OECD provides data that accounts for these fluctuations. In this profile, and unless indicated otherwise, figures are stated using 2017 prices.

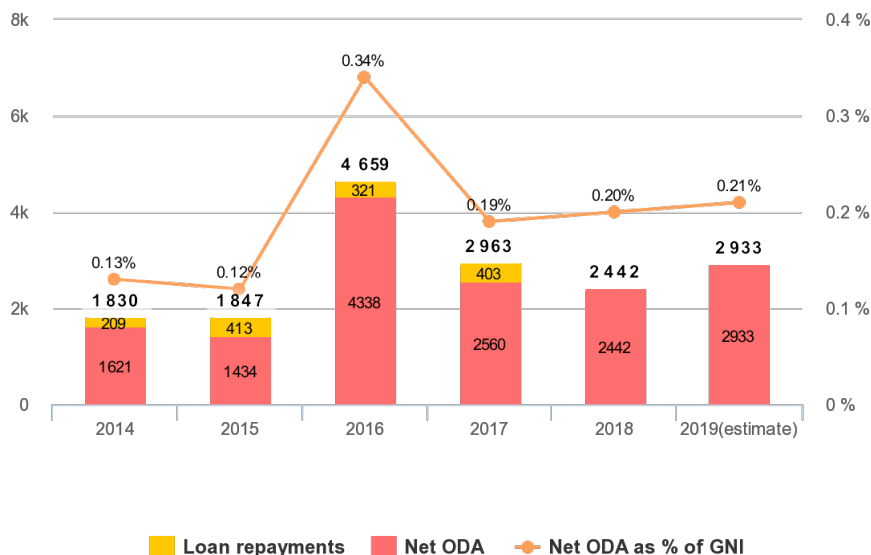
The largest driver of this increase has been costs of hosting refugees on Spanish soil, which grew more than five-fold since 2015 to reach US\$217 million in 2017. Pressure from Spanish media and civil society to take in more refugees mounted in 2015 and culminated in approval of an additional €200 million (US\$225 million) in funding. In parallel, multilateral spending reached a new peak in 2017 of US\$1.9 billion, an increase of 75% since 2015.

In November 2016, the Congress of Deputies' Development Committee unanimously approved a non-binding resolution to increase ODA to 0.4% of Spain's GNI by 2020. While PM Sánchez's government supported this proposed target, his Spanish Socialist Workers' Party (PSOE), as well as the left-wing Podemos party, proposed increasing ODA to 0.5% of Spain's GNI by 2023. The 2019 budget, proposed by PSOE, further increased ODA to €2.9 billion (US\$3.3 billion), but it failed to pass in a February 2019 parliamentary vote. The spending levels established in the 2018 budget (US\$2.9 billion) will remain in effect until Spain passes a 2019 budget.

The failure of the budget to pass was caused by Catalan secessionist parties' withdrawing support from the socialist government they had previously helped bring to power in June 2018. Following this, Prime Minister Pedro Sánchez called a snap general election for April 28, 2019, which saw his party win 28% of the votes. Pedro Sánchez is likely to remain in power during the coming four-year term. In order to form a government, the Socialist Party needs to seek parliamentary support from other political parties.

SPAIN'S GROSS/NET ODA DISBURSEMENTS

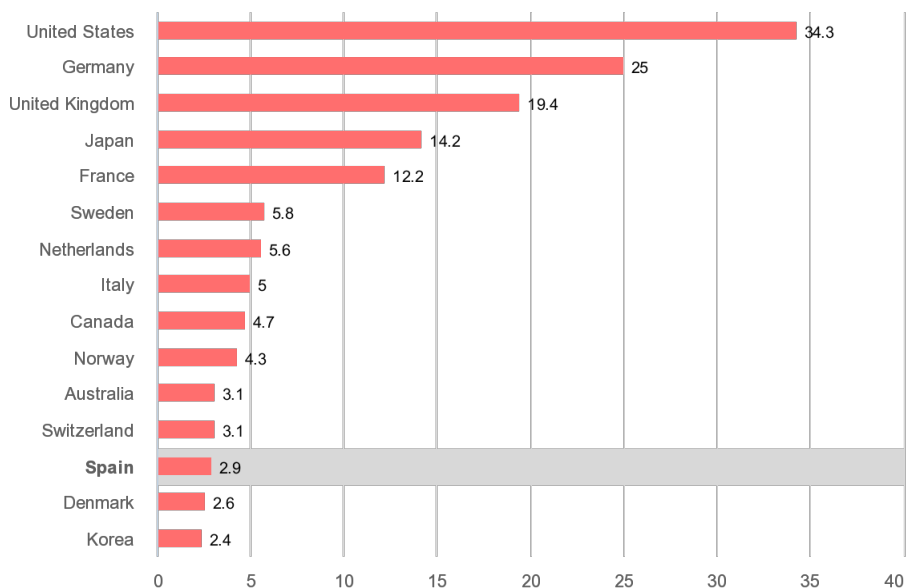
US\$ millions; in 2017 prices



OECD table DAC1. 2018 number according to preliminary data (April 2019).
ODA estimates for 2019 based on government data.

TOP 15 DAC DONOR COUNTRIES, 2018

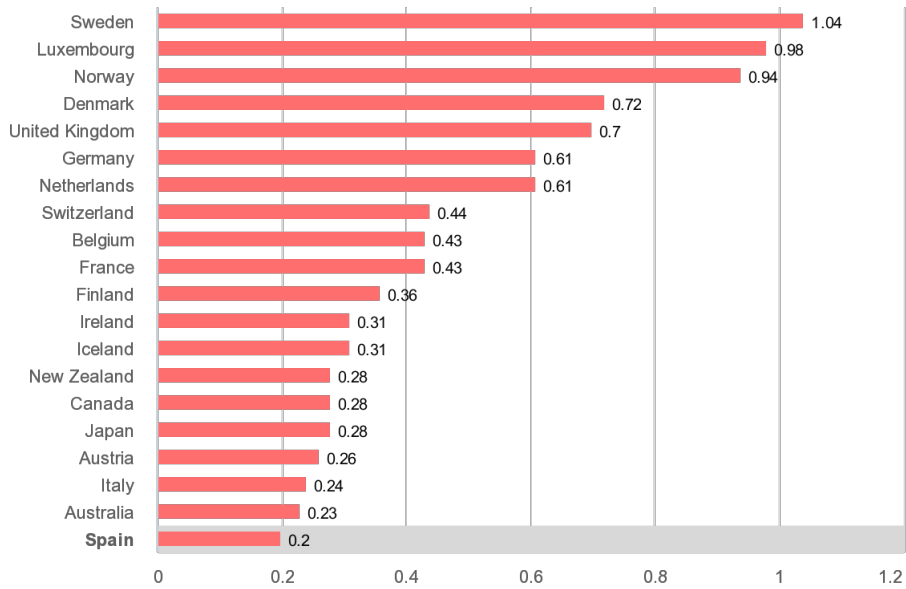
Total ODA Disbursements; US\$ billions; in current prices



OECD DAC preliminary data (April 2019).

TOP 20 DAC DONOR COUNTRIES, 2018

Total ODA as % of GNI



OECD DAC preliminary data (April 2019).