Peer Review

Review of the development co-operation policies and programmes of Spain

A snapshot of Spain's development co-operation

14 December 2021

This snapshot of Spain's development co-operation has been prepared as part of the 2021 DAC peer review of Spain, complementing the peer review report. It presents information on Spain's policies, processes and systems, using the indicators presented in the analytical framework for peer reviews as a reference [DCD/DAC(2020)69/FINAL]. Additional information, particularly on Spain's ODA allocations, is presented in Spain's Development Co-operation Profile.

The snapshot has been fact-checked by Spain and was shared with delegates for information in advance of the DAC meeting on the Spain peer review on 14 December 2021. It is now issued as final and has been unclassified.

This document is only available for download from O.N.E. in PDF format.

Contacts:
Joëlline Bénéfice, Tel. +33 (0)1 45 24 95 07 Joelline.BENEFICE@oecd.org
Emily Bosch, Tel. +33 (0)1 45 24 93 37 Emily.BOSCH@oecd.org
Cyprien Fabre, Tel. +33 (0)1 45 24 91 17 Cyprien.FABRE@oecd.org
Claire Naval, Tel. +33 (0)1 45 24 76 01 Claire.NAVAL@oecd.org

JT03488458
A snapshot of Spain’s development co-operation system

Policy

Policy framework

1. The general vision and architecture for Spain’s development co-operation is set out in the 1998 Law on International Co-operation for Development (Government of Spain, 1998[1]). According to the law, development co-operation aims to facilitate and promote countries’ and territories’ economic and social progress, eradicate poverty, defend and promote human rights and fundamental freedoms, address economic and social welfare, and ensure environmental sustainability. The latest Foreign Policy Strategy 2021-24 specifically prioritises global health, nutrition, education, climate change, and gender equality and commits to allocating 0.5% of Spain’s gross national income (GNI) to official development assistance (ODA) by 2023 (Government of Spain, 2021[2]).

2. The law is also complemented by four-year development co-operation strategies: master plans approved across government. The current master plan (Vth Master Plan 2018-21), anchored in the 2030 Agenda for Sustainable Development, aims to combat poverty and inequality, build resilience and provide global public goods. It highlights four cross-cutting development principles: 1) human rights; 2) gender equality; 3) cultural diversity; and 4) environmental sustainability (MAUC, 2018[3]). It focuses on Latin America, the Maghreb, West Africa and the Sahel. While aiming to contribute to all the Sustainable Development Goals (SDGs), the Vth Master Plan prioritises 29 of the 169 sustainable development targets. These are mainly around the following themes: resilience, justice and democracy, migration, climate change, training, and innovation as well as new technologies. These universal targets are then used as Spain’s overall results framework. In 2019, Spain tracked progress towards the SDGs based on these targets. Spain has also developed a Humanitarian Strategy for 2019-26 (AECID, 2019[4]).

3. Spain supports multilateral co-operation as a way to address global challenges more efficiently. In addition to the European Union (EU), the United Nations (UN) system is its preferred partner to work on challenges such as peace, security, environmental crises and humanitarian aid. For this reason, Spain is committed to supporting the UN reform processes. Spain signs multi-annual Multilateral Partnership Frameworks (Marcos de Asociación Estratégicos or MAEs) with key multilateral partners (currently UNDP, UN Women, UNICEF and UNFPA).

Guidance and basis for decision making

4. The master plan outlines a comprehensive framework for development policy, including strategic objectives, geographic and sectoral priorities and the role of various players and instruments – including humanitarian assistance. Its strategy for bilateral engagement differs according to the country and territory category, of which there are three (Table 1). In addition to 21 partners (a slight decrease from 23 in the
previous master plan), the latest master plan identifies advanced co-operation countries with whom Spain will engage on issues related to the SDGs.

Table 1. Spain’s categories for bilateral co-operation

<table>
<thead>
<tr>
<th>Partnership category</th>
<th>Least developed partners</th>
<th>Middle-income partners</th>
<th>Advanced co-operation countries¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic focus</td>
<td>Ethiopia, Haiti, Mali, Mauritania, Mozambique, Niger, Senegal,</td>
<td>Plurinational State of Bolivia, Colombia, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Morocco, Nicaragua, Paraguay, Peru, Philippines, West Bank and Gaza Strip</td>
<td>Brazil, Chile, Cabo Verde, Costa Rica, Egypt, Equatorial Guinea, Jordan, Mexico, Panama, Tunisia, Uruguay</td>
</tr>
<tr>
<td>Thematic focus</td>
<td>Access to rights and basic services, building institutions</td>
<td>Resilience, transition, quality of social services, diversity, inclusion and building institution</td>
<td>Policy dialogue and technical co-operation on sectoral policies and regional and global public goods</td>
</tr>
</tbody>
</table>

Note: ¹None of these countries are considered partnership countries.

5. The master plan’s orientations are translated into bilateral programming via four-year partnerships or association frameworks (MAPs). These publicly available frameworks are developed through a consultative and co-ordinated process and cover all of Spain’s development co-operation programmes, including those designed and implemented by Spain’s autonomous communities. In developing these frameworks, consultations with autonomous communities are conducted in Spain and directly with the technical co-operation offices based in partner countries and territories.

6. Despite being involved in drafting the master plan and MAPs, these documents tend not to be considered as binding for those actors beyond the remit of the Ministry of Foreign Affairs, European Union and Co-operation (MAUC) and the Spanish Agency for International Development Co-operation (AECID).

7. In addition to its own action plan, AECID has developed public guidance and handbooks on its instruments and modalities, in line with the effectiveness agenda, as well as for its main horizontal themes: gender mainstreaming, cultural diversity, inclusion of disability as well as the application of the human-rights based approach.

Institutional arrangements

_Leadership, responsibility, complementarity and accountability for whole-of-government development co-operation_

8. Within MAUC, the Secretariat of State for International Cooperation (SECI) sets the strategic orientation of Spain’s development policy. SECI oversees the work of the General Directorate for Sustainable Development Policies (DGPOLDES), which steers and evaluates the development policy and defines the official development assistance (ODA) priorities for MAUC and AECID.

9. The Ministry of Finance and Civil Service defines the national budget and channels ODA to EU institutions. The Ministry of Economic Affairs and Digital Transformation (MINECO) is responsible for debt-relief operations, manages Spain’s Development Promotion Fund (FONPRODE) jointly with MAUC, and
has direct authority over Spain’s contribution to regional development banks and financial institutions. The Ministry of Inclusion, Social Security and Migration manages in-donor refugee costs. Other ministries are also engaged through technical co-operation or contributions to multilateral organisations.

10. AECID is responsible for implementing bilateral and regional programmes, humanitarian assistance and financial co-operation, and funding for civil society organisations (CSOs) and multilateral organisations. Three other institutions – the International and Ibero-American Foundation for Administration and Public Policies (FIIAPP), Fundación Carolina, and the Spanish Development Finance Corporation (COFIDES) – are key actors for implementing Spain’s agenda for knowledge transfer and development finance. FIIAPP, a Spanish public foundation, promotes, guides and manages Spanish, European and/or partners’ public expertise to support public policy reform. Fundación Carolina is a public-private institution, set up to foster cultural relationships and co-operation in educational and scientific activities. COFIDES, owned by the Spanish government and the four largest Spanish commercial banking groups, contributes to the internationalisation of Spanish companies and economies and works to promote the economic and social development of developing and emerging countries and territories. COFIDES was accredited for the delegated management of the EU’s development co-operation budget in 2015.

11. Spain’s autonomous communities are responsible for their own development co-operation activities. In 2018 and 2019, decentralised co-operation represented on average 12% of Spain’s total ODA.

12. Given its diverse system, Spain has set-up two co-ordinating bodies and one consultative one. The Inter-ministerial Commission for Development Co-operation is responsible for co-ordination within the general state administration, while the Inter-territorial Commission for Development Co-operation co-ordinates public authorities, including autonomous communities and local entities. The Development Co-operation Council is responsible for multi-stakeholder consultations.

13. Spain is present in partner countries and territories through its networks of embassies and AECID’s 31 technical co-operation offices, 13 cultural centres and 4 training centres. Technical co-operation offices are accountable both to Spain and partner countries and territories. They draft the MAPs and have authority to approve budgets up to EUR 15 000 with all procurements managed by headquarters.

14. The MAUC reports annually on Spain’s overall development co-operation to parliament and the public. The info@od website communicates financial flows from all official Spanish actors. It is currently being revised to include more qualitative information on activities and development results (MAUC, n.d.[5]).

Stakeholder consultation and participation

15. The Vth Master Plan values the role of a variety of stakeholders and Spain engages actively with partner governments, multilateral organisations, civil society, businesses and research institutions on both strategic and operational levels. Master plans are drafted through close co-ordination between ministries in charge of development co-operation, and with Spain’s key partners. They are also discussed in the Development Co-operation Council (though the latest master plan was discussed but not approved by the council). MAPs are drafted after an intensive consultation process both in Spain and in partner countries and territories with ministries, autonomous communities, CSOs, development partners and private sector representatives.

16. Spain is in the process of drafting a multilateral support strategy and a strategy on CSO engagement. There is not yet a strategy for private sector engagement.

Human resources, capabilities and skills

17. Spain has a dual human resource system, with staff in Spain mostly civil servants who rotate across ministries and agencies, while those working abroad are mainly contracted staff (Table 2). Local staff cannot hold project or programme management positions. There is no strategic workforce plan to
develop, retain or attract appropriate personnel. The total number of staff has been decreasing and about 25% of positions are vacant.

18. Management has a structured dialogue with staff unions in headquarters and AECID has set up a working group, “the Agency we want”, to inform the reform of the agency. The group includes representatives of staff in the technical co-operation offices. Local staff are not represented in consultation structures.

19. AECID is undertaking an in-depth review of its human resources framework to optimise staff capacity and improve the professional development of staff. It is also currently drafting an Equality Plan.

20. Staff have access to training, including on results-based management. Training is also made available to locally engaged staff. There is no specific training available for staff posted to fragile contexts.

Table 2. Breakdown of staff numbers in Spain’s development co-operation in 2020

<table>
<thead>
<tr>
<th>Institution</th>
<th>Spain</th>
<th>Abroad</th>
<th>Sub-total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AECID</td>
<td>440</td>
<td>127</td>
<td>325</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs - SECI</td>
<td>19</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs - DGPOLDES</td>
<td>27</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>FIIAPP</td>
<td>180</td>
<td>70</td>
<td>250</td>
</tr>
<tr>
<td>Fundación Carolina</td>
<td>22</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1210</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * Locally engaged staff are support staff and are not responsible for project or programme management. This table does not include vacant positions. As of November 2021, 154 positions were vacant in AECID, 8 in SECI and 9 in DGPOLDES. AECID: Spanish Agency for International Development Co-operation; DGPOLDES - General Directorate for Sustainable Development Policies; FIIAPP: International and Ibero-American Foundation for Administration and Public Policies; SECI - Secretariat of State for International Cooperation.

Financing for sustainable development

**ODA volume and allocations**

21. In 2020, Spain provided USD 3 billion in ODA, representing 0.23% of its GNI; it therefore has not met its national commitment to achieve a 0.4% ODA/GNI ratio by 2020. Spain’s latest ODA statistics and approach to development finance are compiled and analysed in greater detail in its OECD Development Co-operation Profile (OECD, 2021[5]).

22. In 2019, bilateral ODA accounted for 36.2% of total gross ODA. Overall, Spain’s bilateral ODA allocations reflect its priorities. In 2019, least-developed countries (LDCs) received 12.4% of its gross bilateral ODA (USD 133.7 million). Although below the DAC average, this is consistent with the fact that LDCs account for only 7 of the 21 priority partner countries or territories (Table 1).

23. In 2019, country programmable aid was 20.6% of Spain’s gross bilateral ODA, compared to a DAC country average of 48.0%. Spain provided 1% of its country programmable aid disbursements as general or sector budget support to partner country governments in 2019; the majority (62%) of its bilateral ODA was a mix of technical and financial co-operation via project-type interventions, while 25% went to pooled funds and programmes.

24. The majority of Spain’s gross ODA (63.8%) was multilateral ODA in 2019, provided as core support, and mainly allocated to EU institutions. The overwhelming majority (94%) of Spain’s multilateral contributions in 2019 were core funding; the remaining 6% were almost all softly earmarked contributions to pooled funds and programmes.
25. Spain implements the DAC Recommendation on Terms of Conditions of Aid [OECD/LEGAL/5006]: it had a grant element of all bilateral commitments of 98.3% in 2019, well above the DAC average of 93.4%, and a 100% grant element of ODA to LDCs.

26. Spain still has to work towards implementing the DAC Recommendation on Untying ODA [OECD/LEGAL/5015]: 17.5% of bilateral ODA covered by the recommendation was tied in 2019, compared to 1.8% in 2018. Aid that was de jure tied in 2019 was mainly implemented by Spanish NGOs for vocational training, reproductive health, human rights, and water and sanitation projects (average project size of USD 82 000) or tied to Spanish language programmes in cultural centres and libraries (average project size USD 41 000).

27. Spain’s DAC and Creditor Reporting System (CRS) reporting in 2020 on 2019 flows was only rated as “fair” due to inconsistencies with the initial data submission and the fact that the data quality of some categories needs improvement (e.g. types of aid, loan terms and grant equivalent amounts, arrears) (OECD, 2021[7]).

**Approach to financing sustainable development**

28. Spain is a flexible partner able to adapt well to different contexts. It is re-building its strategic partnerships after a decade of budget cuts that have made predictable partnerships challenging.

- Spain still has some way to go to implement its UN Funding Compact commitments, adopted in 2019, in terms of increasing core funding and making multi-year commitments to its UN partners. Voluntary funding to multilateral entities had benefited from large ODA increases prior to the budget cuts, but they were some of the first partnerships to suffer from budget cuts that started in 2009 and deepened in 2012.
- Monitoring data for the 2018 Global Partnership for Effective Development Co-operation showed that 57% of ODA surveyed was channelled through national systems and 85% was recorded on national budgets.
- Spain provides project support to CSOs (between EUR 30 000 and 300 000 per project) in those countries and territories with which it has signed MAPs. Longer-term support is provided to pre-certified CSOs in the form of a “convenio”, which offers predictable partnerships for at least a four-year period and up to EUR 2.5 million.

29. Spain continues to seek tax exemptions on its ODA-funded goods and services in partner countries and territories. The government is in the process of analysing the different practices on tax exemptions internally, taking into account the evolution of the EU position on the issue.

30. Spain is a strong advocate and user of total official support for sustainable development (TOSSD), the international standard for measuring the full array of resources (not just ODA) being used to support the 2030 Agenda. Spain’s annual report on total support for sustainable development in 2019 presented both ODA and TOSSD data (MAUC, 2021[8]). The TOSSD approach is also being incorporated into bilateral planning in country partnership frameworks.

31. AECID’s Development Promotion Fund (FONPRODE) extends debt instruments (loans, credit and credit lines) to national, regional and local authorities and local financial entities, as well as equities in the form of shares in collective investment companies (Figure 1).
Incentivising additional development finance

32. The new law on international co-operation is expected to outline a new framework for collaboration with the private sector. This includes encouraging Spanish private sector companies to deliver on the 2030 Agenda in areas such as digitalisation.

33. Today, FONPRODE mainly invests in collective investment vehicles (funds) and credit lines to local finance institutions (second-floor banking) to foster the development of small and medium-sized enterprises and mobilise additional finance for development. In 2019, FONPRODE mobilised USD 19.6 million from the private sector.

34. COFIDES is the financial adviser to FONPRODE, and it also provides loans to private Spanish companies from its own resources. Bilateral loans have included investing in companies constructing auto parts in Mexico, investing in the acquisition of an additional percentage of subordinated debt in a company in Colombia, and making photovoltaic panels in Kenya. COFIDES also provides equity. It mobilised USD 43 million from the private sector in 2019.

35. AECID, COFIDES and the European Union have pooled public resources in order to attract private investor equity for a blending scheme to support smallholder agriculture (the Huruma Fund; see Box 4 of the 2021 Peer Review of Spain report).

Finance with a focus on the humanitarian-development-peace nexus

36. Spain’s focus on fragile contexts is reflected in its ODA allocations to these contexts, which increased from 7.6% in 2016 to 46.0% in 2019 (USD 329.6 million). In particular, the share of peace-related ODA increased to 10.7% in 2019, and since 2018 has surpassed the humanitarian share of 6.4%. This is line with the DAC Recommendation on the Humanitarian-Development-Peace Nexus [OECD/LEGAL/5019], which emphasises the principle of prevention always, development whenever possible, humanitarian only when necessary.
**Management systems**

Table 3. Spain's central management systems

<table>
<thead>
<tr>
<th>Systems are in place to assure the quality of development co-operation, including:</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Alignment and ownership</td>
<td>▲ Local presence and bilateral frameworks help ensure alignment to local context.</td>
</tr>
<tr>
<td>• Audit</td>
<td>▲ Strong internal and external audit function  ● Focus on ex-ante control and budgetary considerations</td>
</tr>
<tr>
<td>• Mainstreaming cross-cutting issues</td>
<td>▲ Integrated vision of poverty and inequality through a human-rights based approach and reflected in the strategy for cultural diversity  ▲ Strong political commitment to gender applied through mainstreamed and targeted activities across country programmes  ● Decreasing focus on environment and climate change as reported to DAC; more focus on climate change adaptation than mitigation</td>
</tr>
<tr>
<td>• Procurement, contracting, agreement making</td>
<td>● Focus on ex-ante control and administrative constraints puts administrative burden on staff and limits flexibility and efficiency as contexts evolve  ● Administratively burdensome rules and regulations impact the quality of partnerships</td>
</tr>
</tbody>
</table>

**Adequate and relevant systems and processes to assess and adapt to risks including:**

<table>
<thead>
<tr>
<th>Systems are in place to assure the quality of development co-operation, including:</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strategic, reputational, programming, security</td>
<td>▲ Risks systematically assessed at country level and partner level with a focus on institutional strengthening  ▲ Risk and country assessments are informed by a broad range of sources, including local and Spanish think tanks</td>
</tr>
<tr>
<td>• Corruption</td>
<td>▲ Managing the risk of corruption is embedded in AECID and FIIAPP’s codes of conduct (including anti-money laundering, conflict of interests, etc.)  ● Ad hoc risk management and lack of guidance from headquarters on how to translate risk assessments into programming and develop mitigation measures  ● Reporting system developed at headquarters but lack of knowledge of this system at country level, and past responses to corruption cases limit incentives to report  ● Potential for enhancing knowledge sharing on the management of corruption risks among Spanish actors</td>
</tr>
<tr>
<td>• Sexual exploitation, abuse and harassment</td>
<td>▲ Recommendation published, disseminated and integrated in the code of conduct or code of ethics of both AECID and FIIAPP</td>
</tr>
</tbody>
</table>
### Innovation and adaptation

- The leadership and internal system promote a culture of experimentation and adaptability to changes in the development landscape
  - Partners value Spain’s willingness to respond to needs and adapt, but administrative processes limit flexibility
  - Ability to forge partnerships with others, especially with the European Union, when Spain cannot deliver alone
- Capabilities exist to introduce, encourage, measure and scale up innovation in development co-operation
  - Work underway to mobilise AECID’s regional training centres as innovation hubs and engage local actors in identifying needs and designing and testing innovative solutions

### Results, evaluation, knowledge management and learning

- Managing for sustainable development results
  - There is a corporate results framework aligned to the SDGs and shared results framework at the country level
  - Efforts are made to communicate outputs aligned to the SDGs across Spain’s systems, but no shared indicators
  - Focus more on the project level, with results information primarily used for accountability and performance of individual programmes. An initiative to strengthen systematic results reporting at all levels was launched in 2020
  - Annual reviews of the MAP will report on progress against development results and intermediate results, but no system in place to analyse data collected or share lessons across countries
- Evaluation
  - Public evaluation policy and evaluation plans covering all of Spain’s official development co-operation exist.
  - The evaluation unit has the mandate to evaluate all Spain’s central development co-operation
  - The independent evaluation unit does not have its own budget but independence from policy and programming is assured through direct reporting lines to the head of SECI
  - In practice, the number of strategic evaluations is limited beyond evaluations of MAPs and evaluation of the Master Plan
  - No follow-up of management responses
- Knowledge management and learning
  - No institutionalised approach to knowledge management and limited tools to generate and share internal insights
  - Efforts to build a shared vision for learning through the inter-institutional Committee for the Co-ordination and Monitoring of the Transparency, Communication and Knowledge Management Programme
- Partner country capacity
  - All MAPs evaluations are conducted together with the partner country or territory
  - FIIAPP supports partners in designing and evaluating their own public policies

Note: ▲ Green triangles denote good practice; ● orange circles point to areas where progress is being made but more could be done.

Source: The table was developed by the OECD Secretariat following the OECD DAC Peer Review of Spain.
References


