

## KEY QUESTIONS

### the big six

# 3

## How does the Netherlands spend its ODA?

### The Netherlands channels the majority of its ODA bilaterally

The Dutch government has a preference for bilateral funding. In 2017, bilateral funding stood at US\$3.6 billion, or 72% of total ODA (OECD Development Assistance Committee (DAC) average: 60%). This included US\$708 million in earmarked funding to multilateral organizations, which is reported as bilateral ODA but channeled through multilaterals for specific regions, countries, or themes. This also includes the costs of hosting refugees in the Netherlands reported as ODA (US\$835 million in 2017). Civil society organizations (CSOs) play an important role in implementation, channeling 25% of bilateral ODA in 2017 (or US\$902 million). All of the Netherlands' ODA consists of grants (as opposed to loans).

### Dutch bilateral funding for the costs of hosting refugees increased by 87% between 2016 and 2017

23% or US\$835 million of Dutch bilateral funding in 2017 was used to cover the costs of hosting refugees within the Netherlands, making it the largest expenditure area of bilateral ODA. Despite decreases since 2012, the second-largest share of bilateral ODA was allocated to projects in the 'government and civil society' sector (14% or US\$501 million, down from US\$816 million in 2013). Funding for humanitarian assistance peaked in 2015 at US\$488 million, before falling back to US\$287 million in 2017. Health and population, and agriculture and rural development, both closely related to Dutch thematic priorities, are the fifth and sixth-largest sectors of bilateral ODA, with funding levels at US\$267 million and US\$248 million respectively in 2017.

### Dutch ODA has a strong focus on low-income countries and targets sub-Saharan Africa

A large share of the Netherlands' bilateral ODA is not allocated by region (69% on average between 2015 and 2017) or income group (78%). This funding mainly includes funding for CSOs, earmarked funding for multilaterals, and costs of hosting refugees. When excluding this funding, the Netherlands traditionally places a priority on sub-Saharan Africa: the region received 56% of bilateral ODA between 2015 and 2017. This share drops to 17% when including all funding (DAC average: 33%). When looking at income level, Dutch development policy traditionally focuses on the poorest countries. When only considering funding that is allocated to specific coun-

tries, almost two-thirds (64%) of bilateral ODA between 2015 and 2017 went to low-income countries (LICs; 14% if total bilateral ODA is considered).

The Netherlands selects its focus regions and countries based on three elements: 1) the urgency and need for development cooperation, 2) the added value of Dutch efforts, and 3) the potential for alignment with Dutch thematic priorities. Following its 2018 'Investing in Global Prospects' policy, the Dutch government will shift its emphasis to the regions of the West African Sahel, the Horn of Africa, and the Middle East and North Africa (MENA). At the same time, the Netherlands will continue its activity in the Great Lakes region (Burundi, Rwanda, Uganda and East Congo) and two Asian countries (Afghanistan and Bangladesh). The 2018 development policy 'Investing in Global Prospects' lays out specific focuses for each priority region:

- In the Sahel, the Netherlands will focus mainly on the "economic power houses" of the region, Niger and Nigeria.
- In the Horn of Africa, key partner countries will continue to be Ethiopia, Kenya, and South Sudan. Additional funding is planned, with stronger increases going to Somalia and Sudan.
- In the MENA region, the Dutch government will maintain its relations with the Palestinian Territories and Yemen, mainly focusing on humanitarian assistance. It will also increase its cooperation with Lebanon, Jordan, and Iraq, with a special emphasis on supporting the reception of refugees in the region.
- In the Great Lakes region, the Dutch government puts an emphasis on bilateral cooperation with Burundi, Uganda, and Rwanda, while providing regional funding to East Congo (DRC) focused on stability, humanitarian assistance, and poverty reduction.
- In Afghanistan, the Netherlands will continue to focus on promoting stability and security. In Bangladesh it will transition from a development relationship to a trade relationship, focusing on water, textiles, women, and the plight of the Rohingya.

According to the policy, funding for bilateral programs is set to increase by at least a third compared to 2017 levels in each of these focus regions during this government's term of office. In addition to that, new embassy offices

will be opened where necessary to increase the Netherlands' visible presence (especially in the Sahel), and existing embassies in focus regions will receive increased support from local experts and diplomats with development experience.

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.

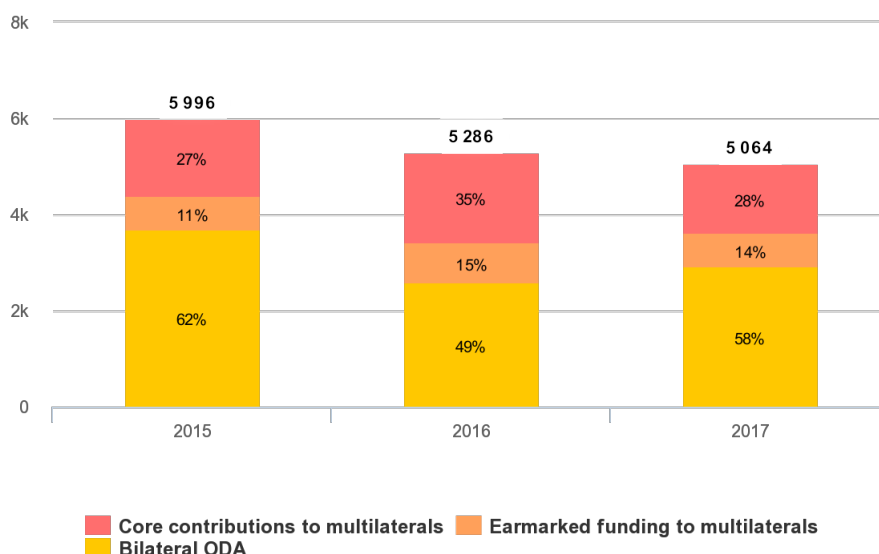
Data can be searched by recipient country, the 'publisher' (including funders that do not report to the OECD), and other filters. Click here for more information on IATI's data. Click here to go directly to IATI's 'd-portal', a user-friendly interface for data searches.

**Dutch core funding to multilaterals largely goes to the EU and the UN**

In 2017, the Netherlands only channeled 28% of its ODA as core funding to multilaterals (OECD DAC average: 40%), amounting to US\$1.4 billion. The largest recipients of core contributions to multilateral organizations were EU institutions (US\$589 million, or 41% of the Netherlands's multilateral ODA) and UN agencies (US\$492 million, or 35%). In addition to these core contributions, the Netherlands channeled 14% of its ODA through multilaterals in the form of funding earmarked for specific thematic priorities or regions (reported to the OECD as bilateral ODA). Thus, in total, 42% of Dutch ODA in 2017 was implemented by multilateral organizations (see figure). This remains below the DAC average of 53%.

**THE NETHERLANDS BILATERAL AND MULTILATERAL ODA**

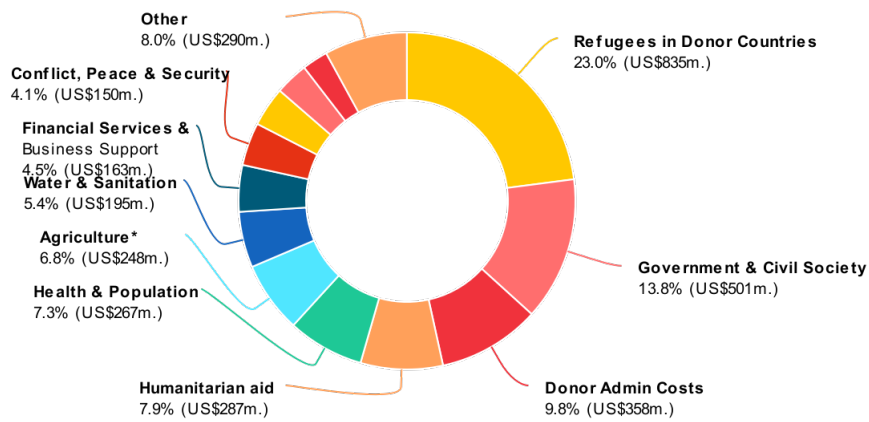
US\$ millions; in 2017 prices



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

### THE NETHERLANDS' BILATERAL ODA BY SECTOR, 2017

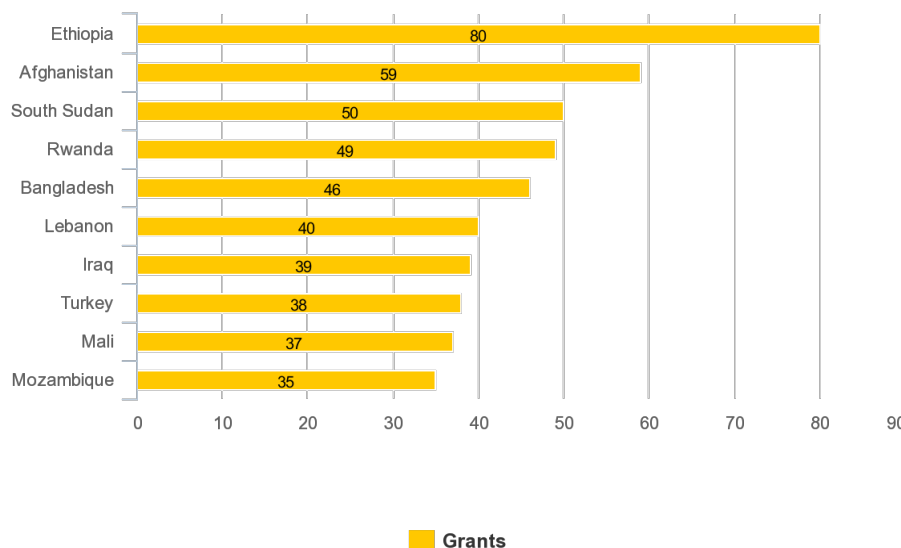
Total: US\$ 3.639 million



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

### THE TOP 10 RECIPIENTS OF THE NETHERLANDS' ODA

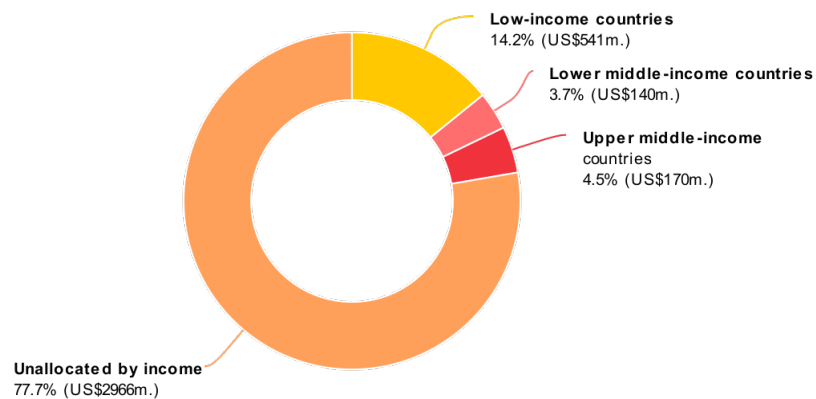
Average 2015-2017, excluding debt relief; US\$ millions.



OECD CRS. Gross disbursements; in 2017 prices.

### THE NETHERLAND'S BILATERAL ODA BY INCOME-GROUP, 2015-2017

Average 2015-2017: US\$ 3.8 billion



OECD CRS. Gross disbursements; in 2017 prices.