

KEY QUESTIONS

the big six

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How is the German ODA budget structured?

BMZ manages the largest share of Germany's ODA

Germany's ODA is sourced from the budgets of different ministries. The largest share of total ODA comes from the Federal Ministry for Economic Cooperation and Development (BMZ) (37% in 2015, latest year for which total ODA data is available by the ministry). Another 25% is raised by Germany's development bank KfW on capital markets. The Federal Foreign Office, which manages most of the funding for humanitarian assistance and for UN peace missions, accounts for 8% of ODA overall. While BMZ managed more than half of ODA in previous years, its share decreased due to the increase of in-country refugee costs (17% in 2015).

BMZ's budget was €8.5 billion (US\$9.5 billion, see table) in 2017, a 15% increase from 2016. In its medium-term financial planning, the German government plans to increase BMZ's budget to €8.7 billion for the years 2018-2021. According to the 2017-2021 coalition treaty, the ODA budget will be topped up with an additional €1 billion between 2018 and 2021 (€250 million per year).

Compared to other donors, BMZ's budget provides relatively detailed information on funding channels but shows little detail on recipients and sectors.

The budget allows the government to make multi-year commitments to some items based on 'commitment appropriations', which implies that certain amounts may be earmarked in future budgets so that they can be committed or spent now. These 'commitment appropriations' are thus particularly important for organizations seeking multi-year funding commitments. Breakdowns of bilateral cooperation by region and sector are provided to Parliament through so-called 'confidential remarks', which are not available to the public.

Germany's multilateral spending mostly comprises assessed contributions to the European Development Fund (EDF) and multilateral development banks. They account for around 20% of the BMZ's multilateral budget. These budget lines are fixed based on legally binding, multi-year commitments. Some multilateral organizations, including the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), have an individual budget line with binding multi-year commitments from BMZ. For other multilateral organizations, there are no individual budget lines and contributions are included in the commitment appropriations, which can be amended annually.

Overview:	millions €	millions US\$
2017 BMZ budget, in US\$millions		
Bilateral Spending	4,124	4,562
Financial cooperation	2,220	2,464
Technical cooperation	1,289	1,426
Crisis response	500	553
Other contributions	115	127
Multilateral spending	1,565	1,731
European Development Fund	822	909
Multilateral organizations related to climate change and biodiversity	254	281
Global Fund	230	254
UN organizations	193	213
World Food Programme	28	31
GAFSP	20	22
IFAD	18	20
Development Fanks	924	1,022
World Bank Group	661	731
African Development Bank	190	210
Asian Development Bank	72	80
Cooperation w/CSOs, private sector & others	987	1,092
Other commitments	853	944
Tackling root causes of displacement	395	437
One World, No Hunger	220	243
International efforts to fight climate change	163	180
Stability and Development in the MENA region	70	78
Others	5	6
Administrative and personnel expenses	88	97
Total spending	8,541	9,448

Sources: Bundeshaushalt 2017, Haushaltsplan 23, Bundesministerium für Wirtschaftliche Zusammenarbeit