

 Country Profile **Spain**

Financing and Policy Making for Global Development in **Spain**

AT A GLANCE

Funding

Spain was the **5th largest European government donor** in 2010, spending US\$5.9 billion (€4.5 billion) on net official development assistance (ODA), which was mainly channeled through the Ministry of Foreign Affairs and Cooperation (Ministerio de Asuntos Exteriores y de Cooperación, MAEC). After four years of development budget increases, Spain cut its ODA sharply between 2008 and 2011 due to the economic crisis; this has mainly impacted multilateral funding. The **new conservative government** of Mariano Rajoy **will most likely cut ODA further** by at least another €900 million (US\$1.3 billion) in 2012. With an ODA share of 0.40% of GNI in 2011 and the expected ODA cuts, it is unlikely that Spain will meet the 0.7% target by 2015.

Strategy

Committed to **reaching the Millennium Development Goals (MDGs)**, Spanish development policy focuses on **sustainable human development and poverty eradication**. Spain traditionally has a bilateral focus on Latin America, as well as on North Africa and the Middle East (MENA). Although Sub-Saharan Africa (SSA) has become more relevant over the past years, the **new government is reprioritizing Latin America** to align development cooperation more strongly with Spain's foreign policy and economic interests. It also plans to strengthen collaboration with the private sector.

Health

Global Health: After spending an all-time high of US\$694 million (€500 million) on global health in 2009 (10% of total ODA), Spain reduced its health funding to US\$313 million (€225 million) in 2011. In 2010, Spain disbursed only half of its initial pledge (US\$250 million, or €189 million) to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), and no new financial commitments have been made so far. In addition, contributions to product development partnerships (PDP) were reduced drastically. Spain supports the GAVI Alliance (US\$43 million, or €31 million, 2008–2011) and the International Finance Facility for Immunisation (US\$259 million, or €190 million, 2006–2025). It has financed the Global Polio Eradication Initiative (GPEI; US\$14 million, or €11 million, 2003–2011), but no pledges were made since.

Agriculture

Agricultural Development: Agriculture has become a priority since the food crisis 2007/2008 and funds peaked at US\$600 million (€453 million) or 9.5% of total ODA in 2010, mainly channeled through a one-off investment to the Spanish Food Security Cofinancing Facility Trust Fund. Commitments to agriculture were cut to US\$203 million (€146 million) in 2011. Spain's strategic focus lies on promoting access to decent food, sustainable production systems, and agricultural research. Spain also co-initiated the Global Partnership for Agriculture and Food Security (GPAFS) and has contributed US\$93 million (€70 million) to the Global Agricultural and Food Security Program (GAFSP) to date.

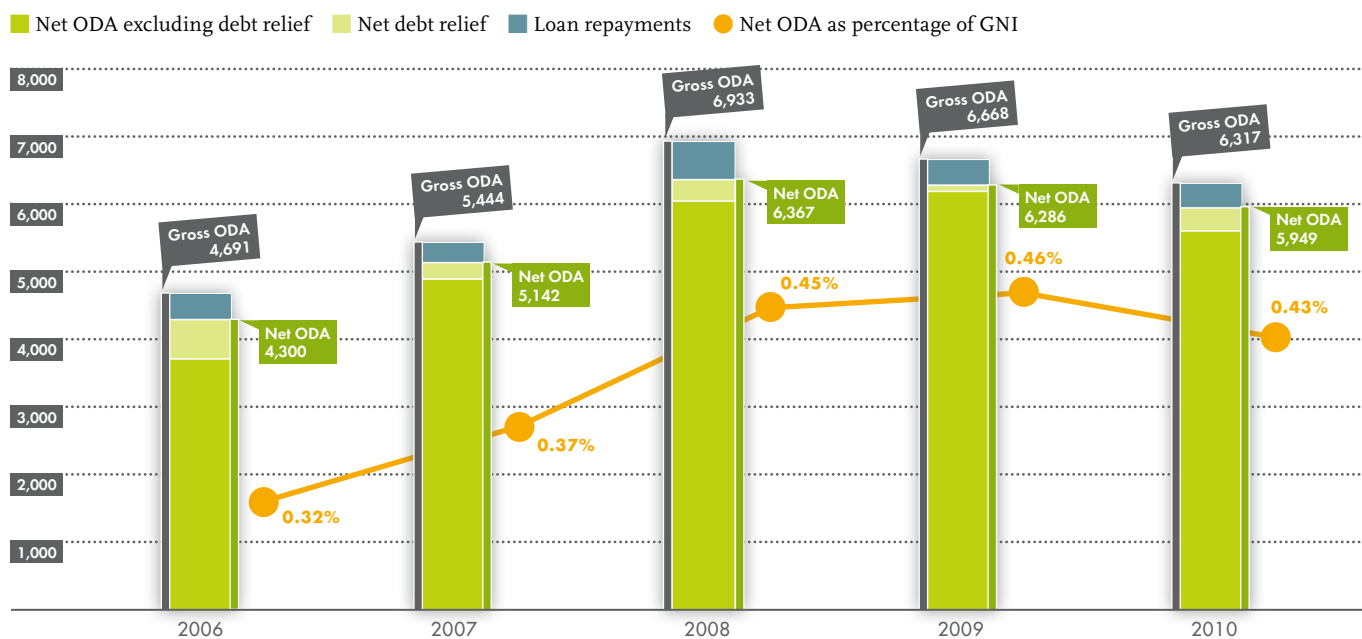
DEVELOPMENT ASSISTANCE APPROACH AND FUNDING FLOWS

Within the framework of the MDGs, Spanish development assistance aims at sustainable human development, eradicating poverty and achieving full exercise of human rights. The current Master Plan for Spanish Cooperation (Plan Director de la Cooperación Española) 2009–2012 sets a total of 12 **sector priorities**,¹ including health and agriculture (as part of rural development). The last three Annual Plans focused on the

fight against hunger (including **rural development, agriculture, food security**). In the past two years, Spanish cooperation also prioritized **environmental sustainability (climate change, water)** and supported partner countries in **mobilizing domestic resources**.²

With net ODA at US\$5.9 billion (€4.5 billion) in 2010, Spain was the 5th largest European government donor.

FIGURE 1

Gross and net ODA disbursements

Loan repayments denote difference between net and gross ODA.
Loan repayments include offsetting entries for debt relief.

Source: OECD table DAC1. Disbursements in constant prices (2010 US\$ millions).

Until 2008, Spain scaled up its development cooperation significantly, increasing its ODA from 0.24% of gross national income (GNI) in 2004 to 0.46% in 2009. Due to budgetary pressures, the socialist government of José Luis Rodríguez Zapatero (in power from 2004 to 2011) cut ODA back to 0.4% in 2011 (estimated at US\$5.9 billion or €4.2 billion), a **decrease of ODA by 6%** compared to 2009.

Backed by an absolute majority in parliament, the **new conservative government of Mariano Rajoy** (leader of the People's Party, Partido Popular, PP) will cut the Ministry of Foreign Affairs and Cooperation's (MAEC) 2012 budget by at least €1.0 billion compared to 2011.³ Of this amount, it is foreseen that approx. €960 million (US\$1.3 billion) will affect Spain's ODA. In addition, assistance provided by Spain's regional and local governments is also to decline sharply.

The share of debt relief in Spain's ODA has been on steady decline over the past years to a low of 1.5% in 2009, but increased again to a share of 5.7% in 2010 (slightly above the European DAC average of 4.8%).⁴ Spain also reports imputed students costs, administrative costs and costs for refugees in Spain as ODA, which combined amounted to 4.2% of net ODA in 2010—well below the European DAC donor average of 9.5%.

With regard to innovative financing instruments, Spain supports the International Finance Facility for Immuni-

sation (IFFIm). The Spanish La Caixa Foundation contributed US\$5.7 million to GAVI (2011—2012) in the framework of the GAVI Matching Fund. In addition, Spain has chaired the Leading Group on Innovative Financing for Development since mid-2011. Between June 2010 and November 2011, Spain also participated in the MASSIVEGOOD initiative, through which donations made on travel bookings were channeled to UNITAID and to malaria control programs of the Spanish Red Cross.

BILATERAL SPENDING

In 2010, 69.1% of Spanish gross ODA—or US\$4.4 billion (€3.3 billion)—was channeled bilaterally. However, a distinctive feature of Spain's cooperation system is the high share of bilateral ODA channeled through multilateral organizations (30.8% of bilateral ODA in 2010, European DAC countries average: 16.8%). This approach allowed Spain to channel its sharply increased ODA without significantly expanding its human resources. Current budget cuts focus on these **multi-bilateral funds**, which dropped from US\$1.9 billion (€1.3 billion) in 2008 to US\$0.5 billion (€0.4 billion) in 2011; a **decrease by 72%**.⁵

In an effort to untie ODA from Spanish commercial interests, Spain restructured its **financial cooperation** and set up the Fund for Development Promotion (Fondo para la Promoción del Desarrollo, FONPRODE) in 2010, which will channel most financial ODA flows. FONPRODE shall

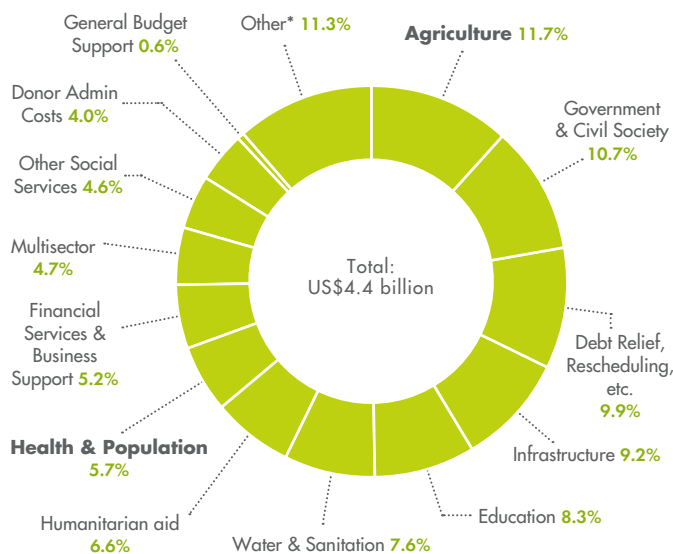
ensure that no loans are given to heavily indebted poor countries (HIPC) or to basic social services sectors in least developed countries, and that only 5% of total Spanish ODA can be channeled as loans (until 2012).⁶ However, in contrast to the limit, the share **of loans (as opposed to grant) disbursements** sharply increased from 7% in 2007 to 16% in 2010 due to the current budgetary pressures.

Main **sectors of bilateral spending** in 2010 were agriculture (11.7%), government and civil society (10.7%), action related to debt (9.9%), and infrastructure (9.2%) (see Figure 2). Spain only disbursed 0.6% of bilateral ODA as general budget support in 2010.

Spain has 50 strategic **priority countries** which are divided into three categories (Figure 3).⁷ However, data of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) show that 117 countries received Spanish ODA in 2010. Spain has committed to spending 100% of geographically allocable ODA in these priority countries by 2012 (in 2010, 89% was disbursed there).⁸ The 2011 OECD DAC Peer Review recommended reducing the number of priority countries to avoid fragmentation of Spain's development assistance.⁹ In response to this, the new government plans to focus on 15–20 countries in the Master Plan 2013–2016.

The top ten recipients of Spanish bilateral ODA (excluding debt relief) from 2008 to 2010 are shown in figure 4. Latin America (36% in 2010) and the MENA region (12%)

FIGURE 2
Bilateral ODA by sector, 2010 as % of total



* Other sectors include: Refugees in Donor Countries; Food & Commodity Assistance; Forestry; Trade Policy; Environmental Protection; Unspecified; Tourism; Fishing; Industry, Construction & Mining.
Source: OECD CRS, gross disbursements in current US\$

are Spain's traditional **geographical foci** of bilateral cooperation. In recent years, Sub-Saharan Africa has gained importance, with bilateral ODA for SSA doubling since 2006 to 21% of bilateral ODA in 2010. However, the new government plans to reverse this trend by refocusing Spain's ODA on Latin America and North Africa. While bilateral ODA to low income countries increased from 16% in 2007 to 23% in 2010, most funds keep flowing to middle income countries (39%).¹⁰

FIGURE 3
World map of Spain's priority countries

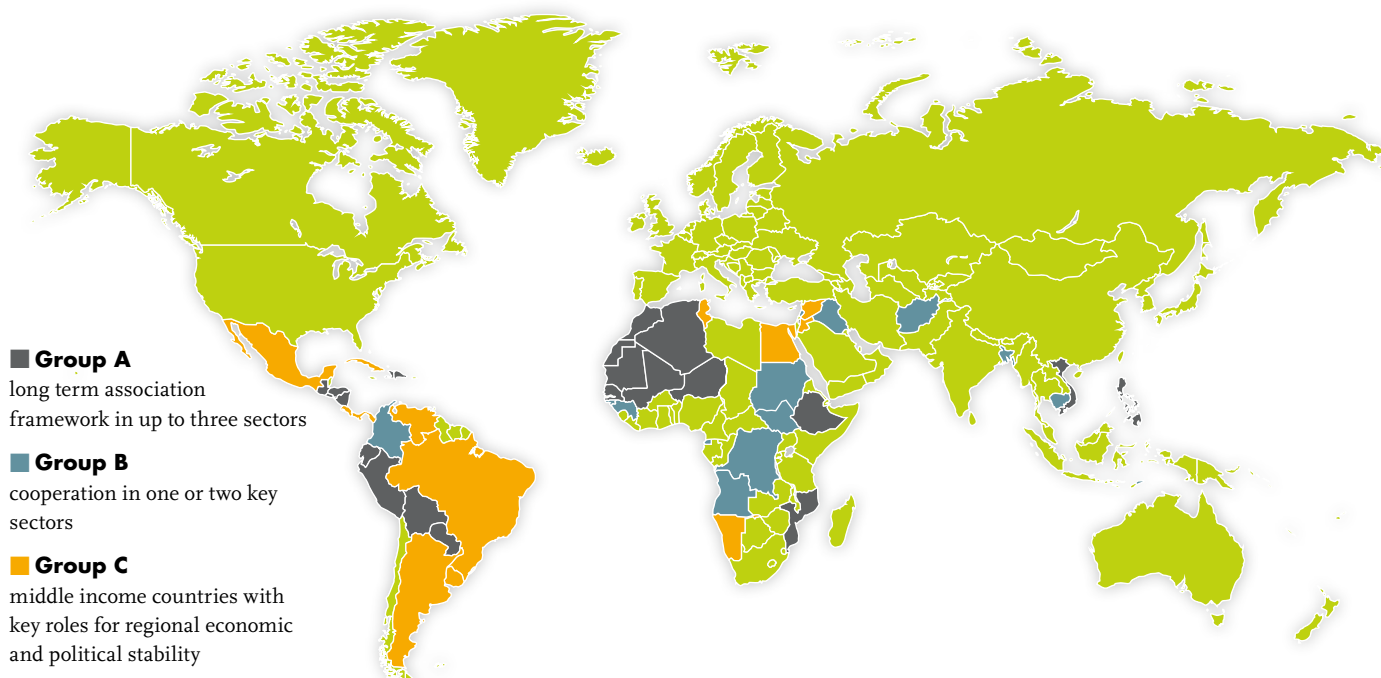
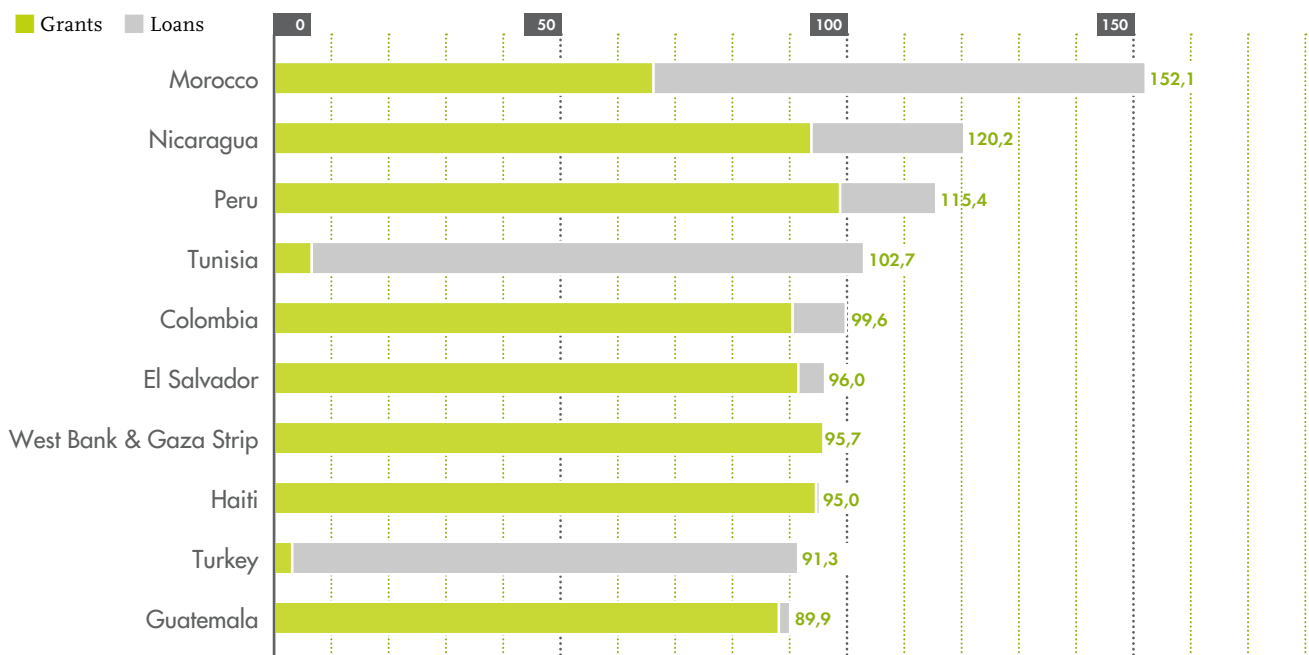


FIGURE 4

Top 10 recipients of Spain's bilateral ODA excluding debt relief, 2008–2010 annual average



Source: OECD CRS. Gross disbursements in constant prices (2010 US\$ millions).

MULTILATERAL SPENDING

Spain's multilateral ODA increased from US\$1.2 billion (€1.1 billion) in 2003 to US\$2.0 billion (€1.5 billion) in 2010 (30.9% of total gross ODA), making Spain Europe's 5th largest contributor to multilateral organizations. In 2010, main recipients were the European Commission and the European Development Fund (52%, US\$1.0 billion or €764 million), UN agencies (15%, US\$287 mil-

lion or €217 million), the World Bank (14%, US\$272 million or €205 million), regional development banks (9%, US\$165 million or €125 million), and the Global Fund (6.9%, US\$134 million or €101 million). Multilateral spending is expected to further decline in 2012, as the Rajoy administration plans to review and reduce Spain's voluntary contributions to multilateral organizations and funds.

ACTORS AND DECISION-MAKING

Key institutions involved in policy-making are shown in figure 5. Overall development policy is directed by the MAEC. It is responsible for the bulk of bilateral cooperation, and for disbursements to multilateral organizations and funds (also through the Fund FONPRODE).¹¹ However, a lack of human resources in the MAEC has prevented Spain from assuming more political influence in international forums.

The new government has restructured the MAEC by abolishing the former State Secretariat for International Cooperation and creating a new State Secretariat for International Cooperation and Ibero-America. Spanish civil society has raised concerns that this integration will result in a downgrading of development issues within the MAEC. The MAEC also su-

pervises the state development agency AECID (see Figure 6).

Spain's **sub-national state actors**, the autonomous communities (Comunidades Autónomas) and local administrations accounted for 19% of bilateral ODA in 2009, making Spain the DAC member with the highest share of ODA provided by sub-national sources.¹² While some of them have their own bilateral programs (and also contribute to multilateral funds), 67% of all ODA provided by these actors was channeled through NGOs.¹³ However, their role in Spain's development system is currently on the decline, as most of them are implementing harsh austerity policies.

The state agency **AECID (Agencia Española de Cooperación Internacional para el Desarrollo)** is responsible for

TABLE 1
Main government actors and institutions involved in development policy

ACTOR/ INSTITUTION	ROLE IN POLICYMAKING	SHARE OF TOTAL ODA IN 2010 ¹⁴
President of the Government Mariano Rajoy, PP	Responsible for overall policy and decision making.	
Ministry of Foreign Affairs & Cooperation José Manuel García-Margallo, PP	Defines and directs Spain's development policy and coordinates development policy activities implemented by other public administration organs, including by AECID. Responsible for FONPRODE.	49.0% (includes AECID)
Secretariat General for International Development Cooperation Gonzalo Robles, PP	Responsible for the design and implementation of Spain's development policy	
Ministry of Economy and Competitiveness Luis de Guindos Jurado, PP	Manages contributions to international financial institutions.	32.5% ¹⁵
Ministry of Treasury & Public Administrations Cristóbal Montoro, PP	Manages contributions to the EU. Leads on state budget process.	
Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	Implements Spain's bilateral development programs and humanitarian aid.	(19.2%)
Autonomous communities and local administrations	Define and implement own development policies.	11.4%

the implementation of Spain's development policy. AECID designs and manages bilateral development programs and Spain's humanitarian aid. Its budget tripled between 2004 and in 2011 when it reached US\$1.14 billion (€862 million), but is likely to decrease considerably in 2012. Currently, AECID has 43 country offices and 1320 staff, 57% of which work in the field.¹⁶ A reform process was started in 2006 to increase both staff and in-house efficiency. Although 144 positions and new Directorates General were created, the agency is still considered a bottleneck in Spain's cooperation system.

PARLIAMENT

The Spanish Parliament's two chambers (Congress and Senate) each have Development Committees (Comisiones de Cooperación Internacional para el Desarrollo), which debate and vote on laws related to development and can request information on all development matters. Although discussions in the Committees might become less relevant due to the PP's current absolute majority in parliament, there has traditionally been a high level of consensus regarding development issues.

ADVISORY AND COORDINATION BODIES

There are several bodies for policy coordination between ministries,¹⁷ the central and regional governments,¹⁸ and an advisory council composed of representatives from the government, civil society and the private sector.¹⁹ However, the OECD DAC Peer Review 2011 assessed the impact of these advisory and coordination bodies on policy-making

FIGURE 5
Key institutions involved in decision making

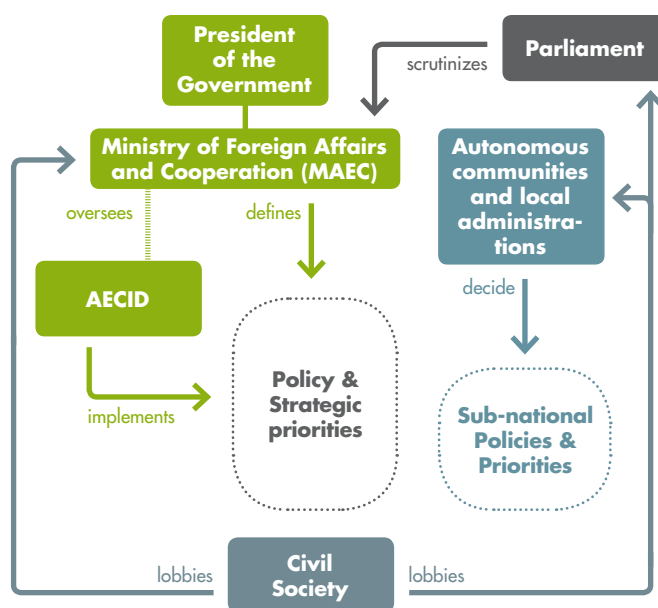


FIGURE 6
Organization of development policy-making within the MAEC



as rather weak and recommended a review of their usefulness in strengthening coordination.²⁰

CIVIL SOCIETY

Spain's **civil society**, including secular and Catholic non-governmental organizations (NGOs), is a significant player in development cooperation. NGOs implemented 21% of bilateral ODA in 2010 and have been strong advocates for improving and increasing Spanish assistance. The OECD DAC Peer Review 2011 found a high level of NGO inclusion in policy dialogue.²¹ The NGO umbrella association CONGDE (Coordinadora de ONGD-España²²) coordinates NGO activities and regularly interacts with government actors. Most recently, CONGDE's advocacy contributed to the prohibition of loan disbursements to basic social services sectors established in the law on FONPRODE. Spain's NGOs are strongly affected by current ODA reductions, as many of them rely heavily on public funding, both from AECID and sub-national governments.

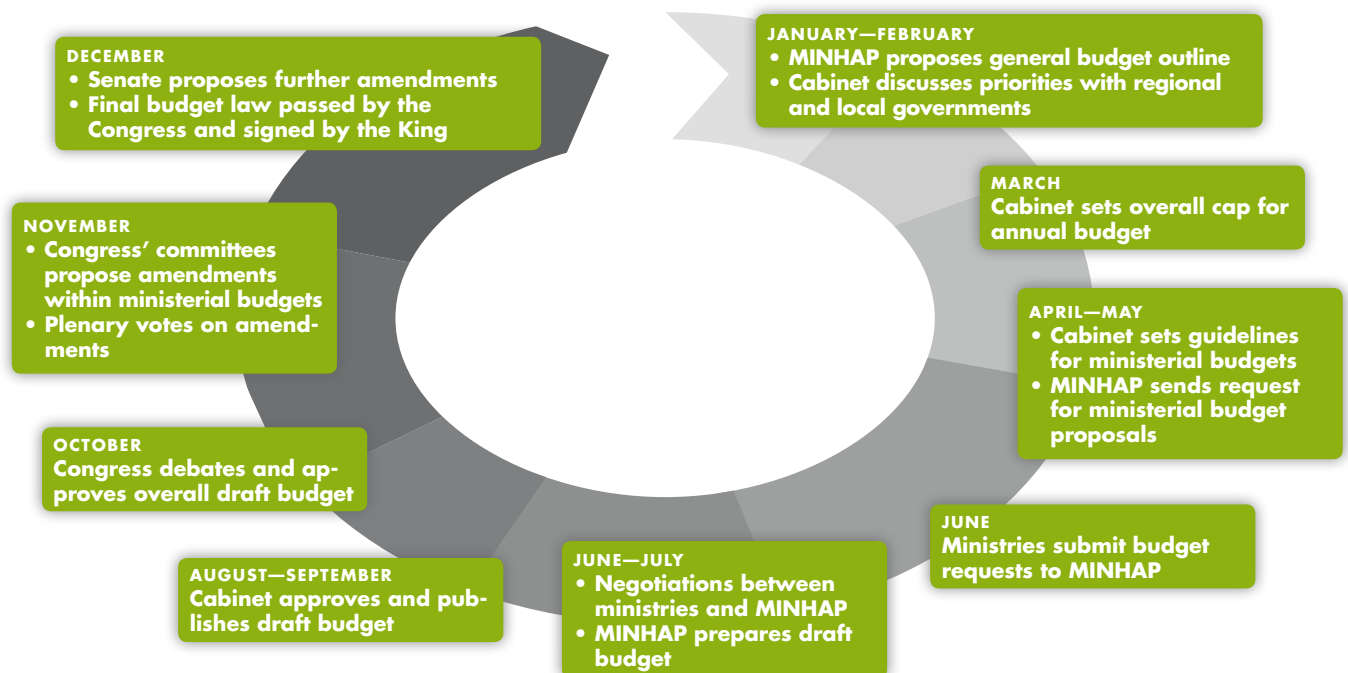
BUDGET PROCESS

The central budget is divided into ministerial sections and the largest share of Spain's ODA falls in the MAEC's budget. The budget process follows an annual cycle (Figure 7), which is led by the Ministry of Treasury and Public Administrations (Ministerio de Hacienda y Administraciones Públicas, MINHAP). It is usually finalized in late December, when the Congress of Deputies passes the final budget law, which becomes law from 1 January. Due to early elections in November 2011, the 2012 budget could not be approved on time and, thus, the 2011 budget was extended to 2012. The government will present a new 2012 budget law draft in parliament by March 31st 2012.

PROGRAMMING

Based on the strategic regional and thematic priorities established in the 4-year Master Plan, the distribution of ODA is determined on an annual basis (Annual Plans). First, the MAEC's Secretariat General for International Development Cooperation decides on the amount of assistance to be channelled multilaterally and bilaterally. AECID's Governing Council, which includes representatives from the MAEC and AECID's regional and sectoral divisions, decides on allocation by region and country, but not by sectors. To increase ODA predictability, in 2010, Spain introduced multi-annual Country Partnership Frameworks (Marcos de Asociación País, MAP) for its priority countries, in which sector priorities and estimated annual budget allocations are specified in coordination with partner country governments.²³ The MAP is implemented via non-public Annual Operational Programming Plans for each country.

FIGURE 7
Annual budget cycle



FOCUS ON HEALTH

FUNDING

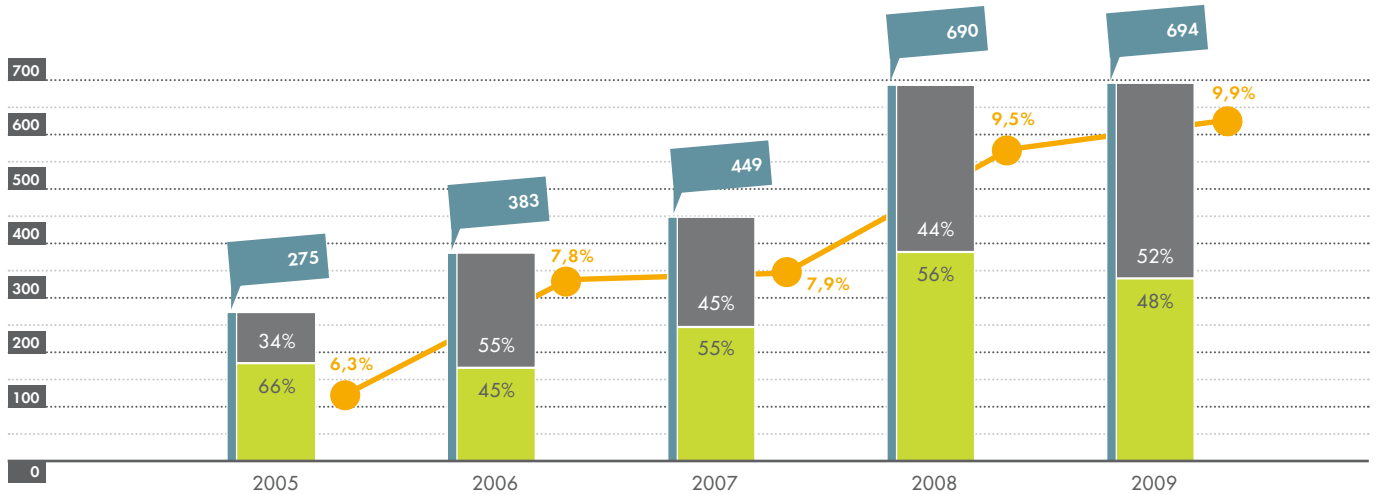
Although health is among the 12 sector priorities of Spanish development cooperation, it has not been an explicit focus over the past three years.²⁴ At US\$694 million (€500 million, 9.9% of Spain's gross ODA), Spain was the 5th largest European government donor to health in 2009.

In 2011, Spain's health ODA budget stood at US\$313 million (€225 million), a **decrease of 55% compared to 2009**.²⁵ 36% of all ODA cuts between 2009 and 2011 were made in the health sector. Cuts focused on multi/multi-bilateral assistance, as this allowed a decrease at minimal political cost, which applies particularly to the support to the Global Fund.

FIGURE 8

Bi- and multilateral ODA to health in US\$ millions and as % of total

■ Bilateral ■ Multilateral ● ODA to health as % of total



Gross disbursements in constant prices (2009 US\$ millions).

SOURCE: OECD CRS & Imputed multilateral contributions to the health sector: Secretariat estimations.

In 2010, Spain joined the Muskoka Initiative on Maternal New Born and Child Health, but did not make any concrete pledges, as policy initiatives were shelved after the government announced severe ODA cuts in May 2010.

In 2009, Spain's **bilateral health ODA** amounted to US\$336 million (€242 million), but dropped sharply to US\$250 million (€189 million) in 2010. Within health, Spain prioritized health policy and administrative management (22%), reproductive health care (16%), basic health care (14%) and basic health infrastructure (12%) in 2010.²⁶ Most bilateral health ODA was channelled via NGOs (45%) and multi-bilateral funds (17%). Top ten recipients are shown in figure 9.

In 2009, key recipients of Spain's **multilateral health funding** included the Global Fund (60%), EU institutions (11%), WHO (9%), World Bank's IDA (6%), UNFPA (5%) and International Finance Facility for Immunization (IFFIm) (4%).²⁷ While Spain became the 4th largest donor to the Global Fund in 2009 (US\$214 million or €154 million), it disbursed only half of its 2010 pledge (US\$250 million or €189 million) and did not pledge any funds for the 2011—2013 replenishment period.

Between 2009 and 2011, Spain also sharply reduced its contributions to other multilateral programs and organizations, including UNFPA, WHO, the WHO's Pan American Health Organization (PAHO), UNITAID, and UNAIDS.²⁸ Spain contributed US\$43 million (€31 million) to GAVI between 2008 and 2011, and US\$259 million (or

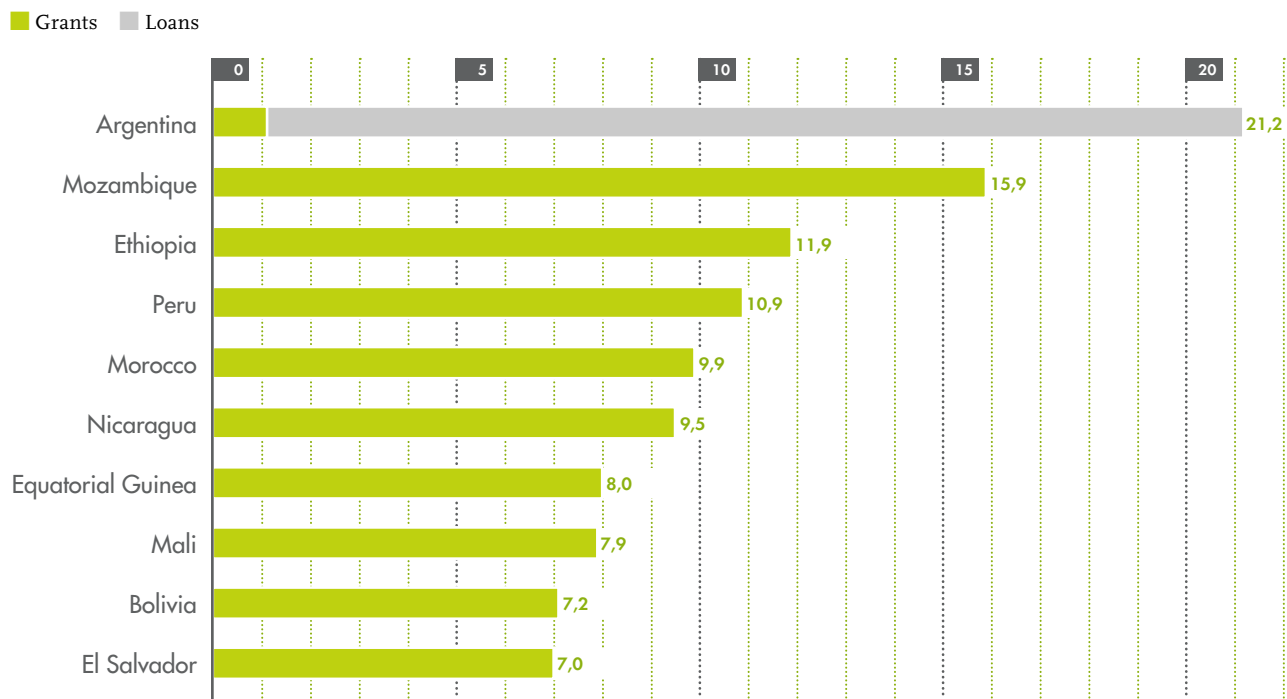
€190 million, 2006—2025) to the IFFIm.²⁹ In addition, it has supported the Global Polio Eradication Initiative (GPEI) since 2003, with contributions of US\$14 million (€11 million, 2003—2011).³⁰ No pledges to GPEI have been made for the period 2012—2013.

STRATEGIC FRAMEWORK AND CURRENT PORTFOLIO

Spain prioritizes **(1) health systems strengthening (HSS)** and **(2) health conditions and problems**. These focus areas outlined in MAEC's 2007 Health Strategy Paper³¹ were reaffirmed by the Master Plan 2009—2012 and further specified in AECID's Health Sector Plan for 2011—2013.³² However, Spanish health assistance has been criticized for a high dispersion and volatility of expenditures; recommendations have been made to strategically focus Spain's constricted funding on those sectors, regions and organizations which guarantee most impact and alignment to Spain's priorities.³³

In the area of **health systems strengthening**, Spain seeks to build institutional and human resources capacity, and to improve basic health services and access to medicines. Bilateral support for HSS is mainly channeled through Spanish NGOs. On the multilateral level, Spain is a member of the International Health Partnership (IHP+) which aims at harmonizing donor funding for health care systems. Spain also collaborates with PAHO in capacity development in Latin America through a multi-bilateral fund (Fondo Español).³⁴ The focus on **health conditions and problems** includes projects in the areas of sexual and

FIGURE 9
Top 10 recipients of Spain’s bilateral ODA to health, 2008–2010 annual average



Source: OECD CRS. Gross disbursements in constant prices (2010 US\$ millions).

reproductive health and rights, child health, and prevalent and neglected diseases. Spain’s bilateral portfolio on infectious diseases (approximately US\$20 million or €15 million in 2010) includes Chagas disease control in Bolivia and risk reduction of cholera outbreak in the Dominican Republic. With respect to maternal and child health as well as sexual and reproductive health and rights (SRHR), Spain’s bilateral support is often allocated to NGO projects that aim at improving access to medical assistance for women.³⁵ Multilaterally, Spain contributes to UNFPA (US\$17 million or €12 million in 2011) and the “Salud Mesoamericana 2015 Initiative” (US\$7 million or €5 million in 2011) which aims to reduce health inequities in Central America with a special focus on women and children.³⁶ Spain has committed to spending 6% of sector-allocated ODA on reproductive health. With a projected 1.7% in 2011,³⁷ however, it is far from reaching this goal.

RESEARCH

According to OECD DAC figures, bilateral spending for health research accounted for 4.5% (US\$11 million or €8 million) of bilateral health ODA in 2010. The MAEC’s Health Strategy and AECID’s Health Sector Plan place a special focus on research capacity building in partner countries (e.g. support to a rural research center in Mozambique and the financing of medical research scholarships, mainly in Latin America).

Multilaterally, Spain was a strong supporter of PDPs until recently. This included funding for the Medicines for Malaria Venture (MMV) (US\$8 million or €6 million, 2007–2010), the Drugs for Neglected Diseases Initiative (DNDi; US\$10 million or €7.5 million, 2007–2010), as well as the International AIDS Vaccine Initiative (IAVI, US\$4 million or €3 million in 2009) and the International Partnership for Microbicides (IPM, US\$2 million or €1.5 million in 2009), both channeled through UNAIDS. However, since 2010, support to IAVI, IPM and (since 2011) DNDi has been reduced significantly, causing great concern among Spain’s health NGOs. In 2011, funding for MMV was discontinued. Moreover, despite its commitment to finance PDPs focussing on tuberculosis research, no funds have been disbursed to them yet.

FOCUS ON AGRICULTURE

FUNDING

At US\$311 million (€224 million) in 2009, Spain was the 4th largest European government donor to agriculture, representing 10.2% of total agriculture ODA by European DAC donors. In absolute terms, Spanish ODA to the agricultural sector doubled between 2005 and 2009, but in relative terms, it only increased from 3.3% in 2008 to 4.5% of ODA in 2009, which is slightly above the European DAC countries average (3.9%). It further increased to US\$600 million (€453 million) in 2010 due to a one-off investment through a loan program with the International Fund for Agricultural Development (IFAD) (see below) but expenditures for agriculture dropped sharply to US\$203 million (€146 million) in 2011, which represents a **35% cut** compared to 2009.

At the High-Level Meeting on Food Security for All in Madrid in January 2009, Spain pledged US\$1.4 billion (€1 billion) to the fight against hunger and malnutrition over a five-year period. This was complemented by an additional US\$696 million (€500 million) for child nutrition and agricultural programs for 2009–2011,³⁸ pledged to the L'Aquila Food Security Initiative at the G8 summit in June 2009.

Bilateral assistance accounted for 57% of Spain's total agriculture ODA in 2009 (US\$178 million or €128 million) and increased considerably to US\$12 million (€387 million) in 2010. Within the agricultural sector, spending clearly focused on agricultural policy and administrative management (78%), followed by food crop production (7%) and agricultural development (5%). Disbursements had no clear

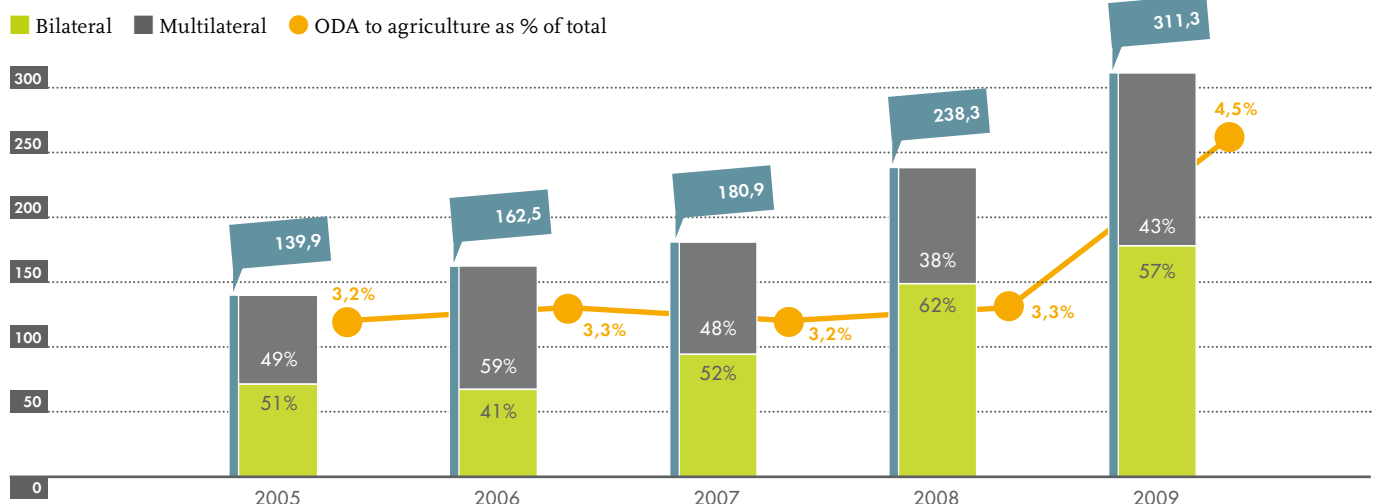
geographical focus, as three quarters of all bilateral ODA were allocated to the Spanish Food Security Cofinancing Facility Trust Fund managed by the IFAD. Through this fund, Spain disbursed a total of US\$378 million (€285 million) as equity investments to IFAD programs. As NGOs channeled an additional 16%, barely any state-to-state projects were funded in 2010.

Spain's multilateral agriculture ODA stood at US\$133 million (€96 million) or 43% of overall ODA to agriculture in 2009. Key recipients included the EU institutions (46%), the World Bank's IDA (25%), the IFAD (20%) and the Food and Agricultural Organization (FAO) (5%).

To comply with its L'Aquila commitments, Spain supports various multilateral initiatives through multi-bi funding (reported as bilateral funding). Spain is the third largest donor to the Global Agricultural and Food Security Program (GAFSP; US\$93 million or €70 million in 2009), a multilateral mechanism managed by the World Bank to support national and regional agricultural investment plans. Regionally, Spain supports the Comprehensive Africa Agriculture Development Programme (CAADP) by providing bilateral funding to the Agricultural Policy of the West African States (ECOWAP) with US\$318 million or €240 million for 2009–2011. In agriculture, Spain is the largest donor in West Africa.³⁹ A further US\$40 million (€30 million) was given in 2010 to the African Agriculture Fund, a private equity fund aimed at supporting private sector companies in the agricultural and agri-industrial sector in SSA.⁴⁰

FIGURE 10

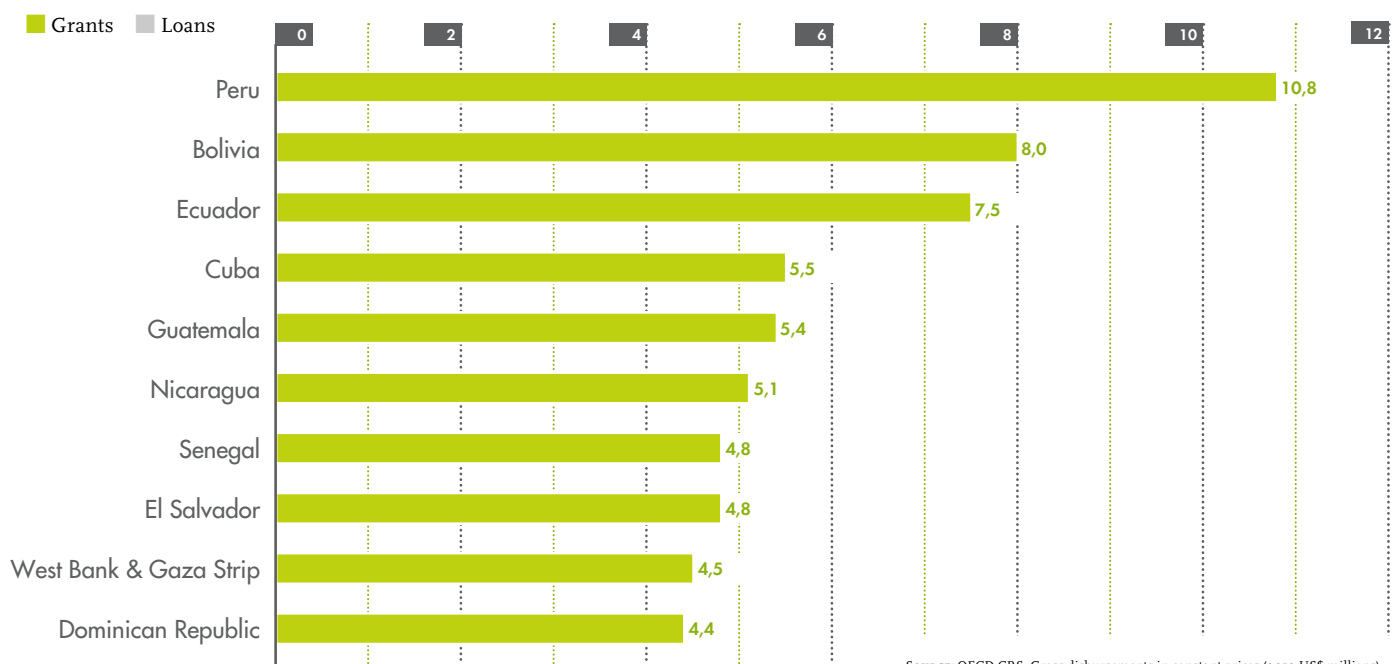
Bi- and multilateral ODA to agriculture in US\$ millions and as % of total



Gross disbursements in constant prices (2009 US\$ millions).

SOURCE: OECD CRS & Imputed multilateral contributions to the agriculture sector: Secretariat estimations.

FIGURE 11

Top 10 recipients of Spain's bilateral ODA to agriculture, 2008-2010 annual average

Source: OECD CRS. Gross disbursements in constant prices (2010 US\$ millions).

STRATEGIC FRAMEWORK AND CURRENT PORTFOLIO

Food security and rural development are central sectors in Spanish cooperation.⁴¹ Spain applies a human rights-based approach which **aims at achieving the right to food and improving the living conditions of rural and urban populations.** It prioritizes (1) access to adequate and decent food, (2) promoting sustainable production systems, (3) agro-food research, and (4) international agreements on food security.⁴²

Spain's agricultural policy is based on its 2007 "Strategy for the Fight against Hunger" and the Master Plan 2009—2012. The new "Strategy for Sustainable Rural Development" (originally expected for late 2011) will aim at promoting agro-food systems to strengthen the agricultural sector in Spain's partner countries.⁴³

Spain's bilateral programs related to production systems and food security seek to increase and diversify agricultural production, and to give small-holder farmers access to agricultural inputs and financial services, to eventually move them away from subsistence farming. In addition, capacity-building programs are implemented to improve management skills.

Multilaterally, Spain has been an active player in the global debate about agricultural development. At the High-Level Meeting on Food Security for All in Madrid in January 2009, Spain co-founded the Global Partnership for Agriculture and Food Security, which aims at coordi-

nating the international response to the food crisis. Apart from funding agricultural investment plans through GAFSP, Spain also chairs the ECOWAP donor group in West Africa.⁴⁴ It has increased engagement within IFAD, to improve smallholder farmers' productivity and market-access.

As a main beneficiary of the EU's Common Agricultural Policy (CAP), Spain strongly favours maintaining direct payments to European farmers to protect its own agricultural sector. This has a negative impact on market access for developing country farmers. Moreover, Spain is often criticized for supporting fisheries partnership agreements with African countries that are considered disadvantageous to local fishing industries.⁴⁵

RESEARCH

Spain spent 1.4% (US\$7 million or €5 million) of its bilateral ODA to agriculture on agricultural research in 2010. Spain also funds various bilateral research projects within the Consultative Group on International Agricultural Research (CGIAR). In Latin America, Spain supports the Regional Fund for Agricultural Technology (FONTAGRO) with US\$13 million or €10 million (2007—2011). The National Institute for Agriculture and Food Research and Technology (INIA) focuses on agricultural production and oversees the FONTAGRO and CGIAR projects. INIA also represents Spain in the CGIAR and in the European Initiative for Agricultural Research for Development (EIARD).

OUTLOOK

In light of the continuing financial crisis, Spain is currently evaluating how to further scale down and refocus **its development assistance**. While budget cuts will inevitably affect all areas and regions, the new government's development policy will be based on Spain's core economic and foreign policy interests. This implies a strategic shift away from Sub-Saharan Africa and back to Latin America and North Africa, which is also considered an opportunity to increase the effectiveness of Spain's reduced ODA. A further concern is that this may result in a shift in overall assistance, increasing funding to upper-middle income countries in these regions as a whole. The government will critically review all of its contributions to multilateral funding channels and considerably reduce the number of priority countries. A sector focus will be placed on basic social services, including health, education, and possibly water and sanitation. To source non-public funds for development, Spain seeks to strengthen its cooperation with the private sector, especially through public-private partnerships (PPPs) in R+D involving Spanish companies and research institutions.

After the severe cutbacks of the past years, it is likely for the decrease in **health** ODA to slow down as the new government apprehends that further cuts would jeopardize Spain's long-term investments and credibility in partner countries. However, funding cuts for Spanish NGOs—which channelled a third of bilateral health ODA in 2009—will affect Spain's health expenditures. There are indications that the conservative government will place a stronger focus on mother and child health, and discontinue programs in SRHR and family planning. In addition, Spain plans to promote health-related R&D and PPPs. It is likely, but still uncertain if Spain will resume its funding to the Global Fund. Within the **agricultural sector**, Spain is expected to maintain the previous government's focus on food security. However, no funding plans or policy initiatives have been announced so far.

REFERENCES

- These sector priorities are: democratic governance, rural development and fighting against hunger, education, health, water and sanitation, economic growth for poverty reduction, environmental sustainability, climate change and habitat, science, technology and innovation, culture and development, gender in development, migration and development, and peace building.
- MAEC, Annual Plans for International Cooperation (PACI): PACI 2009, p. 50. PACI 2010, p. 12. PACI 2011, p. 19/20. <http://www.maec.es/es/MenuPpal/CooperacionInternacional/Publicacionesydocumentacion/Paginas/publicaciones1.aspx#Planes%20Anuales%20de%20Cooperaci%C3%B3n%20Internacional%20Espa%C3%B1ola>
- <http://www.lamoncloa.gob.es/ConsejodeMinistros/Resumenes/2011/301211-consejo.htm>. The announced spending cuts are preliminary, as the government is yet to present the 2012 budget to parliament (by March 31 2012). Further cuts are likely.
- This is mainly due to a debt cancellation of US\$274 million (€207 million) for the Democratic Republic of the Congo (DRC) within the HIPC (Heavily Indebted Poor Countries) Initiative. MAEC, Review of Annual Plan for International Cooperation (Seguimiento del PACI) 2010, p. 46.
- According to OECD CRS data and MAEC, PACI 2011, p. 60.
- This limit is only valid for the period of the current Master Plan 2009—2012. Ley 36/2010, de 22 octubre, del Fondo para la Promoción del Desarrollo (FONPRODE), <http://www.boe.es/boe/dias/2010/10/23/pdfs/BOE-A-2010-16131.pdf>.
- MAEC, Master Plan of Spanish Cooperation 2009—2012, Main Guidelines, p. 38. <http://www.maec.es/es/MenuPpal/CooperacionInternacional/Publicacionesydocumentacion/Documents/lineasmaestras09-12-En.pdf>
- MAEC, Seguimiento del PACI 2010, p. 57.
- OECD DAC Peer Review Spain 2011. <http://www.oecd.org/dataoecd/23/45/49356882.pdf>, p. 25.
- 38% of bilateral ODA in 2010 were not specified by income group.
- Spain's development cooperation system is based on the 1998 Law on International Development Cooperation. (Ley 23/1998, de 7 de Julio, de Cooperación Internacional para el Desarrollo).
- OECD DAC, Peer Review 2011, p. 16.
- MAEC, Seguimiento del PACI 2010, p. 31.
- MAEC, Seguimiento del PACI 2010, p. 31.
- Until 2010, this ODA share was channelled by the former Ministry of Economy and Finance, which has now been split up into the Ministry of Economy and Competitiveness and the Ministry of Treasury and Public Administrations.
- OECD DAC, Peer Review 2011—Spain, p. 56.
- The Inter-ministerial Committee for Development Cooperation (Comisión Interministerial de Cooperación Internacional)
- The Sector Conference on Development Cooperation (Conferencia Sectorial de Cooperación para el Desarrollo) and the Inter-Territorial Commission for Development Cooperation (Comisión Interterritorial de Cooperación para el Desarrollo)
- Development Cooperation Council (Consejo de Cooperación al Desarrollo)
- OECD DAC, Peer Review 2011—Spain, p. 17, 58.
- OECD DAC, Peer Review 2011—Spain, p. 30.
- ONGD = Organización No Gubernamental para el Desarrollo (Development NGO)
- However, as of November 2011, only 10 MAPs have been signed. http://www.maec.es/es/MenuPpal/CooperacionInternacional/Publicacionesydocumentacion/Documents/Estado_situacion_MAP_por_Paises_28noviembre2011.pdf
- The past three Annual Plans (2009—2011) did not include health as a priority sector.
- MAEC, Seguimiento del PACI 2009, p. 49. PACI 2011, p. 63.
- According to OECD DAC purpose codes
- Figures according to OECD imputed multilateral health estimations: <http://www.oecd.org/dataoecd/8/38/48197064.xls>. The calculation includes Spain's Global Fund contribution of US\$214.4 million (2009), which does not appear in the OECD list, as Spain reported this as bilateral assistance (unallocated by sector) in 2009.
- Spain's total contributions to the health sector through multilateral organizations dropped from US\$360 million (€259 million) in 2009 to US\$62 million (€45 million) in 2011, a decrease of 83%. Data according to: Barcelona Institute for Global Health (ISGlobal), 2011, La ayuda española al desarrollo y los retos de la salud global, http://www.isglobal.org/es/c/document_library/get_file?uuid=fc9c9912-dba4-4a12-bc20-4200217e9bef&groupId=10156, p. 18.
- [www.gavialliance.org/library/gavi-documents/funding/donor-contributions-and-proceeds-to-gavi-2000-2030-\(30-june-2011\)](http://www.gavialliance.org/library/gavi-documents/funding/donor-contributions-and-proceeds-to-gavi-2000-2030-(30-june-2011)). Spanish government contributions to GAVI are complemented by pledges of Spain's "LaCaixa" bank foundation, which amount to US\$22 million or €15 million (2008—2012).
- http://www.polioeradication.org/Portals/0/Image/Financing/FRR/Historical_Contribution.pdf
- The third priority in the MAEC's health strategy, health research and development (R+D), has been insignificant in the actual implementation of the strategy. <http://www.maec.es/es/MenuPpal/CooperacionInternacional/Publicacionesydocumentacion/Documents/DES%20SALUD%20RE%20Ingles.pdf>
- http://www.aecid.es/galerias/que-hacemos/descargas/AF_PAS_NARRATIVO_SALUD.pdf
- Barcelona Institute of Global Health (ISGlobal), 2012, La ayuda española al desarrollo y los retos de la salud global, p. 33.
- http://new.paho.org/hq/index.php?option=com_content&task=view&id=5010&Itemid=1026&lang=en
- http://www.aecid.es/galerias/que-hacemos/descargas/AF_FICHAS_SALUD.pdf, p.7/8.
- The initiative is co-financed by the Carlos Slim Health Institute and the Bill and Melinda Gates Foundation, and managed by the Inter-American Development Bank (IDB), <http://www.iadb.org/aboutus/trustfunds/Fund.cfm?Fund=MHF&Lang=En&FDescr=Mesoamerica%20Health%20Facility>
- MAEC, PACI 2011, p. 63.
- http://www.maec.es/en/MenuPpal/Actualidad/Noticias/MAEC/Paginas/20101015_not3EN.aspx
- Oxfam, Aid Coordination and Alignment, Myth or Reality (2011), <http://www.oxfam.org/sites/www.oxfam.org/files/rr-aid-coordination-alignment-ecowas-090911-en.pdf>, p. 31.
- http://www.aecid.es/galerias/que-hacemos/descargas/RESUMEN_AAF-vf.pdf
- In the Master Plan 2009—2012, Spain committed to spend 10% of its ODA to rural development and the fight against hunger, a commitment which was met in 2010 (14.5% of total ODA was disbursed to Agro-industries, food security assistance, forestry, fishing, basic nutrition, and rural development). Seguimiento del PACI 2010, p. 328—33.
- MAEC, Master Plan 2009—2012, p. 28.
- MAEC, PACI 2011, p. 22.
- <http://www.oxfam.org/sites/www.oxfam.org/files/rr-aid-coordination-alignment-ecowas-090911-en.pdf>, p. 31.
- fride.org/descarga/PB_Spain_Africa_ENG_jan10.pdf, p. 2/3.