

Update on national/bilateral ODA: France, Germany, Italy, Netherlands, Norway, Sweden, Switzerland and United Kingdom

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1. KEY MESSAGES

- Geographic priority for most countries is **Sub-Saharan Africa**, with Asian countries being top recipients for some donors (e.g. India, China for Germany and Nepal, Myanmar for Switzerland)
- **Climate change**, supporting **green growth** (with a special focus on Asia) and tackling the root causes of **migration** (including food security) are topics of major interest, with climate being priority for Norway, Sweden, France, UK and migration for Germany, Italy, Netherlands

2. OVERVIEW





ODA 2017 ODA 1960-17 Trends



Australia	Finland	Japan	Norway	Switzerland
Austria	France	Kazakhstan	Poland	Turkey
Belgium	Germany	Korea	Portugal	United Arab Emirates
Bulgaria	Greece	Kuwait	Romania	United Kingdom
Canada	Hungary	Lithuania	Slovak Republic	United States
Czech Republic	Iceland	Luxembourg	Slovenia	EU Institutions
Denmark	Ireland	Netherlands	Spain	DAC total
Estonia	Italy	New Zealand	Sweden	

Official Development Assistance 2017 – Preliminary Data ODA 2017 ODA 1960-17 Trends



AustriaFranceKazakhstanPolandTurkeyBelgiumGermanyKoreaPortugalUnited Arab EmiratesBulgariaGreeceKuwaitRomaniaUnited KingdomCanadaHungaryLithuaniaSlovak RepublicUnited StatesCzech RepublicIcelandLuxembourgSloveniaEU InstitutionsDenmarkIrelandNetherlandsSpainDAC totalEstoniaItalyNew ZealandSwedenItaly	Australia	Finland	Japan	Norway	Switzerland
Bulgaria Greece Kuwait Romania United Kingdom Canada Hungary Lithuania Slovak Republic United States Czech Republic Iceland Luxembourg Slovenia EU Institutions Denmark Ireland Netherlands Spain DAC total	Austria	France	Kazakhstan	Poland	Turkey
Canada Hungary Lithuania Slovak Republic United States Czech Republic Iceland Luxembourg Slovenia EU Institutions Denmark Ireland Netherlands Spain DAC total	Belgium	Germany	Korea	Portugal	United Arab Emirates
Czech Republic Iceland Luxembourg Slovenia EU Institutions Denmark Ireland Netherlands Spain DAC total	Bulgaria	Greece	Kuwait	Romania	United Kingdom
Denmark Ireland Netherlands Spain DAC total	Canada	Hungary	Lithuania	Slovak Republic	United States
	Czech Republic	Iceland	Luxembourg	Slovenia	EU Institutions
Estonia Italy New Zealand Sweden	Denmark	Ireland	Netherlands	Spain	DAC total
	Estonia	Italy	New Zealand	Sweden	

Figure 1 ODA trends for the eight countries included in this report



Figure 2 European development aid is spread across all developing world regions. Conflict and fragile states receive high volumes of aid including Syria and Afghanistan.



European Development Aid By Region (ODA 2016 US\$ millions)

Figure 3 Sub-Saharan Africa, Middle East and South & Central Asia are the regions which receive the highest volumes of European development aid.





Source: OECD, 'Query Wizard for International Development Statistics', Accessed July 2018,

Figure 4 Germany, UK, France, Netherlands, Sweden, Spain and Italy account for the majority of European development aid. The sectors receiving the most development aid include education, economic infrastructure, health, water and humanitarian aid.



Figure 5 Conflict, peace & security and humanitarian aid are sectors that receive significant volumes of European development aid, at ~US\$1 billion and US\$2.54 billion respectively.



Figure 6 The development sector priorities of the European states can be identified by their development aid spend.

Overall, the main ODA recipient is Africa. Here follows an overview of ODA to Africa distribution by sector and by recipient country.

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Main sources of information for the summary provided in this report are:

- the <u>OECD website</u>, with its databases and reports (including <u>Africa development aid</u> <u>at a glance 2018</u> and <u>Development cooperation report 2018</u>)
- the <u>Donor Tracker</u> website (a free, independent, up-to-date analysis of 14 major OECD donors, funded by the Bill & Melinda Gates Foundation and produced by <u>SEEK Development</u>, a consulting group based in Berlin)
- national development actors websites
- national policy/strategy documents.

Note that the summary for France and Germany has been written at the end of 2017 hence some contents might be outdated.

3. FRANCE

1.1 OECD most recent ODA overview



Figure 7 Extracted from "ODA preliminary data 2016 – Press Release" (11/04/2017)

In 2016, France provided USD 9.5 billion in net ODA (preliminary data), which represented 0.38% of gross national income (GNI) and a 4.6% increase in real terms from 2015, due to an increase in bilateral lending. France is committed, at European level, to collectively achieve a 0.7% ODA/GNI ratio by 2030.



Figure 8 Extracted from the interactive summary charts for total DAC, DAC and non-DAC members

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2018 update on national/bilateral ODA: Italy, Netherlands, Norway, Sweden, Switzerland and United Kingdom Issue Date 25/07/2018 Ref European Space Agency Agence spatiale européenne **In 2015, 62.1% of ODA was provided bilaterally.** France allocated 37.9% of total ODA as core contributions to multilateral organisations, compared with the DAC country average of 26.2%. In addition, it channelled 1.7% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core).

In 2015, 67.6% of French gross bilateral ODA was programmed with partner

countries. France's share of country programmable aid was higher than the DAC country average (48.8%) in 2015. Project-type interventions made up 80.9% of this aid.

In 2015, USD 198.2 million of bilateral ODA was channelled to and through civil society organisations (CSOs). France's ODA to and through CSOs decreased between 2014 and 2015 in terms of volume (-13%), and as a share of bilateral aid. This share (2.9% in 2015) was lower than the DAC country average of 16.9%.

In 2015, bilateral ODA primarily focused on sub-Saharan Africa, South America and North Africa. In 2015, France allocated USD 2.4 billion to sub-Saharan Africa, USD 954.3 million to South America and USD 748.7 million to North Africa.



Note: 13% of bilateral ODA allocated was unspecified by region in 2014-15. This share is not represented on the map.
StatLink map http://dx.doi.org/10.1787/888933480600

In 2015, 31.1% of France's bilateral ODA was committed to social infrastructure and services, amounting to USD 2.7 billion, with a strong focus on education (USD 1.2 billion) and water and sanitation (USD 826.8 million). USD 2.2 billion (25.3% of bilateral ODA) was allocated to economic infrastructure and services, mainly to energy generation and supply (USD 1.6 billion) and transport and storage (USD 399.2 million). Humanitarian aid amounted to USD 36 million.

Figure 16.9. Share of bilateral ODA by sector, 2014-15 average, commitments, France



USD 4.2 billion of bilateral ODA supported the environment in 2015. France has taken positive steps to integrate the environment and climate change into its development co-operation (OECD, 2014). This is reflected in its upward funding trend in recent years in bilateral ODA supporting the environment. In 2015, 60.5% of French bilateral allocable aid supported the environment and 48.3% (USD 3.3 billion) focused on climate change, compared with the respective DAC country averages of 33.2% and 26.2%.

Note that "Other environmental aid" includes biodiversity, desertification and the local environment.



Figure 16.11. Bilateral allocable ODA in support of global and local environment objectives, two year averages, commitments, France

Figure 9 Most of this section's contents is extracted from the "<u>Development co-operation report 2017</u>" ©OECD 2017

1.2 Key players and their mandates

The **Interministerial Committee for International Cooperation and Development** (CICID) sets the trends for France's policy of international cooperation and development assistance. The CICID co-secretariat is a flexible and operational structure which monitors the implementation of CICID decisions and the progress of development assistance policy. The cosecretariat meetings take place more regularly than those of the CICID, under the alternating chairmanship of the Ministry of Foreign Affairs and the Ministry of the Economy and Finance. The French Agency for Development (AFD), upon invitation from the chairs, attends the meetings. **AFD** (85 field offices, currently finances, monitors, and assists more than 2,500 development projects in 108 countries, about 80% of all funded projects) is the financial institution that implements the policy defined by the French Government. It was granted a *financing company* (previously credit institution) status by the European Central Bank on 30 June 2017.



The **French Facility for Global Environment** (FFEM) is a French public bilateral fund whose mission is to protect the global environment in developing countries. Its intervention strategy is steered by a Committee gathering 5 ministries and AFD, responsible for its administrative and financial management. The FFEM's mission is to encourage developing countries to implement strategies and projects of sustainable development in the 6 following areas:

- biodiversity
- climate change
- international waters
- land degradation, including desertification and deforestation
- persistent organic pollutants (POPs)
- ozone layer.

<u>Proparco</u> is the private sector financing arm of AFD, financing and supporting projects led by companies and financial institutions in developing and emerging countries. It assists its clients in

managing the impacts of their activity on society and rural areas and, more generally, in improving their environmental practices (reducing greenhouse gas emissions, renewable energy development), social practices (improving working conditions, fight against discriminations...) and governance (fight against corruption, transparency of information...). Proparco earmarks 30% of its operations for projects that contribute to the fight against climate change – mainly via the development of renewable energies and energy efficiency. There are five priority areas:

- renewable energy: solar, wind and hydro power: key resources for a global energy transition
- energy efficiency in manufacturing: opportunities to save energy and reduce industry's carbon footprint
- power access: off-grid offers innovative, clean and affordable solutions
- sustainable transport: for efficient, eco-friendly transport networks
- water supply and sanitation; private operators partners for cost-efficient water services.

Finally, national public research institutions focused on international development are: <u>IRD</u> (French National Research Institute for Sustainable Development) and <u>CIRAD</u> (French Agricultural Research Centre for International Development).

1.3 Planning and priorities

France's key development priorities:

- Climate change: Increase in annual funding to combat climate change in developing countries from €3 billion to €5 billion by 2020; €1-billion pledge to the Green Climate Fund for 2015 to 2018; €2 billion for renewable energies in Africa between 2016 and 2020.
- **Peace and stability**: Increasing focus on development programs that promote peace and stability to fight terrorism; focus is on the Sahel region.
- **Health**: Strong support to multilateral organizations, particularly the Global Fund to Fight AIDS, Tuberculosis and Malaria, and UNITAID.

At the recent <u>One Planet Summit</u> (following up Paris COP21 commitments), AFD signed agreements with a clutch of African states including Niger and Tunisia to help them in their fight against climate change, including countering the effects of erosion. Under the agreements, 30 million euros will be set aside for 15 developing counties over four years.

France has 4 priority partnerships:

- 1. Focus on solidarity grants in 16 **PPPs (priority countries suffering from poverty):** Benin, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Ghana, Guinea, Madagascar, Mali, Mauritania, Niger, Senegal, Togo.
- 2. Full range of instruments (donations, budgetary aid, loans, etc.) in **Sub-Saharan African** countries, for **at least 85%** of national financial efforts for development.
- 3. Ad-hoc, mainly grant, approach for countries experiencing crises, not in the PPP list.
- 4. Promote green and inclusive growth and encourage economic partnerships in the rest of the high-growth, middle income countries world (particularly Asia, Latin America and the Caribbean).

2 GERMANY

2.1 OECD most recent ODA overview



Figure 10 Extracted from "ODA preliminary data 2016 – Press Release" (11/04/2017)

In 2016, Germany provided USD 24.7 billion in net ODA (preliminary data). This

represented 0.70% of gross national income (GNI) and a 36.1% increase in real terms from 2015, due to the overall scaling up of its aid programme and doubling of in-donor refugee costs. In 2016 Germany's ODA hit a record high and reached the 0.7% ODA/GNI target for the first time. It is just one of six DAC members to do so.



Figure 11 Extracted from the interactive summary charts for total DAC, DAC and non-DAC members

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2018 update on national/bilateral ODA: Italy, Netherlands, Norway, Sweden, Switzerland and United Kingdom Issue Date 25/07/2018 Ref European Space Agency Agence spatiale européenne **In 2015, 80.6% of ODA was provided bilaterally.** Germany allocated 19.4% of total ODA as core contributions to multilateral organisations, compared with the DAC country average of 26.2%. In addition, it channelled 6.8% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

In 2015, 48.2% of bilateral ODA was programmed with partner countries. Germany's share of country programmable aid was below the DAC country average (48.8%) in 2015 and project-type interventions accounted for 79% of this aid.

In 2015, USD 1.1 billion of bilateral ODA was channelled to and through civil society organisations (CSOs), corresponding to 6.6% of bilateral aid, compared with the DAC country average of 16.9%. Between 2014 and 2015, ODA through CSOs increased in terms of volume (+4%), but decreased as a share of bilateral ODA (it was 8.2% in 2014).

In 2015, Germany's bilateral ODA had a broad geographical coverage. USD 2.1 billion was allocated to south and central Asia and USD 2 billion was allocated to sub-Saharan Africa.



Note: 27% of bilateral ODA allocated was unspecified by region in 2014-15. This share is not represented on the map.
StatLink Mage http://dx.doi.org/10.1787/888933480717

In 2015, 30.1% of Germany's bilateral ODA was allocated to social infrastructure and services, amounting to USD 5.3 billion, with a strong focus on education (USD 2 billion) and government and civil society (USD 1.6 billion). USD 4.6 billion was allocated to economic infrastructure and services, with a focus on energy generation and supply (USD 2.2 billion) and banking and financial services (USD 1.4 billion). USD 810.3 million was allocated to humanitarian aid.



USD 6.4 billion of bilateral ODA supported the environment in 2015. Climate change is well embedded in the development co-operation programme along with the environment and

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natural resource issues (OECD, 2015). Germany helps partner countries to identify the causes of environmental and climate risks, strengthen their governance structures and policies, and develop regional co-operation. Capacity building and technology transfer are key components of Germany's support (ibid.). In 2015, the share of German bilateral allocable aid focusing on the environment reached 48.9%, compared to the DAC country average of 33.2%. Germany's financial commitment to climate change-related activities has decreased since 2014, when the share was 46.9%. Its share of bilateral allocable aid to climate-related aid reached 39.9% in 2015 (USD 5.2 billion), compared to the DAC country average of 26.2%.

Figure 17.11. Bilateral allocable ODA in support of global and local environment objectives, two year averages, commitments, Germany



Figure 12 Most of this section's contents is extracted from the "<u>Development co-operation report 2017</u>" ©OECD 2017

2.2 Key players and their mandates

Under the cabinet leadership of the Chancellor, the <u>Federal Ministry for Economic</u> <u>Cooperation and Development</u> (BMZ) is the governmental entity in charge of planning and programming German development cooperation, cooperating with civil society and the private sector, cooperating with partner countries and with multilateral organisations, and carrying out development information and education work.

Germany's two major state-owned development agencies, GIZ and KfW, play a key role in Germany's policy development, priority setting, and implementation. Both operate under the political supervision of BMZ:

• **GIZ** plans and executes Germany's technical cooperation with partner countries. GIZ's turnover in 2015 was €2.1 billion (US\$2.4 billion), of which 79% was generated through work commissioned by BMZ. GIZ also provides services to BMZ through its so-called 'Sector Initiatives' that cover BMZ's focus areas. GIZ's staff count of 17,319 (in 2015) is almost 17 times that of BMZ. Almost one-third (5,370) of GIZ employees work in the headquarters in Bonn and Eschborn or in GIZ offices in Berlin and Brussels; the remaining two thirds

(11,949) is made up of local staff in 90 offices across partner countries.

• **KfW Development Bank** leads Germany's financial cooperation. In 2015, KfW committed a total of €6.7 billion (US\$7.4 billion) through grants and loans for projects and programs in more than 100 countries. This amount includes funds raised on capital markets (€4.3 billion or US\$4.8 billion in 2015) using its own resources. KfW plays a key role in managing bilateral initiatives on the financing side. For example, it has channeled Germany's earmarked contributions to Gavi since 2011. In 2015, KfW's private sector arm, the German Investment and Development Corporation (DEG), committed €1.1 billion (US\$1.2 billion) to private-sector development in low-income countries (LICs) and middle-income countries (MICs). In 2015, KfW's overall staff count stood at 5,966, with offices in 70 countries.



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2018 update on national/bilateral ODA: Italy, Netherlands, Norway, Sweden, Switzerland and United Kingdom Issue Date 25/07/2018 Ref European Space Agency Agence spatiale européenne **Parliament:** The role of the German parliament (Bundestag) is to scrutinize development policymaking, resource allocation, and implementation, mainly through its Committee on Economic Cooperation and Development (AWZ). The Budget Committee leads the discussion of BMZ's budget and decides on it.

Civil Society: Civil society regularly interacts in a number of ways with Government and Parliament, e.g., via petitions and conferences. About 120 development-related civil society organizations (CSOs) coordinate their activities through the Association of German Development NGOs (VENRO). Another important association is the <u>German Forum on Environment and</u> <u>Development</u>, which coordinates advocacy work for sustainable development and humanitarian aid. CSOs are frequently invited to parliamentary hearings and government consultations. Many CSOs implement their own in-country programs and are funded by the German government (mainly BMZ and the Federal Foreign Office).

2.3 Planning and priorities

Germany's 2013-2017 key development priorities:

- **Flight and Migration:** Through special initiative 'Tackeling root causes of displacement, stabilizing host regions, supporting refugees" BMZ spent about €3 billion on this area in 2016, with geographic focus: Syria/Middle East, North Africa, Horn of Africa, Nigeria, Balkans/Ukraine
- Climate change/renewable energy: Pledge of €750 million to the Green Climate Fund (2015-18)
- Agriculture and food security: Investments of over €1 billion per year by 2015, key instrument: Special Initiative 'One World No Hunger'

During its current G20 presidency, Germany is demonstrating strong leadership on global health (similar to its G7 presidency in 2015), including it for the first time into the G20 agenda.

Germany places within G20 an increased geographic focus on Africa. The 'Marshall Plan with Africa' also focuses on stimulating investments in Africa and supporting countries implementing good governance reforms.

Future perspectives:

- Germany plans to increase ODA by a total of €8.3 billion (US\$9.2 billion) between 2016 and 2019. The 2017 BMZ budget already included an increase of €1.1 billion (US\$1.2 billion). ODA will continue to increase in 2018 and 2019.
- From 2017, costs for hosting refugees in Germany are expected to decrease, meaning that Germany's ODA as a share of GNI will likely return to below the 0.7% target. This means that increased efforts will be required to maintain current ODA level.
- Displacement and migration will remain key focus areas and may become more important with a stronger focus on the Middle East (in particular Syria and its neighbouring countries), North Africa, Horn of Africa, Nigeria, and the Balkans/Ukraine.
- Agriculture and nutrition security, as well as climate change, are likely to remain key priorities in coming years.

4. **I**ITALY

4.1. OECD most recent ODA overview

In 2017, Italy provided USD 5.7 billion in net ODA (preliminary data), which represented 0.29% of gross national income (GNI) and a 10.2% increase in real terms from 2016 due to increased in-donor refugee costs as well as a rise in its bilateral grants for developing countries. In line with Italy's commitment to scale up its aid, official development assistance (ODA) has increased both in terms of volume and as a percentage of GNI over the last three years and it is set to achieve 0.3% of GNI by 2020. At the same time, Italy, like other EU member countries, committed in 2015 to provide 0.7% of GNI as ODA by 2030.

In 2017, in-donor refugee costs were USD 1.8 billion and represented 31.4% of Italy's total net ODA, compared to 32.7% in 2016.



In 2016, 48.3% of ODA was provided bilaterally. Italy allocated 51.7% of total ODA as core contributions to multilateral organisations. In addition, it channelled 10.1% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

In 2016, bilateral ODA mainly focused on sub-Saharan Africa and the Middle East. USD 312.8 million was allocated to sub-Saharan Africa and USD 110.7 million to the Middle East.

														Gross bil	lateral O	JA, 2015	-2016 a	verage, u	unless ot	herwise	show
Net ODA				By Income Group	(USD i	nillion)															
	2015	2016	Change 2015/16 %	LDCs			305 (1	13,9%)													
Current (USD m)	4.003,4	5.087,4	27,1	2000				-,-,,													
Constant (2015 USD m)	4.003,4	5.042,1	25,9	Other Low-Income	14 (0,7%)																
National Currency * (million)	3.609,0	4.600,5	27,5																		
DDA/GNI (%)	0,22	0,27		Lower Middle-Income		153 (7,0	<i>)%)</i>														
Bilateral share (%)	46	48		Upper Middle-Income		186	(8,5%)														
Euro				opper middle-moonle		100	0,070												_		
op Ten Recipients of G	ross ODA (USD i	million)		Unallocated															1.52	8 (69,9%	5)
1 Afghanistan			67		100	200	300	400	500	600	700	800	900	1000	1100	1200	1300 1	1400 1	1500 1	600 1	700
2 Guinea-Bissau			51																		
3 Turkey			36	By Region (USD	million)															
Iraq			36	South of Sahara			267 (12	2,2%)													
Ethiopia			35	South and Central Asia		120 (5,55	6)														
6 Pakistan			28	oodan and oontaal Asia		120 (0,0)	.,														
Tunisia			28	Other Asia and Oceania	11 (0,5%	i)															
West Bank and Gaza Strip			26	Middle East and North Africa		18	9 (8,6%)														
e Egypt			25				0 (0,070)														
10 Lebanon			22	Latin America and Carribean	41 (1	9%)															
lemo: Share of gross bi	ateral ODA			Europe	73	(3,3%)															
Fop 5 recipients			10%																4.40	5 (68,0%)	
Top 10 recipients			16%	Unspecified															1.48	5 (68,0%))
Top 20 recipients			22%		0 10	200	300	400	500	600	700	800	900	1000	1100	1200	1300	1400	1500	1600	17
y Sector (commitment	s)																				
(8,2%) (8,5	9%) (2,7%) <mark>(</mark> 3	. 1%) (4,4%)	(6,4	%)							(63,7	7%)									
% 10%	20%		30%	40%		50%			60%			70%			80%			909	6		10
	 .								_												
Education, Health Other S	Social Infras 📕 Econo	mic Infrastru	Production	Multisector P	ogramme	assist	Debt Relie	ef	H	umanitaria	an Aid	Uns	pecified								

In 2016, 14.6%, or USD 372.9 million, of bilateral ODA was allocated to social infrastructure and services, with a strong focus on education (USD 99.2 million) and government and civil society (USD 86.3 million). Humanitarian aid amounted to USD 191 million. In 2016, Italy committed USD 75.8 million (10.9% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.





StatLink and http://dx.doi.org/10.1787/888933794343



USD 235.3 million of bilateral ODA supported the environment in 2016. In 2016, 33.8% of Italian bilateral allocable aid supported the environment and 11.9% (USD 82.6 million) focused particularly on climate change, compared with respective DAC country averages of 33% and 25.7%.

4.2. Key players and their mandates

The <u>2014 law on cooperation</u> profoundly restructured Italy's development cooperation system by strongly aligning development policy with foreign affairs. Within government, two ministries are involved in development cooperation.

The **Ministry of Foreign Affairs and International Cooperation (MAECI)** is responsible for defining the strategic direction of development policy. Within the MAECI, the Deputy Minister of Foreign Affairs manages development policy. He supervises the MAECI's Directorate General for Development Cooperation (DGCS) and the work of the Italian Agency for Development Cooperation (AICS), as well as Italy's new development bank. The DGCS is in charge of defining the strategic direction of development programs.

The **Ministry of Economy and Finance (MEF)** is also a key player. It has control (jointly with the MAECI) over relations with and contributions to development banks and funds, and collaborates with the MAECI on the ODA budget.

MAECI and MEF are also members of the **Interministerial Committee for Development Cooperation (CICS)**, established in 2014 as part of the reform. The CICS usually meets twice a year to approve the three-year Programming Guidelines for Italian Development Cooperation and the overall ODA budget.

The Joint Development Cooperation Committee (Comitato Congiunto) decides on operational issues, including on funding for projects over €2 million (US\$2.2 million). It is chaired by the MAECI and composed of the heads of MAECI's DGCS and the development agency AICS.

The **Italian Agency for Development Cooperation (AICS)** was set up in January 2016. It is in charge of developing, supervising, and directly implementing programs. The agency may only autonomously approve project funds of up to €2 million (US\$2.2 million).

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Its staff number is limited by law to 200. Italian civil society organizations (CSOs) are concerned that the human resource constraint could limit the agency's capacity to implement the planned increase in development programs.



In addition, the 2014 reform introduced the first Italian development finance institution as part of the **Bank of Deposits and Loans (CDP).** It finances development projects through private and public financing (primarily blending MAECI and MEF resources with EU funding), risk-sharing, and capital-risk instruments, and is meant to improve "access, control, and coordination of the financial activities of banks and multilateral funds". The CDP is supervised by the MAECI.

Civil society is involved in the policy-making process mainly through the **National Council for Development Cooperation (CNCS)**. It is a consultative body – introduced by the 2014 reform – which brings together 50 members of different backgrounds: private-sector organizations, CSOs, and public authorities. It expresses its views on the three-year programming guideline and other development issues. The CNCS currently divides its work into three groups ('Agenda 2030', 'private sector', and 'migration and development') that each meet every two months.

4.3. Planning and priorities

Strategic priorities of Italy's development cooperation are spelled out in the three-year Programming Guidelines and Directions for Italian Development Cooperation ('linee guida programmazione triennale'), developed by the Ministry of Foreign Affairs and International Cooperation (MAECI). The <u>2017-2019 Guidelines</u> cover 10 priority sectors, including humanitarian aid, migration, agriculture and food security, environment, energy, health, education, global citizenship education, culture and creative industry, and juvenile justice.

Italy's development priorities:

Migration: Tackling root causes of displacement (in particular food security and nutrition, health and women's empowerment), particularly from Africa, was a key priority of Italy's G7 presidency in 2017 and remains high on the agenda. The G7 leaders committed to increase ODA targeting in these sectors, particularly in sub-Saharan Africa, as well as to strengthen humanitarian assistance to famine-stricken areas. The Fund for Africa, established by Law 232 of 11 December 2016, allocates Euro 200 million for specific projects designed to relaunch dialogue and cooperation with those African countries of priority importance for the migration routes.

Agriculture, food security and nutrition: Italy has shown international leadership, e.g., through its G7 presidency in 2017. It maintains close relationships with the Romebased Food and Agriculture Organization (FAO), World Food Programme (WFP), and International Fund for Agricultural Development (IFAD). Italy channels more than half of its ODA through multilateral contributions (52% in 2016), with a particularly high share in the area of agriculture and rural development (71% of total agricultural ODA in 2016). Italy has confirmed its membership and financial contribution, participating via the Agency on the Board and in the work of the <u>Global Donor Platform for Rural Development</u>.

5. <u>NETHERLANDS</u>

5.1. OECD most recent ODA overview

In 2017, the Netherlands provided USD 5 billion in net ODA (preliminary data), which represented 0.60% of gross national income (GNI) and a decrease of 2.9% in real terms from 2016, mostly due to a fall in core contributions to multilateral organisations partially offset by an increase in in-donor refugee costs. In 2017, in-donor refugee costs were USD 835 million and represented 16.9% of the Netherlands' total net official development assistance (ODA), compared to 8.7% in 2016.

Official Development Assistance 2017 – Preliminary Data



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2018 update on national/bilateral ODA: Italy, Netherlands, Norway, Sweden, Switzerland and United Kingdom Issue Date 25/07/2018 Ref European Space Agency Agence spatiale européenne In 2016, 64.8% of ODA was provided bilaterally. The Netherlands allocated 35.2% of total ODA as core contributions to multilateral organisations. In addition, it channelled 23.7% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/noncore contributions).

The largest share of Dutch allocable bilateral ODA was directed towards sub-Saharan Africa. In 2016, USD 636.6 million was allocated to sub-Saharan Africa and USD 210.2 million to the Middle East, noting that 66% of Dutch bilateral ODA was unallocated by region.

In 2016, 47.4% of the Netherlands' bilateral ODA was allocated to social infrastructure and services, amounting to USD 1.6 billion, with a strong focus on support to government and civil society (USD 512.8 million), population and reproductive health (USD 482.6 million), and water and sanitation (USD 257.1 million). Humanitarian aid amounted to USD 323 million. In 2016, the Netherlands committed USD 496.2 million (19.3% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.







USD 605.7 million of Dutch bilateral ODA commitments supported environmental outcomes in 2016. This represented 23.5% of bilateral allocable aid, below the DAC country average of 33%. In 2016, 23.3% of bilateral allocable aid (USD 598.7 billion) focused on climate change, below the DAC country average of 25.7%.

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5.2. Key players and their mandates

The **Ministry of Foreign Affairs (MFA)** defines priorities for Dutch development policy. Minister for Foreign Trade and Development Cooperation (MFTDC) leads the MFA's work on development cooperation. Within the MFA, the **Directorate-General for International Cooperation (DGIS)** is responsible for designing and coordinating the implementation of development policy. Unlike many other donor countries, the Netherlands does not have an implementing agency. The Dutch embassies are in charge of strategic planning and the administration of bilateral programs.



The role of Parliament is to scrutinize development policy and budget allocations.

Dutch civil society organizations (CSOs) play an active role in Dutch development cooperation, mainly for strategic partnerships and advocacy. The development CSO umbrella association, Partos, represents over 100 organizations. Many CSOs implement their own programs in developing countries and are funded by the Dutch government and through private donations. In 2016, 26% of the country's bilateral ODA was channeled through CSOs.

5.3. Planning and priorities

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The most recent Foreign Trade and Development Cooperation (BHOS) policy document, released in May 2018, is <u>Investing in Global Prospects</u>.

The 17 Sustainable Development Goals (SDGs) for 2030, as agreed by the United Nations, are the international guiding principles for BHOS policy. Together they constitute the ultimate prevention agenda, in the sense that working towards them helps prevent conflict and instability, which is a key goal of the new policy.

The policy has three main goals (with a cross-cutting goal of gender equality and the empowerment of women and girls):

1. conflict prevention and poverty reduction

- a. Existing efforts in the fields of water, agriculture, sexual and reproductive health and rights (SRHR), climate change, the rule of law and private sector development will increasingly target the focus regions; spending in these regions will thus increase by at least one third.
- b. The Netherlands will set aside an additional €290 million for emergency aid and the humane reception and protection of refugees in the region of origin, while also intensifying its efforts in the field of humanitarian diplomacy.

2. sustainable, inclusive growth and climate action

- a. Additional funding is planned for international climate action, rising to €80 million annually, including €40 million for a new climate fund for investment in developing countries.
- b. The government will develop a digital strategy in order to take advantage of the opportunities offered by digital technology for sustainable and inclusive growth.

3. enhancing the Netherlands' international earning capacity.

The focus of development cooperation is shifting to conflict prevention and poverty reduction in the unstable regions of the Sahel, the Horn of Africa, the Middle East and North Africa (MENA), with a view to tackling the root causes of poverty, migration, terrorism and climate change. The Netherlands will continue its role in the Great Lakes region and two Asian countries (Afghanistan and Bangladesh). Beyond that, it will scale back its large country programmes.

6. 🗮 NORWAY

6.1. OECD most recent ODA overview

In 2017, Norway provided USD 4.1 billion in net ODA (preliminary data), which represented 0.99% of gross national income (GNI) and a 10% decrease in real terms from 2016, due to lower levels of reported in-donor refugee costs. Norway is one of only five Development Assistance Committee (DAC) members to have met the UN target of 0.7% and it has consistently maintained its level of development assistance, having spent about 1% of GNI on official development assistance (ODA) every year since 2009. In 2017, in-donor refugee costs were USD 150 million and represented 3.6% of Norway's total net ODA, compared to 18.3% in 2016. All of Norway's ODA was untied in 2016 (excluding administrative costs and in-donor refugee costs), while the DAC average was 81.2%. The grant element of total ODA was 100% in 2016.





In 2016, 78.9% of ODA was provided bilaterally. Norway allocated 21.1% of total ODA as core contributions to multilateral organisations. In addition, it channelled 28.2% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

Bilateral ODA primarily focused on sub-Saharan Africa and the Middle East. In 2016, USD 586.9 million was allocated to sub-Saharan Africa, USD 398.1 million to the Middle East, and USD 197.3 million to south and central Asia.

In 2016, 31% of bilateral ODA was allocated to social infrastructure and services, reaching USD 1.1 billion, with a strong focus on support to government and civil society (USD 555.5 million) and education (USD 318 million). Humanitarian aid amounted to USD 487 million. In 2016, Norway committed USD 9 million of ODA (0.4% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 330.5 million (13.6% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.



Figure 34.9. Share of gross bilateral ODA by sector, 2015-16, commitments, Norway







USD 635.5 million of bilateral ODA supported the environment. In 2016, 26.1% of its bilateral allocable aid focused on the environment and 21.1% (USD 513.7 million) focused specifically on climate change, compared with the respective DAC country averages of 33% and 25.7%.

6.2. Key players and their mandates

The **Ministry for Foreign Affairs (MFA)** is responsible for setting the strategic direction of Norway's development cooperation. The Minister of International Development, sitting within the MFA, is in charge of ODA policy.

The MFA and Norway's embassies administer the majority of development assistance. The MFA has more than 500 staff members working on development cooperation, half of whom are based in Norway's embassies overseas. Within the MFA, the Department for Regional Affairs manages bilateral development cooperation. The Department for Economic Relations and Development is in charge of development policies, climate and the environment, and multilateral development banks. The Department for UN and Humanitarian Affairs is responsible for multilateral cooperation with UN agencies, humanitarian affairs, and global initiatives. Other relevant ministries include the Ministry of Climate and Environment, which manages the budget for the Norwegian International Climate and Forest Initiative (NICFI), the Ministry of Justice, which manages budget lines

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for costs related to hosting refugees in Norway, partly reported as ODA, and the Ministry of Education and Research.



Norad, the Norwegian Agency for Development Cooperation, and Norfund, Norway's Development Finance Institution, play key roles in policy development, priority setting, and implementation. Both agencies operate under the supervision of the MFA.

- **Norad** is responsible for providing advice and quality assurance to the MFA and Norwegian embassies. It provides technical advice to embassies on the planning and implementation of bilateral programs, conducts independent evaluations, and manages funds based on the strategic directions outlined in the appropriation letter from the MFA. Norad has a staff count of 230 and no country offices.
- **Norfund** is a state-owned investment fund. Established in 1997, it supports private-sector activities in developing countries and focuses on renewable energy, agribusiness, and financial institutions.

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6.3. Planning and priorities

Priorities of Norway's development policy are spelled out in the Ministry of Foreign Affairs (MFA)'s white paper, <u>Common responsibility for a common future – the Sustainable</u> <u>Development Goals and Norwegian Development Policy</u>. They include:

- 1. Education
- 2. Humanitarian assistance
- 3. Global health
- 4. Private sector development
- 5. Climate change inclusive of the environment, and sustainable energy, which focuses on climate-change adaptation and mitigation (budget for 2018 stands at NOK5.7 billion US\$679 million with a focus on the Green Climate Fund and the Global Environment Facility). Programs for environmental protection focus on reducing greenhouse gas emissions resulting from deforestation with selected partner countries. Under Norway's International Climate and Forest Initiative (NICFI), Norway pledged up to NOK3 billion (US\$350 million) annually until 2020 to reduce greenhouse-gas emissions caused by deforestation. Brazil is the main partner country in this initiative, leading it to be the second-largest recipient of Norway's ODA in 2016.

Norway will concentrate its bilateral aid on 20 - 25 partner countries. The Government has proposed three main categories of partner countries:

- countries for long-term development cooperation, where Norway is particularly well suited to play a role, primarily countries where Norway has a longstanding engagement in development cooperation (including Ethiopia, Malawi, Myanmar, Nepal, and Tanzania plus Uganda and Liberia have also been proposed);
- countries that are directly or indirectly affected by conflict, that have vast humanitarian needs, and where conflict could spread beyond the region. These are primarily countries in the belt extending from West Africa to Afghanistan (including Afghanistan, Haiti, Mali, Palestine, Somalia, and South Sudan. Niger, Syria, Jordan, and Lebanon);
- countries where efforts to address common global challenges such as climate change, global health and global security could have a particularly large impact, (including Brazil, Colombia, Indonesia, Nigeria, Tunisia, and South Africa).

7. **SWEDEN**

7.1. OECD most recent ODA overview

Official Development Assistance 2017 – Preliminary Data

In 2017, Sweden provided USD 5.5 billion in net ODA (preliminary data), which represented 1.01% of gross national income (GNI) and a 9.9% increase in real terms from 2016, mostly due to an increase in grants for Africa and least developed countries (LDCs) and in contributions to multilateral organisations. Sweden is one of only five Development Assistance Committee (DAC) members

to have met the UN target of 0.7% and the government is committed to continue delivering 1% of its GNI to ODA, which is backed by a broad bipartisan support in parliament. In 2017, in-donor refugee costs were USD 828 million and represented 15% of Sweden's total net ODA, compared to 16.8% in 2016.

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In 2016, 71.2% of ODA was provided bilaterally. Sweden allocated 28.8% of total ODA as core contributions to multilateral organisations. In addition, it channelled 27.3% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

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Bilateral ODA was primarily focused on sub-Saharan Africa. In 2016, USD 845 million was allocated to sub-Saharan Africa, USD 255.1 million to the Middle East, and USD 220 million to south and central Asia.

In 2016, 40.6% of bilateral ODA was allocated to social infrastructure and services, for a total of USD 1.3 billion, with a strong focus on support to government and civil society (USD 825.9 million). Humanitarian aid amounted to USD 91 million. In 2016, Sweden committed USD 337.8 million (15.1% of bilateral allocable aid) to promote

In 2016, Sweden committed USD 337.8 million (15.1% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.



StatLink and http://dx.doi.org/10.1787/888933796813



Figure 40.11. Bilateral allocable ODA in support of global and local environment objectives, 2010-16, commitments, Sweden

USD 1 billion of bilateral ODA supported the environment. In 2016, 46% of its bilateral allocable aid supported the environment and 29.7% (USD 662.8 million) focused on climate change, compared with the respective DAC country averages of 33% and 25.7%.

7.2. Key players and their mandates

The **Minister of Foreign Affairs (MFA)** oversees development policy and financing and decides on core funding allocations to multilateral organizations. Key developmentrelated units within the MFA include the 'Department for International Development Cooperation', which is responsible for overall governance and evaluation of Swedish development cooperation. It also coordinates the development of the ODA budget. It drafts the appropriation letters for the institutions funded under the ODA framework, including Sweden's development agency Sida, which operates under the MFA. It also coordinates all thematic and strategy development for Sida. Other relevant departments for policy-making within the MFA are the 'UN Policy Department', responsible for support through UN organizations and thematic funds, and the 'Global Agenda Department', which coordinates the 2030 Agenda for Sustainable Development, including the Government Office's work on Policy for Global Development.

Sida manages and executes development policy implementation in cooperation with civil society organizations (CSOs), consultants, and other government agencies. In 2018, Sida manages over half of Sweden's ODA budget (SEK24.8 billion, or US\$2.9 billion), in accordance with the strategies developed by Sida and the MFA for each thematic or geographic area. Sida is managed by a governing board, appointed by the Swedish government. Sida has 782 employees, many of whom work at Swedish embassies, and 65% of whom are women.

Based on strategic guidelines set by the Ministry of Foreign Affairs (MFA), Sida and **Swedish embassies** abroad develop strategies for countries, regions, and thematic areas. These are then further refined and approved by the government. The strategies usually cover time periods of three to seven years. Country strategies outline key sectors and provide indicative budgets for the strategy period as a whole. Outdated strategies are usually extended at the end of every year if no new strategy has been formulated.
Operational programming at the country level is based on these country strategies. Annual funding levels for each country are outlined in the three-year budget document that Sida submits to the MFA. Within this annual allocation, most embassies enjoy a high degree of independence from Sida headquarters on how to use bilateral funds. The regional departments at Sida delegate financial envelopes to the embassies on an annual basis.

Sweden's state-owned investment fund, **Swedfund**, supports private-sector activities aimed at promoting sustainable economic development in sectors such as energy, infrastructure, and industry. It is supervised by the Ministry for Enterprise and Innovation and provides risk capital and investment for projects that alleviate poverty in low-income countries.

Civil society organizations (CSOs) play a major role in Sweden's development assistance. In 2016, a fifth of the country's bilateral ODA was channeled through them (27%), which is above the average of 16% among members of the OECD's Development Assistance Committee (DAC). Sida has increased its engagement with Swedish CSOs as a way to identify new methods to deliver its bilateral programs and increase aid effectiveness. For example, Sida channels finance to organizations through 'challenge funds', which are focused on a desired development outcome.



7.3. Planning and priorities

The government's 2016 'Aid Policy Framework' outlines the overall objectives of Swedish development cooperation and sets eight focus areas: 1) human rights, democracy, and the rule of law; 2) gender equality; 3) the environment and climate change, and the sustainable use of natural resources; 4) peace and security; 5) inclusive economic development; 6) migration and development; 7) health equity; and 8) education and research.

Within these eight overarching priorities, the Swedish Government places a **particular focus on environmental and climate-change issues**. Limiting climate impact, environmental resilience, and disaster-risk reduction are core elements of the 2016 Aid Policy Framework.

A special emphasis is placed on **marine resources**. In its <u>'Strategy for development</u> <u>cooperation in sustainable environment, climate and marine resources, and sustainable use</u> <u>of natural resources' for 2018 to 2022</u>, published in March 2018, the government sets an indicative financial envelope of SEK6.5 billion for the five-year period (US\$759 million). In addition, Sweden is the largest per-capita donor to both the Green Environment Facility (GEF) and to the Green Climate Fund (GCF). Sweden has committed SEK4 billion (US\$467 million) to GEF for 2016 to 2018. An additional SEK360 million (US\$42 million) was added to the 2018 budget. It has pledged SEK4.9 billion (US\$581 million) to the GCF for the 2015 to 2018 period.

The most important geographic focus is on Sub-Saharan Africa, and priorities are set in the <u>Strategy for Sweden's regional development cooperation in Sub-Saharan Africa 2016-2021</u>.

Within the framework of the strategy, Sida is expected to contribute to:

- A better environment, sustainable use of natural resources, reduced climate impact and strengthened resilience to environmental impact, climate change and natural disasters
- Strengthened capacity of regional actors to work towards sustainable management and use of common ecosystem services and natural resources
- Strengthened capacity of regional actors to work towards increased resilience against climate change and natural disasters, including capacity for food security
- Increased production of, and access to, renewable energy.

Sida's most important regional partners are:

- The African Union (AU)
- The East African Community (EAC)
- The vision of the Economic Community of West African States (ECOWAS)
- The Southern Africa Development Community (SADC)
- The Intergovernmental Authority on Development (IGAD).

8. 🗄 SWITZERLAND

8.1. OECD most recent ODA overview

In 2017, Switzerland provided USD 3.1 billion in net ODA (preliminary data), which represented 0.46% of gross national income (GNI) and a 13.9% decrease in real terms from 2016, due to lower levels of in-donor refugee costs reported. Under the expenditure stabilisation programme decided by the Federal Council for the period from 2017 to 2019, Switzerland's official development assistance (ODA) will be at around 0.48% of GNI. In 2017, in-donor refugee costs were USD 285 million and represented 9.2% of Switzerland's total net ODA, compared to 19.3% in 2016.

In 2016, 77.9% of ODA was provided bilaterally. Switzerland allocated 22.1% of total ODA as core contributions to multilateral organisations. In addition, it channelled 18.7% of its bilateral ODA to specific projects implemented by multilateral organisations (multi-bi/noncore contributions).





Bilateral ODA primarily focused on sub-Saharan Africa. In 2016, USD 500.4 million was allocated to sub-Saharan Africa, USD 286.4 million to south and central Asia, and USD 179.7 million to Eastern Europe.

In 2016, 26% of bilateral ODA (USD 622 million) was allocated to social infrastructure and services, with a strong focus on support to government and civil society (USD 310.2 million) and education (USD 111.4 million). Humanitarian aid amounted to USD 366 million. In 2016, Switzerland committed USD 24.6 million (1.6% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 355 million (22.8% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.



StatLink and http://dx.doi.org/10.1787/888933797022



Figure 41.11. Bilateral allocable ODA in support

USD 388.4 million of bilateral ODA supported the environment. In 2016, 25% of Switzerland's bilateral allocable aid supported the environment, compared with the DAC country average of 33%. In 2016, 20.9% (USD 324.6 million) of Swiss bilateral allocable aid focused specifically on climate change, compared with the DAC country average of 25.7%.

8.2. Key players and their mandates

The **Swiss Agency for Development and Cooperation (SDC)** is the centre of competence for international cooperation of the Federal Department of Foreign Affairs (FDFA). It implements the Federal Council's foreign policy strategy in the areas of humanitarian aid, development cooperation and transition cooperation.

Within SDC:

- the South Cooperation Department contributes to reducing poverty in 21 countries and regions of Africa, the Middle East, Asia, Latin America and the Caribbean
- the Global Cooperation Department is where Switzerland's global programmes and multilateral cooperation come into play.

The **State Secretariat for Economic Affairs (SECO)** is part of the Federal Department of Economic Affairs, Education and Research (EAER). SECO's Economic Cooperation and Development Division helps to realise the strategic objectives of Switzerland's foreign economic policy. It implements economic and trade policy measures in advanced developing countries to promote social, environmentally and climate-friendly economic growth that creates more and better jobs for people at all levels of society. The Economic Cooperation and Development Division is also responsible for coordinating relations between Switzerland and the World Bank Group, regional development banks and the UN's economic agencies.

The **FDFA's Human Security Division (HSD)** is responsible for the promotion of peace and human rights as set out in the Federal Council's foreign policy strategy. The HSD's diplomatic, strategic and operational activities contribute to the realisation of the

objectives of Switzerland's international cooperation policy. The HSD focuses primarily on sub-Saharan Africa, North Africa, the Middle East, the OSCE region and individual countries in Asia and Latin America.

In order to fulfil their tasks, these federal agencies also depend on the expertise and involvement of civil society: individuals, private companies and aid agencies (NGOs), as well as cantonal and communal authorities. Many of these institutions carry out smallscale or major development projects on behalf of the federal government or on their own.

8.3. Planning and priorities

The <u>Dispatch on Switzerland's International Cooperation 2017–2020</u> sets out the rationale, objectives, principles and instruments for Switzerland's commitment.

It indicates the following priority areas:

- Increased funding for basic **education** and vocational training
- Strengthening **gender equality** and the rights of women and girls
- **Economic growth** for the benefit of all, and in particular increasing the quality and quantity of jobs available and improving the underlying conditions for economic activity
- Increasing **emergency aid** in order to better help and protect people affected by crises and disasters, particularly the millions of refugees and internally displaced persons in the Middle East
- Strengthening efforts to promote the **resolution of armed conflicts** by peaceful means
- Maintaining presence in **fragile contexts**, with a special emphasis on sub-Saharan Africa
- Playing a pioneering role in areas of global scope, such as **food security, climate change and environment, water, migration and international finance and trade**
- Strengthening partnerships with the private sector and diversifying sources of funding for **sustainable development**
- **Sustainable management of natural resources** and ecosystems to reduce the impact of climate change on the poorest and most vulnerable populations.

In the period 2017–2020 the focus will be on the following priority countries and regions:

- Benin, Burkina Faso, Mali, Mozambique, Niger, Tanzania, Chad, Bangladesh, Nepal, Mongolia, Myanmar, Bolivia, Haiti and Cuba
- The regions of the Horn of Africa, Southern Africa, the Great Lakes, North Africa and the Middle East, the Mekong, the Hindu Kush and Central America.

9. 😹 UNITED KINGDOM

9.1. OECD most recent ODA overview

In 2017, the United Kingdom provided USD 17.9 billion in net ODA (preliminary data), which represented a 2.1%

increase in real terms from 2016 and continued adherence to its legislative commitment to spend 0.70% of gross

national income (GNI) on ODA. The United Kingdom is one of only five Development Assistance Committee (DAC) members to have met the UN target of 0.7% of ODA/GNI in 2017. In 2017, in-donor refugee costs were USD 491 million and represented 2.7% of the United Kingdom's total net ODA, compared to 3.2% in 2016.

In 2016, 64.1% of ODA was provided bilaterally. The United Kingdom allocated 35.9% of total ODA as core contributions to multilateral organisations. In addition, it channelled 30.1% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/noncore contributions).

Official Development Assistance 2017 – Preliminary Data





Bilateral ODA was primarily focused on sub-Saharan Africa. In 2016, USD 3.4 billion was allocated to sub-Saharan Africa, USD 1.7 billion to south and central Asia, and USD°1.3° billion to the Middle East.

In 2016, 46% of bilateral ODA was allocated to social infrastructure and services, at a total of USD 3.4 billion, with a strong focus on government and civil society (USD 889.1 million), education (USD 872.5 million), and health (USD 842.5 million). Humanitarian aid amounted to USD 1 billion. In 2016, the United Kingdom committed USD 5.8 million (0.1% of bilateral allocable aid) to the mobilisation of domestic resources in developing countries. It also committed USD 833.9 million (12.5% of bilateral allocable aid) to promote aid for trade and to improve developing countries' trade performance and integration into the world economy.



StatLink and http://dx.doi.org/10.1787/888933797231



Figure 42.11. Bilateral allocable ODA in support

USD 1.5 billion of bilateral ODA supported the environment. In 2016, 22.8% of the United Kingdom's bilateral allocable aid supported the environment and 21.2% (USD 1.4 billion) focused on climate change, compared with the respective DAC country averages of 33% and 25.7%.

9.2. Key players and their mandates

The **Department for International Development (DFID)** leads on strategy setting and funding decisions for the UK's development policy. DFID has about 2,700 employees and implements programs in 28 priority countries through various regional programs.

DFID manages almost three-quarters of the UK's ODA. Programming of DFID's bilateral funding is largely decentralized, as DFID's country offices mostly manage program development. Programming is based on the Treasury's Comprehensive Spending Review (CSR), which sets DFID's budget for the parliamentary term. Based on the CSR, DFID sets out high-level priorities in its multi-year Business Plan. Reflecting the Business Plan's priorities, DFID's country offices develop Operational Plans (OPs), which guide DFID's bilateral cooperation within the partner country. An OP includes indicative multi-year budgets for 'strategic pillars' (e.g. health), including 'results targets' to be achieved by the end of the OP period. Once the OP is finalized, country offices will still have an opportunity to make adjustments during the annual budget process, based on the overall multi-year budget framework set by the CSR and DFID's Business Plan. In addition, DFID headquarters originates and manages programs that go beyond the scope of a single country, such as specific thematic and regional initiatives.

- The Bilateral Development Review (BDR) is the document assessing the composition of DFID's bilateral portfolio, geographic priorities, and delivery channels. Current BDR has been published in December 2016.
- The Multilateral Development Review (MDR), published jointly with the BDR, assesses the effectiveness of multilateral organizations and their approach to 'value for money'.

- The Civil Society Partnership Review, the third key review, released in November 2016, assesses the role, funding options, and effectiveness of civil society organizations (CSOs) in the UK.
- DFID's Economic Development Strategy, released in early 2017, will continue to drive the way DFID allocates funding for the promotion of economic development. The strategy outlines five priority sectors for DFID's work in this area: 1) infrastructure, energy, and urban development; 2) agriculture; 3) exports, manufacturing, and services; 4) extractive industries; and 5) economic inclusion.

In 2016-17 the Department spent £10,442 million against a budget of £10,608 million – an underspend of £166 million. The majority – £10,013 million (96%) – was spent on development and humanitarian programmes. The graph below shows the distribution of DFID money by types of programmes.



From National Audit Office (NAO) short guide to the Department for International Development (DFID) 2017 (https://www.nao.org.uk/wp-content/uploads/2017/09/A-Short-Guide-to-the-Department-for-International-Development.pdf)

Parliament: The UK Parliament is composed of the House of Commons and the House of Lords. Within the House of Commons, 'select committees' review the work of ministerial departments. The International Development Committee scrutinizes DFID's policies and spending and monitors organizations that receive DFID funding.

The **Foreign and Commonwealth Office** provides funding particularly in the areas of conflict-reduction, human rights, and climate change. The **Ministry of Defense** supports DFID's work in fragile states and regions. Together, government departments other than DFID managed 26% of the UK's ODA in 2016. This share is expected to further increase to about 30% by 2020.



<u>**Civil Society Organisations</u> (CSOs)** in the UK play a strong role in implementing development funding and shaping the agenda. They frequently engage with the government through formal and informal consultation processes. **BOND**, the UK's membership body for development CSOs, has 450 members and has been key in maintaining the UK's strong commitment to development. DFID provides funding to CSOs, both through its country offices and as direct funding through DFID headquarters. According to OECD data, CSOs implement 19% of DFID's bilateral programs, above the 16% average among countries in the OECD's Development Assistance Committee (DAC).</u>

9.3. Planning and priorities

DFID single departmental plan sets out objectives and specifies how to achieve them. According to <u>23 May 2018 update</u>, strategic priorities for development are:

- Strengthening global peace, security, and governance: At least 50% of DFID's annual budget will be spent in **fragile states** and regions.
- Strengthening resilience and response to crisis: £500 million per annum ODA crisis reserve will be operated to enable **rapid response to emergencies**; Support will be provided to enable **low carbon growth** and greater **country resilience** to shocks; International **action against climate change** with BEIS (Department for Business, Energy & Industrial Strategy) and Defra (Department for Environment, Food & Rural Affairs) will be continued; Work will be done to prevent catastrophic environmental degradation, and tackle **degradation** of habitat and loss of species, including action to address **marine plastic pollution** with Defra; A doubling of global public funding of clean energy Research, Development and Demonstration under the Mission Innovation Initiative will be supported.
- Promoting global prosperity: £1.3 billion Prosperity Fund will be set up to promote economic reforms and **improve business** climate in developing countries, in response to DFID's Economic Development Strategy that highlights a stronger role for the UK's development finance institution specialized in private sector finance, the CDC group; Opportunities **digital technologies** offer to drive economic growth, alleviate poverty and improve the lives of those in low and middle income countries will be harnessed (see DFID Digital Strategy 2018-2020)
- **Tackling extreme poverty and helping the world's most vulnerable**:_Focus on eliminating extreme poverty by 2030, supporting the world's most vulnerable people, and improving access to basic needs; Work to end hunger, achieve **food security** and improved nutrition and promote sustainable agriculture and deliver DFID's global nutrition strategy to save lives, invest in future generations and build prosperity.
- **Delivering value for money and efficiency**: Maintain the commitment to spend 0.7% of gross national income on assistance to developing nations and international emergencies, and keep all aid untied; Drive efficiency and effectiveness in all programmes.