

SPAIN

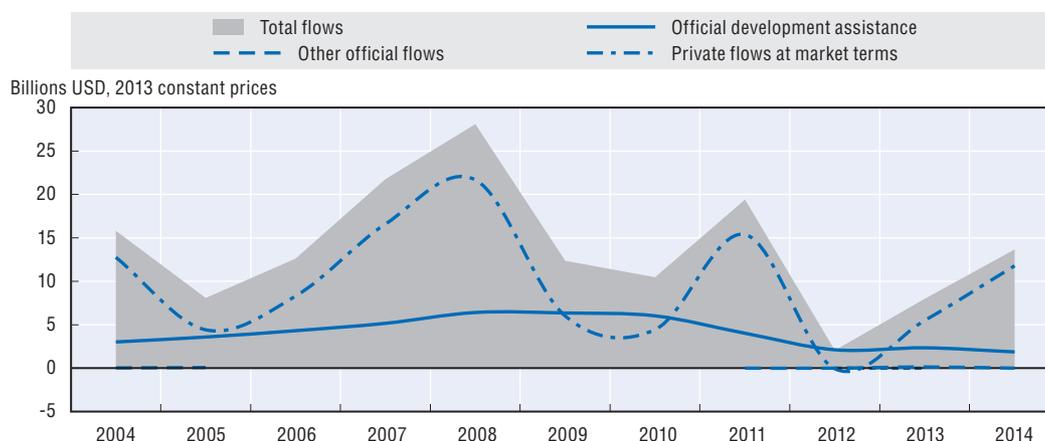
Development challenges as investment and business opportunities: Spain's policy and practices

Spain's strategy on economic growth recommends that Spanish Co-operation work with the private sector. The 2016 DAC Peer Review of Spain found that it has taken the first steps in its commitment to engaging the private sector in development co-operation. Spain has also developed new tools to engage the private sector in development co-operation. Tools include public-private partnerships, an innovation fund and a Development Promotion Fund (FONPRODE). To integrate the private sector more fully into the development co-operation system, Spain has recently set up a working group – which brings together representatives from ministries, the Spanish development co-operation agency (AECID) and civil society – as well as a business unit within the AECID. Also COFIDES, a joint state and privately owned company, provides medium and long-term financial support for viable private direct investment projects in foreign countries, where there is a Spanish interest. COFIDES provides technical support to FONPRODE for the financial management of its reimbursable funds and at the same time is in charge of the funds that promote foreign investment with official support.

According to the 2015 DAC Survey on Mobilisation (Benn et al., 2016), Spain mobilised USD 41 million from the private sector through shares in collective investment vehicles in 2012-14, of which 17% targeted climate-related projects.

Financial flows from Spain to developing countries

Figure 33.1. Net resource flows to developing countries, 2004-14, Spain



Note: Data on private grants are only available for 2012 and 2013. Data on other official flows are not available for 2006, 2008 and 2010.

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Spain uses ODA to mobilise other resources for sustainable development

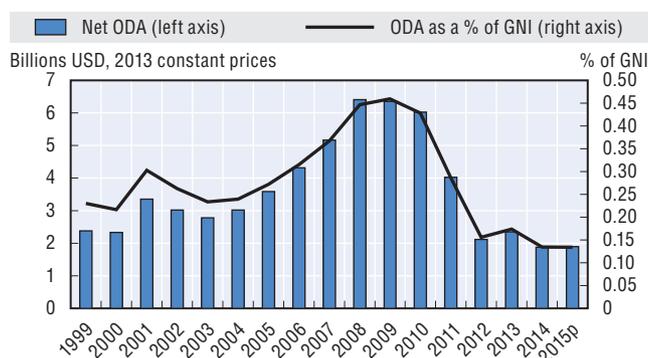
- **Spain contributes to the mobilisation of domestic resources in developing countries by supporting their tax systems.** In 2014, it is estimated that Spain committed USD 1.3 million of its official development assistance (ODA) to tax-related activities in partner countries.
- **It promotes aid for trade to improve developing countries' trade performance and integration into the world economy.** It committed USD 127 million to trade-related activities in 2014 (18.1% of its bilateral allocable ODA), a 32.8% increase in real terms from 2013. The trend has been increasing over the past few years.
- **Spain has pledged USD 160.5 million (EUR 120 million) to the Green Climate Fund,** which plays a key role in channelling resources to developing countries and catalysing climate finance at the international and national levels.

Spain's official development assistance

In 2015, Spain provided USD 1.6 billion in net ODA (preliminary data), which represented 0.13% of gross national income (GNI) and a 1.5% increase in real terms from 2014. Spain is the 25th largest Development Assistance Committee (DAC) provider in terms of ODA as a percentage of GNI, and 16th largest by volume. Spain is committed to reversing the decline in ODA as its economy recovers. That commitment has already translated into projected increases in the 2015 and 2016 ODA budgets after ODA experienced an important decrease both in terms of volume and as a percentage of GNI between 2009 and 2012 and continued to fall in 2014. Spain is committed, at EU level, to collectively achieve a 0.7% ODA/GNI ratio by 2030. Spain's share of untied ODA (excluding administrative costs and in-donor refugee costs) decreased from 85.1% in 2013 to 83.6% in 2014, compared with the DAC average of 80.6% in 2014. The grant element of total ODA was 100% in 2014.

Spain reported USD 18.4 million of its in-donor refugee costs as ODA in 2014. These costs represented 1% of its total net ODA.

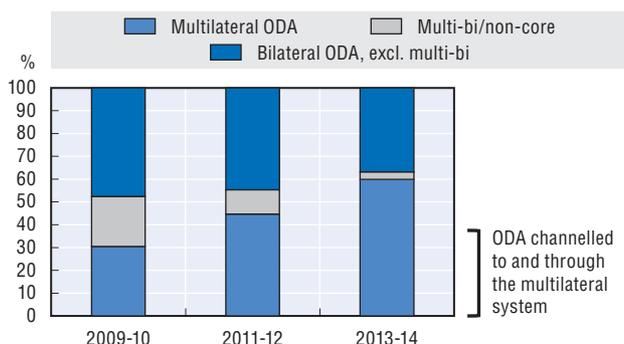
Figure 33.2. Net ODA: Trends in volume and as a share of GNI, 1999-2015, Spain



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In 2014, 33.3% of Spain's ODA was provided bilaterally. It allocated 66.7% of total ODA as core contributions to multilateral organisations, compared to the DAC country average of 28.3%. In addition, it channelled 12.3% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

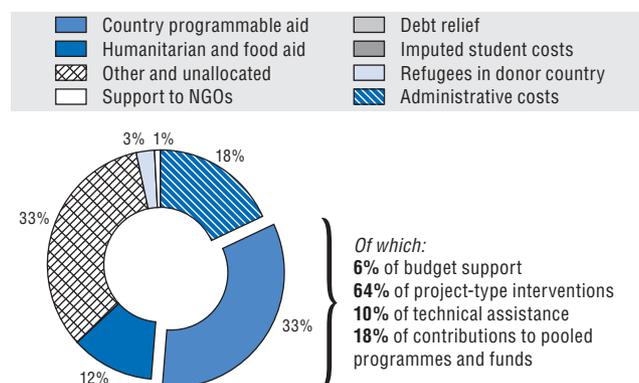
Figure 33.3. Share of ODA channelled to and through the multilateral system, two year averages, gross disbursements, Spain



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In 2014, 33.2% of bilateral ODA was programmed at partner country level. Spain's share of country programmable aid (CPA) was lower than the DAC country average (52.9%). Project-type interventions accounted for 64% of CPA while 33% of bilateral aid is reported as "other and unallocated".

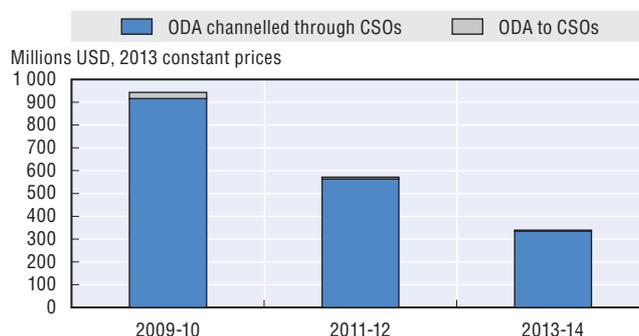
Figure 33.4. Composition of bilateral ODA, 2014, gross disbursements, Spain



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In 2014, USD 242.5 million of bilateral ODA was channelled to and through civil society organisations (CSOs). ODA channelled to and through CSOs fell between 2013 and 2014 in volume (-25.8%) but increased as a share of bilateral aid (from 30% in 2013 to 34.4% in 2014). The share provided in 2014 is above the DAC country average of 17.4%.

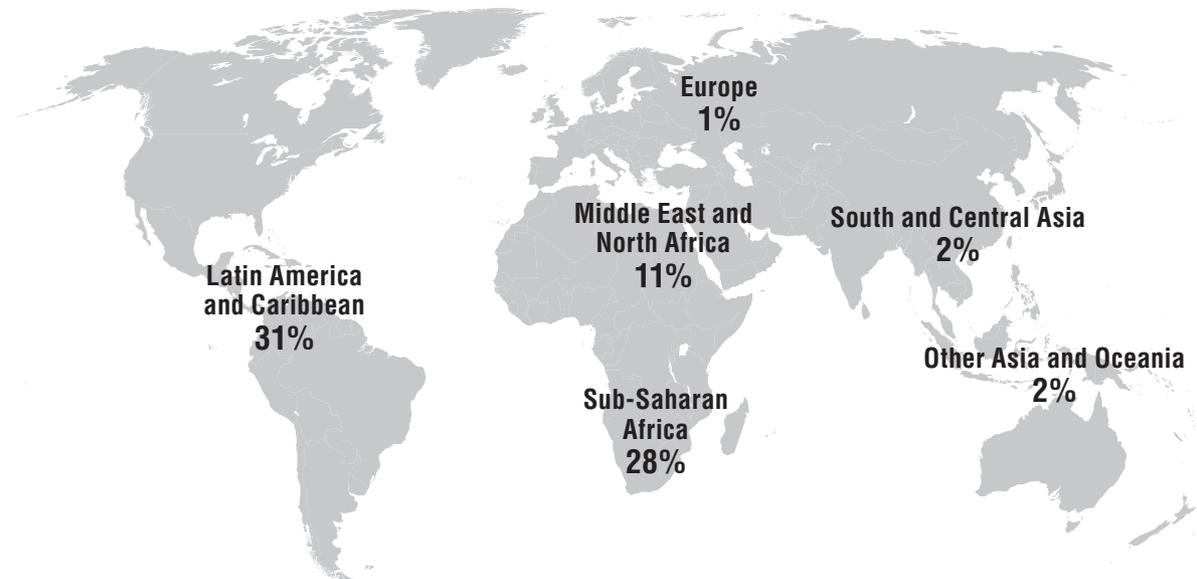
Figure 33.5. Bilateral ODA to and through CSOs, two year averages, gross disbursements, Spain



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Bilateral ODA was primarily focused on Latin America and the Caribbean and sub-Saharan Africa. In 2014, USD 244.6 million was allocated to Latin America and the Caribbean and USD 127.6 million was allocated to sub-Saharan Africa.

Figure 33.6. **Share of bilateral ODA by region, 2013-14 average, gross disbursements, Spain**

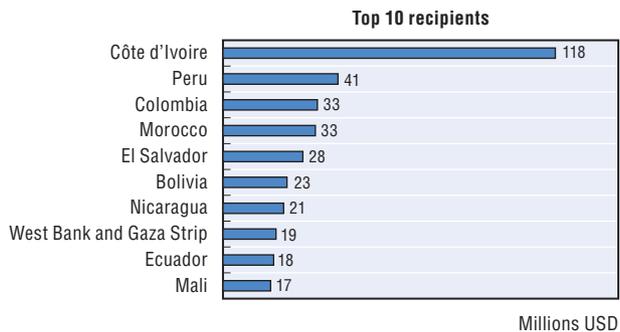
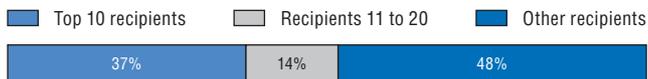


Note: 25% of ODA allocated was unspecified by region in 2013-14. This share is not represented on the map.

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In 2014, 28.6% of bilateral ODA went to Spain's top 10 recipients. Spain reduced the number of its priority partner countries from 50 in 2012 to 23 in 2014. Nine of its top 10 recipients are priority partner countries. In 2014, its support to fragile states reached USD 132.3 million (18.8% of gross bilateral ODA).

Figure 33.7. **Bilateral ODA to top recipients, 2013-14 average, gross disbursements, Spain**

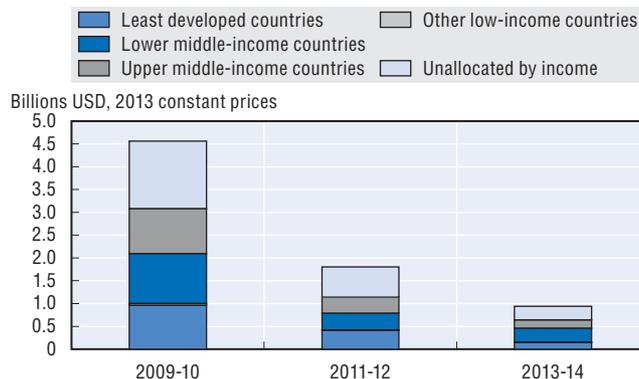


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In 2014, 17.8% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 125.3 million. This is an increase from 14.5% in 2013, but is lower than the 24.6% share of 2012 and the 2014 DAC average of 25.6%. Lower middle-income countries received the highest share of bilateral ODA in 2014 (23.7%), noting that 42.2% was unallocated by income.

At 0.03% of GNI in 2014, total ODA to LDCs was far below the UN target of 0.15% of GNI.

Figure 33.8. **Bilateral ODA by income group, two year averages, gross disbursements, Spain**



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In 2014, 47.6% of bilateral ODA (USD 419.7 million) was allocated to social infrastructure and services, with a strong focus on support to government and civil society (USD 151.7 million), education (USD 78.4 million), and health (USD 71.2 million). USD 95.5 million was allocated to agriculture (accounted as ODA to production sectors). Humanitarian aid amounted to USD 93.5 million.

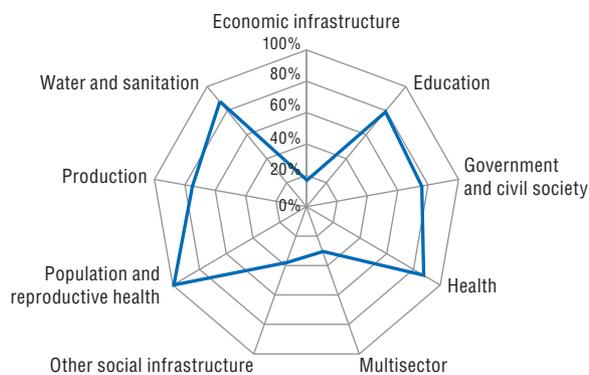
Figure 33.9. Share of bilateral ODA by sector, 2013-14 average, commitments, Spain



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USD 491.2 million of bilateral ODA supported gender equality in 2014. Gender equality is an emblem of Spain’s development co-operation and is prioritised in its latest strategy. The 2016 DAC Peer Review, however, found that there is room for improvement if gender equality is to be effectively mainstreamed into operations on the ground. In 2014, 69.8% of Spanish bilateral allocable aid had gender equality and women’s empowerment as a principal or significant objective, above the DAC country average of 34.7%. This is up from 2013 (when it was 40%). Spain’s aid to population and reproductive health, water and sanitation, health and education focuses on gender.

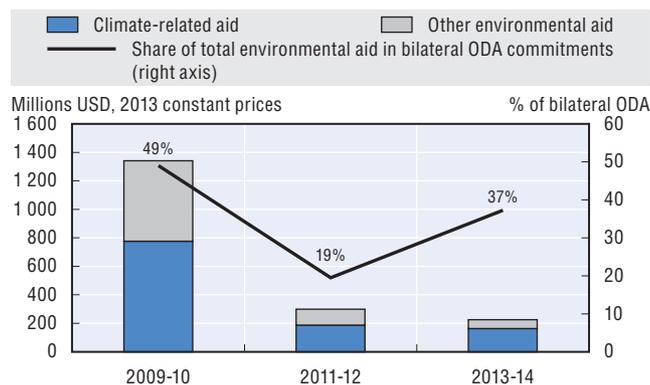
Figure 33.10. Share of bilateral allocable ODA in support of gender equality by sector, 2014, commitments, Spain



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USD 237.7 million of Spain’s bilateral ODA supported the environment in 2014. Spain is committed to ensuring the environment is mainstreamed into its projects and programmes, but implementation challenges remain. In 2014, 33.8% of Spanish bilateral allocable aid supported the environment and 22.2% (USD 156 million) focused particularly on climate change, compared with the respective DAC country averages of 32.2% and 23.9%.

Figure 33.11. Bilateral allocable ODA in support of global and local environment objectives, two year averages, commitments, Spain



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Note to reader: Annex B provides “Methodological notes on definitions and measurement for the Profiles of Development Assistance Committee members”.

Reference

OECD (2016), *OECD Development Co-operation Peer Reviews: Spain 2016*, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264251175-en>.



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