

KEY QUESTIONS

the big six

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How is the Swedish ODA budget structured?

Sida manages just over half of Sweden's ODA budget

The current 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 2020 budget proposal, put forward by the government in October 2019, sets the ODA frame at SEK52.1 billion, or US\$6.1 billion in 2017 prices. This represents 1.0% of GNI. Due to strong movement in exchange rates, the ODA budget amounted to US\$5.4 billion if converted using a September 2019 exchange rate. This section provides all US\$ amounts in 2017 prices, however, to allow for comparison with the rest of the profile.

The government's proposed budget is debated and amended by Parliament in a process that lasts until mid-December, at which time the Parliament typically makes a final decision (for more information, see key question 6: 'what are important milestones in the annual budget process').

The 'Budget Area 7: International assistance' covers 88% of the 'ODA Frame' (SEK46.0 billion, or US\$5.4 billion). The remainder consists mainly of spending to cover the costs of hosting refugees in Sweden (US\$274 million, or 5% of the ODA frame), assessed contributions to the EU (US\$294 million, or 5%), and management costs of the Ministry of Foreign Affairs (MFA; US\$52 million, or 1%). Budget area 7 includes all funding managed by Sida (the Swedish International Development Agency), which manages about 50% of Sweden's total ODA financing, corresponding to SEK27.5 billion in 2020 (US\$3.2 billion, including its administrative costs). In 2020, this funding is 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: 2020 ODA BUDGET PROPOSAL	SEK millions	US\$ millions
Total Budget Area 7 (international assistance)	45,989	5,381
Sida	26,030	3,046
Bilateral cooperation	13,145	1,538
Thematic cooperation	5,100	597
Humanitarian assistance	4,125	483
Funding for Swedish CSOs	1,875	219
Research cooperation	920	108
Capacity Development and agenda 2030	710	83
Information and communication	155	18
MFA	16,304	1,908
Multilateral organizations (UN agencies and funds (e.g. Global Fund, Gavi))	10,350	1,211
Multilateral development banks; debt relief	5,000	585
Strategically oriented grants	954	112
Other agencies	1,949	228
Admin Costs (incl. Sida admin costs)	1,706	200
Other ODA costs	6,126	717
Costs of hosting refugees	2,346	274
EU contributions	2,511	294
MFA admin costs	442	52
Others (e.g. funding for some UN agencies)	827	97
TOTAL ODA (ODA frame)	52,115	6,097

Source: Swedish Government's Budget Proposal 2020

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).