

KEY QUESTIONS

the big six

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How is the Norwegian ODA budget structured?

Most ODA is managed by the MFA, which allocates the majority of its funding to a 'global schemes' portfolio targeted at addressing various thematic priorities

According to the 2018 budget, ODA is set to stand at NOK35.1 billion (US\$4.2 billion) in 2018, a NOK1.3 billion increase from 2017 (around US\$150 million). ODA comes from two main sources: the Ministry of Foreign Affairs (MFA) and the Ministry of Climate and Environment.

The MFA provides 91% (NOK32.0 billion, or US\$3.8 billion) of the ODA budget. The MFA's budget for development assistance is divided into four major envelopes: 1) administrative costs, 2) bilateral spending, 3) 'global schemes', and 4) multilateral spending.

The 'bilateral spending' envelope is composed of budget lines for regions (Africa, Asia, Middle East and North Africa, and Latin America). The 'multilateral spending' envelope is divided into budget lines for funding for UN agencies and multilateral financial institutions. In 2018, 85% of Norway's funding to the Asian Infrastructure Investment Bank (AIIB; NOK162 million or US\$19 million) is counted as ODA. It is disbursed by the MFA but sits outside of the four main envelopes listed above.

The 'global schemes' envelope receives by far the largest funding by the MFA, amounting to 57% of all Norway's ODA expenditure in 2018: it combines bilateral and multilateral funding for thematic priorities. There are currently 10 global schemes in Norway's ODA budget : 1) global health and education; 2) emergency aid, humanitarian aid and human rights; 3) civil society and democracy; 4) business development; 5) peace, reconciliation and democracy; 6) climate, environment, and renewable energy; 7) costs of hosting refugees in Norway; 8) research, capacity-building and evaluation; 9) transitional assistance; and 10) women's rights and gender equality. The largest envelopes correspond to the government priorities (see table).

In addition, the Ministry of Climate and Environment provides NOK3.0 billion (US\$351 million) in ODA, mainly for Norway's International Climate and Forest Initiative (NICFI). The initiative aims to slow, halt, and eventually reduce greenhouse-gas emissions from deforestation and forest degradation in partner countries.

Overview: the 2018 ODA budget	millions NOK	millions US\$
Ministry of Foreign Affairs	32,043	3,815
Administration costs	1,933	230
Bilateral spending	4,061	483
Africa	2,329	277
Asia	817	97
Middle East and North Africa	726	86
Latin America	190	23
Global Schemes	20,126	2,396
Global Health and education	5,211	620
Emergency aid, humanitarian aid and human rights	4,912	585
Civil society and democracy	2,192	261
Business development	2,007	239
Peace, reconciliation and democracy	1,506	179
Climate, environment and renewable energy	1,493	178
Costs for refugees in Norway	1,380	164
Research, capacity building and evaluation	594	71
Transitional assistance	485	58
Women's rights and gender equality	347	41
Multilateral spending	5,761	686
UN agencies	3,551	423
Multilateral financial institutions	1,892	225
Debt relief and capacity building	319	38
Funding for AIIB	162	19
Ministry of Climate and Environment	3,000	357
Ministry of Finance	42	5
Office of the Auditor General	36	4
Ministry of Education and Research	16	2
Total ODA Budget	35,138	4,183

Source: MFA budget draft 2018, parliamentary and government amendments