

## KEY QUESTIONS

### the big six

# 5

## How is the Swedish ODA budget structured?

### Sida manages just over half of Sweden's ODA budget

The government is committed to allocating 1% of Sweden's GNI to ODA. This share is outlined in each year's budget, and the total of all funding sources contributing to it is referred to as the 'ODA frame'. The 2019 budget sets the ODA frame at SEK50.7 billion, or US\$5.9 billion in 2017 prices. This represents 1.0% of GNI.

General elections in September 2018 were followed by lengthy negotiations to form a government, which took power in January 2019. The budget for 2019, approved by Parliament in December 2018 under a caretaker government, reflected the proposal put forward by the conservative Moderates and Christian Democrats. It includes overall ODA levels, as well as high-level numbers on in-country refugee costs and administrative costs. More details on allocations to specific bilateral and thematic budget lines can be found in Sida's appropriation letter.

The 'Budget Area 7: International assistance' covers 89% of the 'ODA Frame' (SEK44.9 billion, or US\$5.3 billion). The remainder consists mainly of spending to cover the costs of hosting refugees in Sweden (US\$258 million, or 4% of the ODA frame), assessed contributions to the EU (US\$275 million, or 5%), and management costs of the Ministry of Foreign Affairs (MFA; US\$50 million, or 1%).

Budget area 7 includes all funding managed by Sida (the Swedish International Development Agency), which manages about 51% of Sweden's total ODA financing, corresponding to SEK26.1 billion in 2019 (US\$3 billion, including its administrative costs). In 2019, this funding was divided between seven areas: 1) bilateral cooperation; 2) thematic cooperation; 3) humanitarian assistance; 4) funding for Swedish CSOs; 5) research cooperation; 6) capacity development and agenda 2030; and 7) information and communication.

'Bilateral cooperation' programs are guided by regional and country strategies, which define indicative budget allocations and focuses to specific geographies. These strategies are developed by the Ministry of Foreign Affairs (MFA), Sida, and the various embassies, and approved by the government.

The 'thematic cooperation' program entails three main envelopes: 1) human rights, democracy, and the rule of law; 2) sustainable development; and 3) sustainable peace. As for country-based bilateral cooperation, each

| Overview:  | SEK           | US\$         |
|--|---------------|--------------|
| 2019 ODA budget, in millions                                       |               |              |
| <b>Total budget area 7 (international assistance)</b>              | <b>44,945</b> | <b>5,259</b> |
| <b>Sida</b>  | <b>24,800</b> | <b>2,902</b> |
| Bilateral cooperation  | 12,340        | 1,444        |
| Thematic cooperation   | 4,845         | 567          |
| Humanitarian assistance  | 4,050         | 474          |
| Funding for Swedish CSOs   | 1,825         | 214          |
| Research cooperation   | 920           | 108          |
| Capacity Development and agenda 2030                               | 670           | 78           |
| Information and communication                                      | 150           | 18           |
| <b>MFA</b>   | <b>16,156</b> | <b>1,890</b> |
| Multilateral organizations (UN agencies) and funds (e.g. GF, Gavi) | 11,350        | 1,328        |
| Multilateral development banks; debt relief                        | 3,900         | 456          |
| Strategically oriented grants                                      | 906           | 106          |
| <b>Other agencies</b>  | <b>2,503</b>  | <b>293</b>   |
| <b>Admin Costs (incl. Sida's)</b>                                  | <b>1,486</b>  | <b>174</b>   |
| <b>Other ODA costs</b>   | <b>5,772</b>  | <b>675</b>   |
| Costs of hosting refugees  | 2,204         | 258          |
| EU contributions   | 2,354         | 275          |
| MFA admin costs  | 424           | 50           |
| Others (e.g. funding for some UN agencies)                         | 790           | 92           |
| <b>Total ODA ('ODA frame')</b>                                     | <b>50,717</b> | <b>5,934</b> |

Sources: Internationellt bistånd 2017 (Autumn), Sidas budgetunderlag 2017-2019

of these areas is governed by a strategy that defines spending ceilings and main funding areas.

In addition, Budget Area 7 includes the MFA's funding lines for core contributions to UN agencies and other multilateral funds, as well as for multilateral development banks, debt relief, and 'strategically oriented grants' (see table for a detailed breakdown).