

KEY QUESTIONS

the big six

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How is the Spanish ODA budget structured?

The Finance Ministry provides the largest share of ODA

The political fallout from the Catalan secession crisis delayed the approval of the 2018 budget until June 2018. Spain's 2018 budget sets ODA at €2.6 billion (US\$2.9 billion) or 0.22% of GNI. Several ministries provide ODA. The Ministry of Foreign Affairs and Cooperation (MAEC) used to be Spain's prime ODA provider. Its share has decreased to 23% in 2018, as past cuts mainly affected MAEC's ODA budget and it has yet to fully recover. Additionally, other budget envelopes – including the Ministry of Finance and Public Function (MINHAFP) and Ministry of Economy and Competitiveness (MINECO), both of which consist almost entirely of international obligations – have grown at faster rates in recent years.

MINHAFP now manages the largest share of Spain's ODA (42% in 2018); it channels the country's mandatory contributions to the European Union (EU). MINECO (16% of ODA in 2018) manages contributions to international financial institutions, including the World Bank, and channeled debt relief. Its budget increased from €59 million in 2015 to €486 million in 2016 but has fallen since then to €424 million in 2018.

MAEC's budget for 2018 stands at €588 million (US\$650 million), a slight nominal increase from €559 million in 2017. This budget envelope provides little information on funding channels, recipients and spending for specific sectors. MAEC's budget includes funding for the Spanish Agency for International Development Cooperation (AECID). AECID's budget focuses on funding for bilateral programs, civil society organizations (CSOs), and humanitarian assistance. About 34% of MAEC's budget (€199 million or US\$220 million) is channeled through FONPRODE. Since 2012, all FONPRODE funds must be disbursed as loans or equity investments through bilateral programs, or as earmarked loans managed by multi-lateral organizations. While FONPRODE's mandate is to also channel voluntary contributions or grants to multi-lateral instruments in addition to loans and equities, this "loans-only" policy is aimed at reducing the impact of Spain's ODA to the public deficit.

Spain's regional governments and local administrations provide ODA mainly through CSOs and their own bilateral programs, although they can provide funding to multi-lateral institutions as well.

Overview: MAEC's 2018 draft budget

	millions €	millions US\$
2018 draft ODA budget	€ millions	US\$ millions
Ministry of Foreign Affairs and Cooperation (MAEC)	588	650
Spanish Agency for International Development Cooperation (AECID)	238	263
State Secretariat for international Cooperation and Ibero-America (SECIPI)	228	252
FONPRODE	199	220
Water and Sanitation Fund	15	17
IFFim	9	10
Development Cooperation Programme SECIPI (except FONPRODE, IFFim)	5	6
State Secretariat for Foreign Affairs	94	104
Instituto Cervantes	26	29
Ministry, Subsecretariat and general services	2	2
State Secretariat for the European Union	0	0
Ministry of Finance and Public Function (MINHAFP)	1,081	1,196
Contributions to the European Union	1,081	1,196
Ministry of Economy and Competitiveness (MINECO)	424	469
International Financial Institutions	416	460
Debt relief	4	4
Other	4	4
Ministry of Employment and Social Security	204	226
Other ministries	18	20
Autonomous and local cooperation	287	317
Total	2,602	2,878

Sources: Ayuda Oficial al Desarrollo de la Administraciones Públicas.
Propuesta Presupuestos Generales del Estado para 2018