

KEY QUESTIONS

the big six

3

How does Sweden spend its ODA?

Sweden provides strong support to multilateral organizations

Sweden is a strong supporter of the multilateral system. Core contributions to multilateral organizations account for slightly less than a third of Swedish ODA (31% in 2017). This is below the average of 40% among member of the OECD Development Assistance Committee (DAC); however, when adding contributions passing through multilaterals but earmarked for specific themes or funds, the share of Sweden's ODA going to or through multilateral organizations rises to 51% (DAC average: 53%; see below for more information on Sweden's engagement with multilaterals).

In past years (including 2017), the proportion of bilateral ODA (49%, discounting earmarked funding) has been inflated by high costs of hosting refugees in Sweden, which are reported as bilateral ODA (see below). When discounting these costs, Sweden channels an even larger share (60%) of its ODA through multilateral organizations.

Sweden channels about a fifth of its bilateral ODA through civil society organizations (CSOs; 28%), which is more than the average among members of the OECD DAC (17%). The government recognizes CSOs' key role in reducing poverty, strengthening democratic development, and supporting human rights, especially in countries that are not governed by democratic principles.

Refugees costs have gone down; democratic governance and human rights are funding priorities; humanitarian assistance is on the rise

Costs for hosting refugees have greatly distorted Swedish ODA statistics over the past years. In 2015, Sweden received a particularly high number of asylum seekers, especially considering the size of its population. Consequently, costs from hosting refugees have gone up significantly since 2014: they more than doubled between 2014 and 2015, from US\$933 million to US\$2.5 billion. They decreased again in 2016 and 2017, from US\$842 million to US\$828 million. In 2017, this still corresponded to more than a fifth of bilateral ODA (21% or US\$828 million), according to OECD data, making it the largest spending area of Sweden's ODA. According to budget documents, these costs further declined in 2018 and 2019 (US\$258 million in 2019, or 4% of total ODA), their lowest level in 10 years, and are expected to remain low in coming years.

Sida's partner countries for bilateral cooperation

- **Africa:** Burkina Faso, the DRC, Ethiopia, Kenya, Liberia, Mali, Mozambique, Rwanda, Somalia, South Sudan, Sudan, Tanzania, Uganda, Zambia, Zimbabwe
- **Asia:** Afghanistan, Bangladesh, Cambodia, Iraq, Myanmar, Palestine, Syria
- **Europe:** Albania, Belarus, Bosnia-Herzegovina, Georgia, Kosovo, Moldova, Russia, Serbia, Turkey, Ukraine
- **Latin America:** Bolivia, Colombia, Cuba, Guatemala

The second-largest share of bilateral ODA is allocated to the 'government and civil society' sector (19% of bilateral ODA, or US\$741 million in 2017, up from US\$649 million in 2015). This is in line with Sweden's focus on democratic governance and human rights, and may increase further due to the new government's stronger focus on the topic. Around two-thirds of the funding in this area goes to projects supporting democratic participation or human rights. In this sector, Sweden relies on its civil society organizations (CSOs), as well as international organizations and local CSOs in partner countries, for the implementation of its bilateral cooperation.

The third-largest share of Swedish bilateral ODA goes to humanitarian assistance, a traditional focus of funding (12% of bilateral ODA, US\$473 million). Funding to the sector grew by 23% between 2015 and 2016, and remained high in 2017. Sweden has been strengthening its focus on conflict-affected areas, and it will likely continue to do so.

Global health is the fourth-largest sector of Sweden's bilateral ODA, accounting for 6% of bilateral funding in 2017 (US\$248 million).

According to the OECD, virtually all of Sweden's ODA consists of grants (99% in 2016). The remaining 1% (US\$47 million) consists of equity investments by the MFA.

Sweden's funding target low-income countries, and countries in sub-Saharan Africa

Sweden's ODA targets primarily partner countries in sub-Saharan Africa and low-income countries. The 2016 Aid policy framework states that its bilateral funding must be focused on the least-developed and most-vulnerable countries. This policy is backed by funding data: more than two-thirds (68%) of Sweden's bilateral ODA is allocated to low-income countries (when excluding unallocated funding) between 2015 and 2017. Yet, the government also recognizes that an increasing proportion of global poverty is found in middle-income countries. Overarchingly, the government is likely to continue to strengthen its focus on fragile states.

The Swedish development agency, Sida, has cut the number of bilateral partner countries in half over the past ten years, from 67 in 2007 to 36 in 2018. This further strengthened the focus on sub-Saharan Africa, as 15 of the partner countries are in this region (see box).

The high costs of hosting refugees in Sweden, as well as earmarked funding to multilaterals and funding to CSOs, are counted as bilateral ODA but cannot be allocated to specific countries and regions; this distorts OECD data about recipients of Swedish ODA (see figure below). When excluding these unallocated funds (57%), sub-Saharan Africa accounted for half of Sweden's bilateral ODA between 2015 and 2017 (51%). The MENA region is a growing focus of bilateral cooperation, increasing from 10% in 2012 to 15% of bilateral ODA in 2017, when it reached US\$296 million.

For a deeper understanding of funding at the recipient level, please consult data from the International Aid Transparency Initiative (IATI). IATI is a reporting standard and platform on which organizations and governments voluntarily publish data on their development cooperation, including more recent activity than is available through OECD data.

Data can be searched by recipient country, the 'publisher' (including funders that do not report to the OECD), and other filters. [Click here](#) for more information on IATI's

data. [Click here](#) to go directly to IATI's 'd-portal', a user-friendly interface for data searches.

Sweden is a strong supporter of the UN system

Sweden financially supports multilateral organizations both through core contributions (31% of total ODA in 2017, or US\$1.7 billion) and through earmarked funding (20%; US\$1.1 billion). Funding to multilateral organizations is disbursed in line with the January 2018 'Strategy for multilateral development policy', which defines the orientation of Sweden's multilateral engagement and provides guidelines to the three main stakeholders for this area (the Ministry of Foreign Affairs (MFA), Sida, and Swedish embassies).

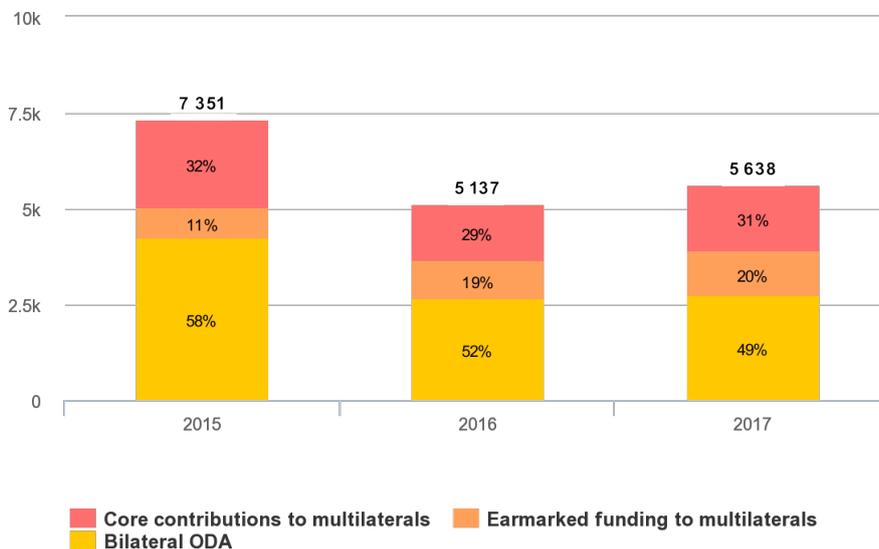
The un-earmarked character of financing is one of three core principles outlined in this strategy, for which Sweden strongly advocates at an international level. Large shares of what is reported as earmarked funding under OECD data is made up of funding to thematically focused organizations and funds, but not necessarily earmarked for a specific purpose within these funds. For example, the two largest projects reported under this in 2017 were a US\$34 million contributions to the EU Facility for Refugees in Turkey and a US\$31 million contribution to the Global Partnership for Education (GPE). The second and third principles highlight the need for a long-term perspective in engagement with a multilateral and the need to foster coordination across the multilateral system.

Within its multilateral engagement, Sweden is a strong supporter of the UN: UN agencies represent a third of the country's core contributions to multilaterals (39% in 2017). Sweden further demonstrated support through its role as a non-permanent member of the UN Security Council for 2017 to 2018. Sweden supports UN reform efforts and pushes its 'women, peace and security' agenda through these efforts. Its priorities in the UN include conflict prevention, peace building, gender equality, global development, climate, and human rights.

EU institutions and the World Bank are other key recipients of Sweden's core contributions to multilaterals, receiving 23% and 20% of it in 2017 respectively.

SWEDEN'S BILATERAL AND MULTILATERAL ODA

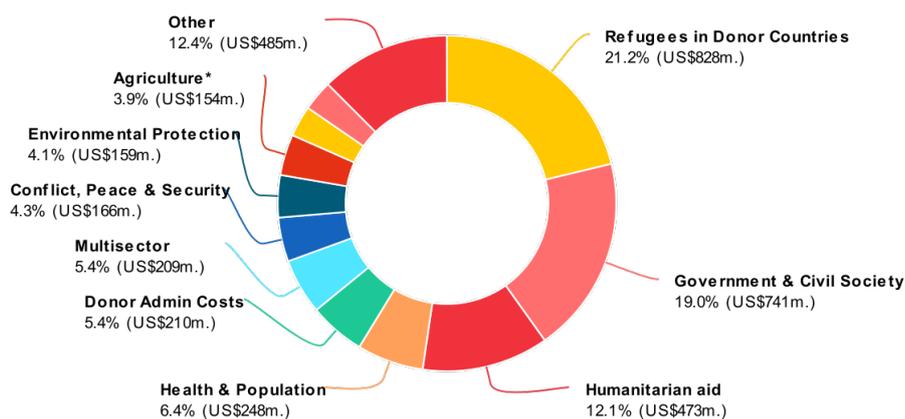
US\$ millions



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

SWEDEN'S BILATERAL ODA BY SECTOR, 2017

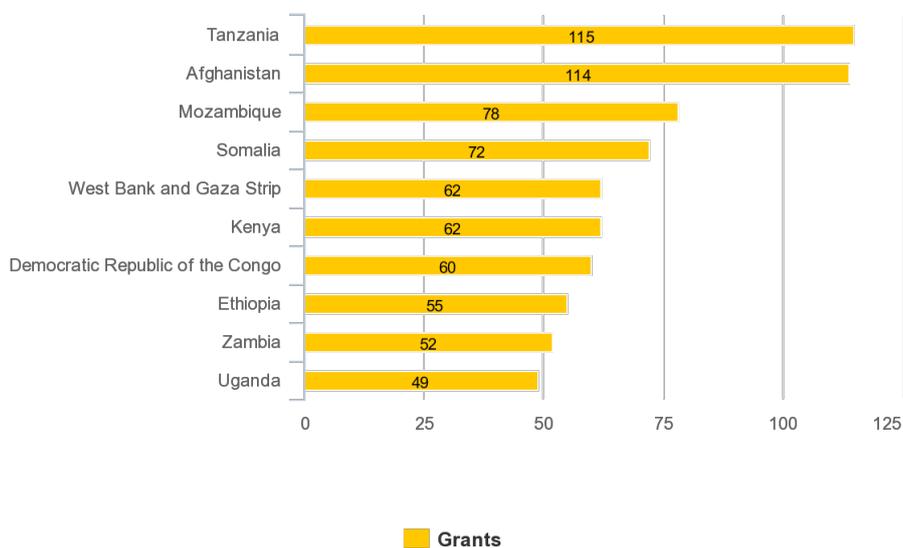
Total: US\$ 3901 million



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

THE TOP 10 RECIPIENTS OF SWEDEN'S ODA

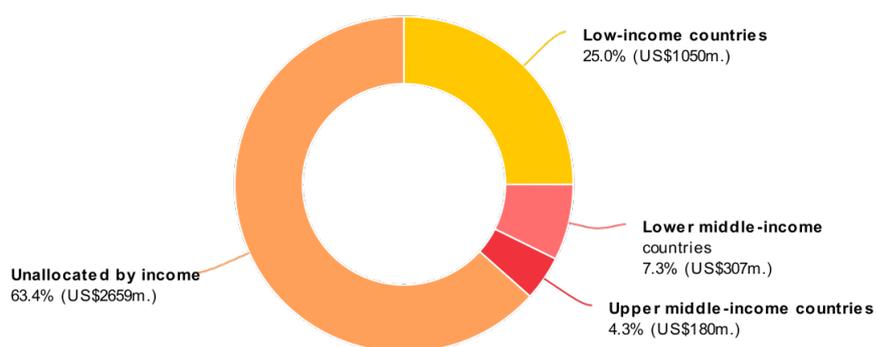
average 2015-2017, excluding debt relief; US\$ millions.



OECD CRS. Gross disbursements; in 2017 prices.

SWEDEN'S BILATERAL ODA BY INCOME-GROUP, 2015-2017

average 2015-2017: US\$4.2 billion



OECD CRS. Gross disbursements; in 2017 prices.